

Digitalisation and internationalisation strategies of traditional multinational corporations into emerging markets.

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Abstract

This study explores the transformative impact of digital technologies on traditional multinational corporations (MNCs) within the international business (IB) landscape. Focused on the specific context of MNCs entering emerging markets (EMs), the research employs the OLI (Ownership-Location-Internalization) eclectic paradigm theoretical framework. This framework serves as a lens through which to examine the applicability and distinctions of the OLI model in the face of the profound changes wrought by digitalization. The study, conducted through a qualitative narrative inquiry, utilizes semi-structured interviews as a primary data collection method. Employing triangulation with primary data collected using semi-structured interviews, the research seeks to contribute new insights to the understanding of how traditional MNCs navigate the challenges and opportunities presented by digital transformation in their internationalisation strategies entering EMs.

Keywords

Digitalisation

Digital transformation

Internationalisation

Multinational companies

Emerging markets

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 Philosophy in IB 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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List of abbreviations and acronyms

AI	Artificial intelligence
EM	EMs
IB	IB
IoT	Internet of Things
FSAs	Firm specific assets
FSAs	Firm specific advantages
M&A	Merger and acquisitions
MNCs	Multinational corporations
MNEs	Multinational enterprises
OLI	Ownership, Location, and Internalization.
R&D	Research and development
RQ	Research question

Chapter 1 - Introduction to the research problem

1.1. Introduction

The international business (IB) environment has been altered by the advancement of digital technologies, resulting in reduction of economic distances between countries, and cross-border economic integration (Watson et al., 2018), increasing internationalisation of firms searching for business opportunities in foreign markets (Wittkop et al., 2018). Equally, traditional multinational corporations (MNCs) are required to adapt their products and services, refine their organisational structures to successfully internationalise from domestic to foreign markets (Liu et al., 2022).

However, the increasing interdependency of countries has increased the importance of the differentiating home countries from host countries more so for MNCs' international strategies (Xu et al., 2021). Hence, a study by Gammeltoft and Cuervo-Cazurra (2021) revealed that lack of development in EMs influences decision making of a MNCs with regards to the following: decision to operate in foreign markets, decision in choosing host country, and decision on the mode of entry into the foreign market. While home country of MNCs can affect "its entry mode and ownership structure choice, and their internationalisation strategy" (Montanari et al., 2020. p, 2159) .

Although there is sufficient research on digitalisation and internationalisation such as the relationship between digitalisation and firm performance (Bhandari et al., 2023). Little is known about the impact of digitalisation on traditional MNCs internationalisation strategies (De Beule et al., 2022; Cha et al., 2023), in addition IB literature offers vague knowledge about the implication of digitalisation on the theoretical framework of the (IB) studies (Beule et al., 2022).

Therefore, the purpose of this research is to explore how digitalisation influence traditional MNCs internationalisation strategies when entering emerging markets (EMs). While it aims to address the gap in literature of the applicability of the existing IB theories to the phenomenon of impact of digitalisation traditional MNCs and internationalisation strategies in the context of EMs. Thus, offer a different perspective to Luo's (2021) argument of the shift in IB theories due to digital globalisation changing norms of how international expansion occurs and questioning the existing IB theories.

1.2. Background to the research problem

The impact of digital technologies on the inside and outside of a MNCs environment has become a concern for established traditional MNCs operating in traditional industries like retail and financial services as they deem digital economy a threat to their success gained before the era of digital economy (Chaniyas et al., 2019). Because of the difference between digital economy and the traditional industrial economies there are changes in regulations within the various markets leading to misalignment between traditional business models and the digital landscape (Li, 2020), this tend to be challenging for traditional organisations which are required to transform their strategy and operations. Several scholars (De Beule et al., 2022; Ciulli & Kolk, 2023) argue that the use of digital technologies in a firm's business activities (e.g., products, processes and/or business model) caused IB scholars to question the impact of digitalisation on a firms' operations and organisation structures as well as how firms' digital technologies facilitate its growth into foreign markets.

Digitalisation refers to a firm's adoption and continuous application of digital technologies (Lee et al., 2019). However, this poses implications for traditional firms (Strange et al., 2022), by changing the way firms create, capture, and deliver value (Seow & Chong, n.d.) which has resulted in increased competition. Consequently, traditional MNCs are facing challenges triggered by the disruptive trend of digital transformation forcing traditional industries such as automotive, retail and financial services to digitalise (Shaheer et al., 2022; Porfírio et al., 2021) as it is disrupting markets and altering customer behaviour (Siachou et al., 2021).

Digital transformation encouraged IB scholars to pay attention to digitalisation and how it is fast-tracking internationalisation (Bergamaschi et al., 2021). While (Ghosh et al., 2022) expressed that quick modelling of MNCs capabilities, triggered by new technologies, are important for capturing digital transformation benefits for MNCs. As Hervé et al. (2019) has noted, digitalisation enables companies deploy new technologies into the value chain to improve data management in their internationalisation processes.

Although technological advancements are changing economies and trade cross different countries (The World Trade Organization, n.d.), the adoption of digital technologies could advance the application of trade agreements to minimise barriers to market entry. But continuous technological innovation needs to be aligned with the legal framework of trading internationally and proper networks to drive global adoption and scalability are required (The World Trade Organization, n.d.).

For further understanding on the work that is to be achieved by this study (explore how digitalisation affects internationalisation strategies), an outline of both digitalisation and internationalisation is presented. The scope of this research is described by the following terms, digitalisation, digitization, and digital transformation will be used interchangeably as according to Hervé et al. (2019) digitalisation applies digitizing techniques to render digital technologies infrastructural while digitization is the technical aspect of making digital technologies and digital transformation refers to the adoption of various modern technologies such as digital platforms, the Internet of Things (IoT), artificial intelligence (AI), robotic automation, cloud computing, big data analytics, and 3D printing for collecting, storing, and analysing data (Strange et al., 2022), as the description of the terms encompasses the scope of this study.

Internationalisation refers to the growth of a firm's presence and operational activities in foreign markets by allocating resources in alignment with the conditions of the markets to position the firm and its network internationally, enabling the firm to create and capture of value through various cross-border business activities (Błaszczuk et al., 2023; Gammeltoft & Cuervo-Cazurra, 2021; Ayden et al., 2021; Ipsmiller & Dikova, 2021). Whereas da Fonseca et al. (2023) referred to operating multi-language social media accounts and websites to increase their international presence through ecosystem of mutual support in the internationalisation-digitalisation interplay. Similarly, globalisation is defined by Luo (2021) as the flow of resources such as goods, services, information, and investments across the border. Therefore, in this study the terms internationalisation and globalisation are used interchangeably along with the terms multinational corporations (MNCs) multinational enterprises (MNEs). This study focuses on how digitalisation influence internationalisation strategies for traditional companies that have digitally transformed entering EMs and exploring the influence of digitalisation on their entry modes and market selection decisions.

1.3. Statement of the research problem.

There is lack of research regarding the challenges experienced by traditional MNCs when entering new markets due to the accelerated use of digital technology in IB (Stephenson, 2020). Moreover, the combination of internationalisation and digitalisation presents new challenges to the IB research field (Herver et al., 2019) which have significant implications for traditional IB theories (Autio et al., 2021; Herver et al., 2019).

Several studies have explored the connection between digitalisation and internationalisation (Hervé et al., 2022; da Fonseca et al., 2023; Bhandari et al., 2023) and are in agreement of

the advantages and opportunities (e.g., improve firm performance, reduce market entry barriers, broadening the scope while fast tracking internationalisation processes) in adopting digital technologies. Hence, there is an increase in the use of digital technologies by firms looking to expand into foreign markets as digital technologies offers firms new creative ways to reach potential customers globally (Seow & Chong, n.d.).

Consequently, traditional MNCs are forced to digitally transform to sustain their pre-digital era competitiveness (Siachou et al., 2021). However, da Fonseca et al. (2023) argues that there is a difference in experiences and benefits of digital internationalisation for firms entering developed markets in comparison to those entering EMs pointing to constrains in resources and capabilities variance.

Nevertheless, internationalising through digital technologies has its advantages and disadvantages when firms are moving beyond the border of their home countries (Seow & Chong, n.d.). As Ciulli and Kolk (2023) explained that deploying digital solutions across borders can assist in solving sustainable development matters experienced by firms across different countries. However, deployment of digital solution requires significant transform to deal with different digital technologies across different countries.

1.3.1 Practical problem

According to Demir et al. (2021) speed of entry into foreign markets is important for the success of firm internationalisation as fast-tracking market entry may results in lower profitability due to unsatisfactory structural adaptation. Although the use of digitalisation has reduced the costs and the risk of failure in entering new markets (Wittkop et al., 2018), decision to enter new markets is simple, as it is a lengthy complicated process characterized by uncertainty and unexpected delays (Markman et al., 2019). Because the fixed organisational structure of EMs firm's subsidiary in foreign markets it is expected to have influence on the firm's entry mode strategy when internationalising particularly choosing an entry mode that aligns with the firms internationalisation's objectives (Mukherjee et al., 2021). Thus, it would be beneficial to business to understand how internationalisation process and market entry mode affects firm's organisational structure while it is also important for digital transformed business understand the culture and regulatory procedures of EMs when entering EMs.

1.3.2 Academic problem

The IB landscape has been disrupted by the escalation of digital innovations (Shaheer et al., 2022), this has led to questions about the applicability of existing IB theories in the phenomenon of digitalisation and internationalisation (Shaheer et al., 2022). Regardless of reports of the weakness in the applicability of traditional IB theories like “(e.g., internalization theory in combination with scale efficiencies on transaction costs as explanation for the existence of MNEs, the eclectic paradigm adding ownership and location-specific advantages)” (Wittkop et al., 2018, p.196). There is insufficient research addressing the inadequacy of existing IB theories in digitalisation and internationalisation (Mandler et al., 2021; Cha et al., 2023). Therefore, this study aims to address this gap in literature, and explore the applicability of internationalisation approach (Hervé et al., 2020), in the changing IB environment.

Yet, changes brought by digitalisation in the IB environment challenges traditional internationalisation approach (Mandler et al., 2021). Hence, Dunning’s eclectic OLI paradigm continuously extend its applicability to accommodate changes within the IB landscape (Tolentino, 2001). The eclectic paradigm gives firms a competitive advantage by leveraging firm ownership advantage along with host country location advantages, and internalisation advantages that motivate firms to internationalise (Lou, 2021). To address the identified gap, this study is grounded on the OLI paradigm - OLI (ownership, location, and internalization) advantages. Using this theoretical framework of this study examines the influence of digitalisation on internationalisation processes and traditional MNCs and how that affects market entry into EMs.

1.4 Research aims and objectives.

The purpose of this study is to explore the impact of digitalisation on internationalisation strategies when entering EMs. The study aims to contribute to the body of knowledge by addressing the research gap through examining the applicability of the OLI eclectic paradigm in the digitalisation and internationalisation phenomenon as the chosen theoretical lenses of the study. Therefore, the research objectives are to establish the following:

- How traditional MNCs organisational structures are affected by the adaptation of digitalisation.
- How digitalisation influence market entry mode decisions when internationalising into EMs.

- Changes market entry strategies caused by integrating digital platforms in traditional MNCs.
- How traditional MNCs diversify to meet local markets requirement after digitally transforming.
- Challenges phased by traditional MNCs due to digitalisation when internationalising.

1.5 Contribution to study

The result of the study contributes to the IB literature by addressing the research gap identified in the existing literature. While illustrating practical implications resulting from the impact of digitalisation on traditional MNCs and internationalisation strategies into EMs.

Chapter 2 - Literature review

2.1 Introduction

This chapter provides a review of the existing literature on digitalisation and internationalisation strategies. First, it reviews the eclectic OLI advantages (Ownership - Location- Internalisation) theory as the employed theoretical lenses of the study to form a diverse understanding of the applicability of the framework and explore the inadequacies of the theories when applied the phenomenon of digitalisation and internationalisation strategies when entering EMs. Second, it identifies the gap in the existing literature and lack of academic literature on traditional MNCs digitalising and internationalisation strategies as Wittkop et al. (2018) noted that firm internationalisation studies focus on the pre-digital business landscape. This is supported by (De Beule et al., 2022) indicating a lack of literature on digitalisation and global strategy. As a result, the applicability of the internationalisation theories in the context of digitalisation is challenged (Wittkop et al., 2018). This section concludes by establishing a connection between digitalisation and internationalisation by drawing conclusions from previous studies on the phenomenon.

2.2 Theoretical framework

To explore the impact of digitalisation on the internationalisation strategies of firms operating in EMs, the study will be grounded on Dunning's eclectic OLI advantages (Ownership- Location- Internalisation) a well-known theoretical lens in the IB (IB). The OLI advantage theory analyses a firm expansion into foreign markets due to location, ownership, and internalisation advantages (Luo, 2021) driving firm growth into cross-border activities (Eden & Dai, 2010). Firms invest in foreign markets to benefit from accessing needed low cost resources in the host country than in the home country (Lou, 2021), OLI theory offers different forms of gaining competitive advantage by leveraging firm ownership advantage or firm specific assets along with host country location advantages, and internalisation advantages that motivate firms to grow internationally (Lou, 2021).

The OLI advantages theory offers a more comprehensive framework for the field of IB studies by incorporating different perspectives within IB research and its practical applications (Luo, 2021). Developed in 1976 the eclectic theory to explain MNC growth and composition of international production (Tolentino, 2001), this theory infuses the ownership, internalisation

and location factors taken from macroeconomic theories and from mesoeconomic and microeconomic theories. Since then, as indicated by (Tolentino, 2001) the eclectic theory evolved to tend to the developments in international production and increase in network usage by MNCs for cross-border activities leading to the differentiation of forms of ownership advantages. Additionally, the framework was modified to incorporate the role of the institutional and political economy of the host country (Liang et al., 2011) “and their association with O, L and I-specific advantages or disadvantages and their roles in Chinese firms’ internationalisation” (Liang et al., 2011, p. 5). Subsequently, the framework was further extended by adding the network-based advantages (Cha et al., 2023a), to explain the effect of the ecosystem in the internationalisation of e-commerce renaming the framework to N-OLI (network, ownership, location, and internalisation). Recently, (Luo, 2021) submitted a new OLI framework namely, open resources, linkages, and integration advantages, toward internationalisation advantages for MNCs taking digital forces into consideration having toned weaknesses in the original OLI. Although the scholar acknowledges the importance of the original OLI paradigm, it is viewed to be weakened by digital forces that are altering global connections through digital technologies (Bhandari et al., 2023).

It's evident that the eclectic paradigm and the several extended frameworks complement each other (Lou, 2021). An older study (Torontino, 2011) reported that the concept of the second and third ownership advantages is not relevant to the growth of international production by vertical and horizontal integration as the focus to reduce transaction costs. Similarly, a synthesis of OLI with frameworks from other disciplines attempted to provide a framework for MNC internationalisation but these merged theories were not successful (Cantwell & Narula, 2001). However, a recent study (Cha et al., 2023) reviewed several IB theories (transaction cost economics, resource-based view, N-OLI, institutional theory, and entrepreneurship theory) to offer a more generalisable framework for e-commerce. The findings illustrated the positive influence internationalisation has on MNCs performance (Cha et al., 2023). IB scholars would need to go beyond the traditional approach in the new business forms (Cha et al., 2023) as the IB theories are not consistent in their applicability (Cantwell & Narula, 2001).

2.3 Internationalisation

Internationalisation is the process of adapting firms’ presence and operations into foreign markets (Błaszczuk et al., 2023; Kuivalainen et al., 2012) by extending business activities beyond the border of a firm’s home country into host countries (Seow & Chong, n.d.). Considering the positive attributes of the host country and its contribution to MNCs’

internationalisation process and strategies (Montanari et al., 2020). (Metsola et al., 2020) further describe it as the process of intensifying international operations as a new entrant or reinvesting in their cross-border business activities which have notably increased access to international markets for new entrants like digital platform-dependent companies (e.g., Apple, Amazon, Google, Facebook, Alibaba) and MNEs from EMs have entered the landscape and this enable MNEs to intensify distribution of activities across different locations (Ghuri et al., 2021). In the IB field, the OLI advantage theory analyses firm expansion into foreign markets due to location, ownership, and internalisation advantages (Luo, 2021).

Similarly, Reuber et al. (2021) defined firm global scaling as the logic of internationalisation utilised by firms seeking to accelerate business growth through a replicable business model across foreign markets. This definition is supported by (Katsikeas et al., 2020) who argue that companies with limited resources now have the ability to adapt and the agility to take advantage of opportunities in foreign markets. The theoretical approach of OLI advantages leverages their transferable resources to grow across national borders (Liang et al., 2011).

(Seow & Chong, n.d.) reported that the growth in the use of digital technologies in internationalisation increases competition when companies are venturing into businesses beyond their country's borders by reducing barriers to market entry. These reports are supported by (Hervé et al., 2022) that the use of digital technologies intensifies competition in the IB environment (Hervé et al., 2022) and has significantly disrupted industries while creating opportunities for new entrants (Seow & Chong, n.d.) lowering entry barriers (Hervé et al., 2022). Nonetheless, it is worth noting that the disruption poses challenges to existing IB theories by altering processes and speed of internationalisation (Luo, 2021) hence, internationalisation theories are questioned as to whether they are still relevant or whether they require adjustments to align them to the shifts caused by digitalisation through digital assets (e.g., digital technologies like blockchain, the Internet of Things).

2.3.1. Internationalisation processes

According to (Seow & Chong, n.d.) firms are now able to improve their global value chains by making use of digital technology in their process of expanding internationally because digitalisation has changed how businesses enter new markets. This indicates a shift in the pattern and speed of the traditional internationalisation processes (Autio et al., 2021), which focused on incremental internationalisation due to the theories of cross-border tensions and differences in transactions (Gammeltoft & Cuervo-Cazurra, 2021).

There is a need for a new theoretical framework to be developed as the cause-effect approach is not applicable in explaining the relationship between digitalisation and internationalisation (Seow & Chong, n.d.). In line with this (Ipsmiller & Dikova, 2021) highlights the increasing demand for new theoretical development that will effectively support the internationalisation of firms entering EMs in the context of digitalisation. As identified by (Bhandari et al., 2023) traditional ownership, location, and internalisation (OLI) advantages are weakened by digital forces and global ecosystems while increasing the need for scholars to gain a comprehensive understanding of how the new OLI advantages support the impact of digitalisation and internationalisation. Subsequently, it is important to expand a theoretical framework that offers deeper insight and clarifies the complicated relationship between internationalisation and digitalisation, contributing to a better understanding of internationalisation processes (Treviño & Doh, 2021).

2.3.2. Market entry modes

Market entry refers to a firm's access into a new market to deliver service or product offerings (Markman et al., 2019). There are several choices of the entry mode to new markets, such as "export (direct, indirect or cooperative), by contract (licensing, franchising, technical agreement, contract of services, contract of administration, contract of production and contractual alliance) or by direct investment (Greenfield, acquisition, subsidiaries of integral control and joint ventures)" (Montanari et al., 2020,p.2150). Deciding on the appropriate form of foreign market entry is important as it is a network-based method of accessing new capabilities (Brouthers et al., 2022). In support of this view Pedersen and Tallman (2022) emphasises the importance of the differences between home and host country as they determine the strategy to be pursued by a MNE when internationalise into foreign markets.

According to (Seow & Chong, n.d.) traditional internationalisation thrives on investing in physical assets in foreign markets (Watson et al., 2018) with the use of traditional international market entry strategies which gained dominance before the advancement in internet-based communication. However, recent studies have been paying much attention to the development of traditional foreign market entry modes (exporting, licensing, franchising, strategic alliance, joint venture, greenfield investment, Foreign Direct Investment), since the emergence of digital technology phenomena developed a global value chain system that is focused on involvement rather than investment (Brouthers et al., 2022). As digitalisation enables firms to grow digitally into new markets and access global consumers directly (Seow

& Chong, n.d.). For example, advanced digital technologies like artificial intelligence can now be used to improve efficiency in manufacturing and product distribution (Hervé et al., 2020) as well as provide managers with accurate data regarding identify suitable partners, potential customer mode of contact, advertising, and pricing choices when making decisions for market entry.

However, there is evidence from other studies that argue that joint ventures and strategic alliances would be more flexible and changeable modes of entry (Papanastassiou et al., 2020). From this perspective, further evidence shows growth in mutual trust and a reduction of resourcefulness, and a development of technical linkage with foreign partners which encourages involvement instead of investment (Papanastassiou et al., 2020). This has created interest in non-traditional international entries (Brouthers et al., 2022) “that no longer represent structures for reducing cost and instituting administrative control.” Brouthers et al. (2022) suggest a need to move beyond the normal way of minimising costs and asset exploitation due to the continuous evolvement of the entry mode model. Such as technological advancements that are altering traditional entry modes and internationalisation strategies prompting conflicting views among IB scholars with some suggesting using traditional entry modes such as M&A or greenfield investments by digitally transformed MNCs is inadequate (Shaheer et al., 2022), stressing the relevance of digital entry and platform entries as new entry modes of foreign entry.

Exporting

Exports enable MNCs to participate in foreign sales without the need for a physical presence foreign country by utilising independent distributors(Watson et al., 2018; Hennart, 2019). In addition, Kahiya, (2020) views exporting as selling in foreign markets from a home country. Exporting helps lower market development costs, and it is also employed to determine the nature and scale of the market. (Johanson & Vahlne, 1977). Therefore, the dominant operation mode in the initial stage of internationalisation is exporting (Kuivalainen et al., 2012). Moreover, the use of digital platforms in exporting to international markets eliminates geographical barriers and lower costs making it a significant competitive approach (Hervé et al., 2020). E-commerce has brought about a fundamental transformation in the way business operations are conducted (Hervé et al., 2020). Despite this, several scholars (Johanson & Vahlne, 1977; Johanson & Vahlne, 2009; Kahiya, 2020) view exporting as an activity outside the scope of internationalisation which includes overall outward expansion of a firm’s activities while exporting focuses on selling products or services to foreign without physical presence in such markets which may be indifferent to the market entry modes.

Licensing and franchising

Licensing agreements offer MNCs opportunities to expand their business operations into international markets by transferring financial risk to host country agents (Watson et al., 2018). However, licensing and franchising in a digital platform era differs from traditional franchising as a mode of market entry like the taxi platforms, Microsoft Enterprise Agreements, and Hertz corporate car rentals (Hennart, 2019) depend on independent service providers while exercising control over their behaviour.

Strategic alliances

Strategic alliances are described as business agreements involving the collaboration of two or more firms in exchanging of technological knowledge, R&D and services to serve as a mode to access new markets and facilitate the exchange of knowledge among its partners through collaboration initiatives (Siachou et al., 2021). Strategic alliances require MNEs to be cautious when adapting ownership structure as the rule of law in host country markets may be different than the home country law (Xu et al., 2021). While there is an increase in strategic alliances and outsourcing, mainly, collaboration of innovation, Narula et al. (2019) argue that collaboration of different firms requires certain capabilities such as trust, to help MNCs to work with other firms in the global value chain and establish long-term profitable relationships.

In addition, inter-firm relationships integrate the partnering FSAs of each firm leading to internalisation advantages of the OLI paradigm within collaborating firms (Narula et al., 2019). Because the difference in institutional often requires managers to maintain an effective working relationship with alliance partners (Xu et al., 2021).

Although there is sufficient research on integration of technology across business functions and industries, little is known about traditional MNCs engaging in strategic alliances to gain access to technological knowledge (Siachou et al., 2021). While this is the case, strategic alliances in the digital era can be beneficial to traditional MNCs that are challenged by digital transformation (Siachou et al., 2021).

Mergers and acquisitions

Mergers and Acquisitions (M&A) are seen as crucial strategies widely used by firms to improve domestic performance (Hossain, 2021) enabling MNCs to respond to external changes and effectively enter foreign markets (Khan et al., 2019). Moreover, MNCs employ M&A to lower trade-related expenses, such as tariffs or shipping costs, to acquire foreign market-specific

knowledge, or substitute for greenfield FDI (Lee, 2017). M&A can significantly improve a firm's capabilities, making it more efficient and competitive in the modern business landscape (Hossain, 2021). Recently, the adoption of M&A strategies as a means of seeking advanced technologies has increased, as firms are using M&A to obtain externally developed technology (Lee, 2017). Despite the increased adoption of M&A by firms to enter foreign markets Khan et al. (2019) warn of post M&A challenges such as differences in cultural beliefs and values which create a high failure rate after M&A integration of firms. However, firms require post-merger agility to manage challenges, adjust a firm's business strategy and align it to its strategic goals (Khan et al., 2019).

2.3.2.1. Factors influencing entry mode selection.

The use of digital technologies, according to Hervé et al. (2020) improves market entry strategies, identifies prospective customers, selects suitable partners, and increases accuracy in demand forecasting when using artificial intelligence.

Firm capabilities and resources.

A firm's capabilities and its ability to develop new capabilities will affect how it enters or accesses new markets (Siachou et al., 2021). Because certain abilities like local networks and reputation are not easy to duplicate in different markets (Lashitew & van Tulder, 2020). Thus, it is for firms to develop new capabilities such as social embeddedness to improve competitive advantages within an emerging economy. However, heavily relying on social embeddedness without consideration of local networks and reputation can inflate costs, waste limited resources (Lashitew & van Tulder, 2020), (Fourné et al., 2023) and unadaptable capabilities result in lower internationalisation scope. Hence, (Siachou et al., 2021) reported that organisations adapting to digital changes are often faced with difficulties in embracing new technologies and with new ways to compete with new players in the market.

Despite the highlighted challenges, firms can acquire strategic resources and innovative capabilities as suggested by Xu et al. (2021, p.15) that "MNEs in emerging economies use international expansion as a means to acquire strategic resources and reduce their institutional and market constraints". Thus, a study by Hossain (2021) reported increased use of resources and expertise approaches for M&A that is expected to increase firm performance, market control, and integrate firm management strategy.

The choice of market entry mode is important when firm are entering EMs as studies in the IB literature highlighted the importance of the host country quality in host country selection

(Dunning & Lundan, 2008). As Mukherjee et al. (2021) argued that the FSA's are significant in an MNCs' location choice and entry mode strategies (Mukherjee et al., 2021). This aligns with the significance of OI advantages of the OLI theory which considers a firm's O-specific assets as the transferable FSAs, but the second OI of MNCs influence location base advantages of countries while the third OI advantages of MNCs influence their mode of entry (Dunning & Lundan, 2008).

According to Markman et al. (2019), firms enter new markets for various reasons like increase sales, develop new capabilities, or grow their international footprint by aligning internationalisation motives with entry mode strategies. For example, Companies seeking to exploit host country resources, it will be appropriate to pursue M&A as this strategy can significantly improve a firm's capabilities (Hossain, 2021). On the other hand, companies that internationalise seeking diversity pursue strategic alliance which facilitates the sharing of knowledge between collaborating partners to gain access to new markets (Siachou et al., 2021).

Regardless of the motivation to enter new markets and entry mode strategies, a stakeholder analysis is required as well as allocation of strategic resource, location choice and barriers to entry are among important contingencies to be considered. Hence, research findings reported by Dunning and Lundan (2008) indicate location-specific institutions influence mode of entry and inside the firm. Additionally, significant institutional factors such as local regulations, cultural differences (Markman et al., 2019) and labour laws must be considered when entering international. According to (Liedong et al., 2020) market entry through joint venture with local partners to gain market information, and joint ventures are good to improve market adaptation with minimum entry modes commitment that has an easy way to exit EMs.

2.3.3 OLI paradigm approach.

This study has identified the OLI paradigm and new OLI advantages approaches for the internationalisation processes of traditional MNCs. The identified approaches outline how firms grow internationally. The OLI paradigm and new OLI advantages theories provide an effective internationalisation process and market entry mode selection.

Dunning's eclectic OLI advantages

The eclectic paradigm also known as the OLI paradigm theory was introduced by Dunning in 1976 to respond to the growth of the international production and MNCs in the world economy (Tolentino, 2001). There are three identified factors (Dunning & Wymbs, 2001) firstly, there is ownership (O) advantages which gives a firm competitive advantages by utilising specific value-adding assets in their activities in foreign markets. Secondly, the location (L) advantages of countries or regions enable a firm to create or add value. Finally, the internalisation (I) advantages integrate the O advantages with the L advantages to leverage internal capabilities and not outsource any activities to foreign firms.

Ownership (O) advantages

Cantwell & Narula, (2001) view ownership advantages as a form of international growth which gives MNCs distinctive competitive edges to expand and compete in the international markets. Hence, Liang et al. (2011) refer to ownership advantage as a firm's unique assets such as technologies and brand power that give a firm a competitive advantage when competing in other countries. Lou (2021) however, referred to ownership advantages as the firm's capacity to attract international partners by its ability to acquire resources.

Furthermore, in the 1976 study conducted by Dunning three types of ownership advantages were highlighted (Dunning, 2001), which consist of a firm's unique income-generating assets, a firm's ability to diversify its offering in different markets, and an established company with strong brand name. These FSAs differentiate the overall cost advantage from the firm's ownership advantages (Cantwell & Narula, 2001).

Location (L) advantages

According to Oviatt and McDougall (2005), the location advantage differentiates domestic firms from international organisations by how international firms leverage their transferable resources FSAs (firm-specific advantages) across national borders while making use of the host-country foreign factors (Liang et al., 2011). Dunning and Lundan (2008) argues that location advantages are dependent on several factors of the MNCs home country such as firm-specific capabilities, country institution and government policies.

Moreover, location-specific advantages influence a firm decision to enter a particular country or region (Narula et al, 2019) the firm's ability to combine its firms' specific advantages such as technologies and brands with immovable location-bound advantages desired by the firm,

the firm will be forced to move its business activities to the location. However, countries use spillover effects from foreign firms' activities within their countries to improve their location advantages and attract investing firms (Cantwell & Narula, 2001). However, when using digital technologies to convert important parts of processes, services, and products online the physical presence of a firm in a host country can be complemented or replaced by an online presence, which lowers the location-bound advantages by standardising value chain activities (De Beule et al., 2022).

Internalisation (I) advantages

The internalisation factor (I) of the OLI paradigm describes it as bringing activities of value internality or MNCs focus on operating value-adding activities internally in the intermediate goods market (Dunning & Lundan, 2008). Although it was developed in the 1970s to be used in various streams as a general organising framework (Narula et al., 2019), internalisation theory enables the efficient use of firm ownership advantages in the global market (Tolentino, 2010). Yet, Dunning's revised interpretation of internalisation is in support of transferring ownership advantages to increase the firm's ability to create value through the firm's existing unique assets, Tolentino (2010).

In addition, internalisation helps firms control a network of assets by integrating complementary assets (Cantwell & Narula 2001), while in the sharing economy, the focus is on digital platform facilitation (Cha et al., 2023). As a result, MNCs are now able to overcome geographical boundaries which allows them to transfer technology and strategic advantages and participate in global value chains (De Beule et al., 2022). Therefore, when firms have internalisation advantages, they are able to determine ways to run foreign operations including intra-firm interdependencies (Narula et al., 2019).

2.4 Traditional multinational corporations

Traditional MNCs are referred to as companies established before the evolution of digital technologies operating in traditional industries, such as banking, manufacturing firms, or hospitality services, that became established before the era of digital economy (Chanas et al., 2019). Which, according to Wittkop et al. (2018) pre-digital era traditional organisation strategy is dependent on standardised processes, internalised operations and optimised production processes to save transaction costs and gain competitive advantage using the incremental approach to grow into foreign markets. Cha et al. (2023) described traditional MNEs as hierarchical and economic organisations that focus on firm-specific advantages to

grow their business operations in geographic locations depending on the firm's capabilities to continually adapt business activities, understand cultural norms and managing regulation (Liu et al., 2022) in order to comply with regulatory standards in EMs.

However, digital connectivity transforms traditional organisations' capabilities, strategic tasks, and structure to deploy digital technologies and reconfigure global resources between various subsidiaries in different countries (Luo, 2021). Similarly, (Ciulli & Kolk, 2023) states that the use of specific digital technology may require rearrangement of traditional business activities and business models, network connection, and the conditions within host countries can offset challenges for traditional MNEs. For example, an illustration by (Cha et al., 2023a), shows that "sharing economy business models for home-sharing, car-sharing, and peer-to-peer lending as digital technologies" cause challenges for traditional industries (Cha et al., 2023) such as the emerging regulatory issues (Cha et al., 2023).

2.4.1. Internationalisation strategies of traditional MNCs

Traditional MNEs grow their business operations in physical geographic locations, focusing on aspects of the internationalisation process, such as selecting locations, entry strategies, and governance (Cha et al., 2023) which typically requires investing in physical assets in foreign markets (Seow & Chong, n.d.) While current IB research has mainly focused on the use of N-OLI theoretical framework global strategies and existing network advantages, the traditional network model focuses on a central core and surrounding elements which contrasts with the asset-heavy approaches of traditional theories (Cha et al., 2023). However, digital firms have the ability to expand into new markets digitally by allowing customers worldwide to access their products or services through mobile digital platforms (Seow & Chong, n.d.). Hence traditional firms are under immense pressure to transition to the digital offering of products, and services, to keep up with the competition as they now face an enormous challenge to succeded with the rise of the digital economy (Siachou et al., 2021). Consequently, MNEs are increasing their investment in research and development centers in foreign countries which gives them access to foreign technology resources, and low-cost labour from EMs and improves their technological expertise (Vrontis & Christofi, 2021).

2.4.2. Global Standardisation Strategy

According to Luo (2022), global strategy implements product standardisation across national markets creating interdependence among foreign subunits and integrating everything from a

central place leveraging on the advantages of using locally developed innovation and global economies of scale. There are several limitations to this strategy as it entails using the same method to sell products in different countries (Hennart, 2019). Although MNEs prefer standardisation across the organisation (Meyer & Li, 2022) this strategy limits a firm's ability to exploit economy of scale within its production (Hennart, 2019; Xu et al., 2021) due to constraints such as adapting to the host country policies, transportation costs, and limited international transfer practices. Moreover, international transfer constraints are heightened by differences between home- and host-country regulations (Hennart, 2019).

However, MNEs are engaging in discussions on the level of standardization or adaptation across different markets as these influence various elements of the organisation including distribution channels, advertising, sales promotion, and pricing (Szymanski et al., 1993). This leads to MNEs changing their global business models (Luo, 2021). Prompting MNEs to digitalise their business models as it does not require physical presence-based adaptation (Hennart, 2019) but transitioning to digital business models can be difficult and sometimes impossible.

A report by Batsakis et al. (2023) shows that retailers use a mixed strategy standardisation or adaptation, for example, non-grocery retailers employ a more standardised approach when expanding internationally by standardising their brands in multiple host markets and enhancing their corporate reputation in various markets, but grocery retailers are not reliant on standardisation, they tend to adapt their product offerings when expanding internationally to minimise risks and costs. Global standardisation strategy uses a firm's ownership advantages to enter different international locations (Oviatt & McDougall, 2005) yet the location advantage differentiates domestic firms from international organisations by how international firms leverage their transferable resources. In contrast, MNEs using global strategy face international transfer constraints (Hennart, 2019) due to regulatory differences between home- and host-country.

2.4.3. Multidomestic strategy

As indicated by (Luo, 2022) multi-domestic strategy, also referred to as the local adaptation strategy, highlights foreign market division according to national boundaries and stresses the importance of competition within individual countries. Under this approach, strategic and operational decisions are decentralized, allowing local adaptation in response to market preference and the ability to compete in MNEs subunits competition. (Kuivalainen et al., 2012) highlighted two primary strategies for market concentration which comprise limited

geographical focus and market diversification with measurement of scope often applied to targeting multiple markets where a company offers its products or services.

Recent findings of (Lu et al., 2022) have highlighted several advantages such as access to foreign resources, and adaptability to host-country environments in adapting their product offerings such as focusing on highly exclusive markets or reshaping their product offering. Consequently, MNEs are exposed to various risks including domestic digital risks, infrastructural risks, and economic and regulatory risks due to the utilisation of a multi-domestic strategy which reduces digital interdependence and interconnectedness and uses less network connection to communicate, coordinate, and integrate within MNEs (Luo, 2021). As a result, MNEs reduce their reliance on local resources and manage their access to factor markets strategically to eliminate the liability of foreignness (Lu et al., 2022).

2.4.4. Transnational strategy

The transnational strategy is a mixture of the multi-domestic strategy with global approaches meant to develop an integrated and flexible organisational network and simultaneously achieve global efficiency and local responsiveness (Luo, 2022). Moreover, transnational strategy demands the processing of large amounts of data, enabling the use of digital technologies to facilitate communication, enhance flexibility and address market diversity (Luo, 2022). Consequently, the utilisation of digital technologies exposes MNEs to digitalisation risks while global integration and standardisation elevates the risks of interdependence with global networks (Luo, 2022). Therefore, the digitalisation of traditional MNCs will leave them vulnerable to digital threats. As clearly demonstrated the difference in digital usage across various countries with limitations to access digital infrastructure and connectivity will have severe consequences for traditional MNCs deploying digital solutions in foreign markets.

2.5 Emerging markets

According to Cunha et al. (2022) EMs are known for turbulent politics and challenging institutional conditions, and exist in institutionally voided countries (Liedong et al., 2020). This leads to beliefs that MNEs from institutional voids home markets develop strategies that influence their scale of investments, decisions regarding resource commitment, and market entry mode by entering with joint ventures instead of using wholly-owned subsidiaries when

entering other EMs (Liedong et al., 2020). However, the growing number of EM countries continues to increase the entry of foreign firms and encourage home-country firms to become multinationals (Pedersen & Tallman, 2022).

Therefore, MNEs entering EMs to exploit institutions' void opportunities firms are required to develop business models that differ from traditional models, deploy effective strategic improvisation as traditional planning tools often prove to be inadequate (Cunha et al., 2022) and strengthen institutions is required to address the informality created in emerging countries (Liedong et al., 2020). Moreover, "understanding the cultural distance issues from an EM context will provide insights on how fast-paced emerging economies collaborate and function at an institutional level and whether the best practices adopted in the developed world are suited for emerging firms" (Srivastava et al., 2020. p, 6) there is also a need to understand cultural attributes of EMs as this may influence decisions like market selection entry mode and ownership control of subsidiaries to monitor how it affects internationalisation processes and strategic objectives.

Furthermore, the inability of EM countries provide basic competent digital infrastructure is among major challenges for digital adaptation due to excessive costs for MNCs in deploying digital infrastructure to enter the EMs (Cha et al., 2023), inadequate digital infrastructure can be seen as barrier to EM entry. (Pedersen & Tallman, 2022) alleges that to reduce instability in EMs firms leverage existing resources to control unpredictable business environments availing opportunities in new market.

2.5.1 Host country regulations and cultural factors

MNEs prefer to operate in countries with labour-friendly regulations, cultural compatibility, and regulatory differences from their home country (Xu et al., 2021) as it reduces difficulties in the transfer of digital business models (Hennart, 2019). Hence when entering new markets MNEs take note of institutional factors such as the level of economic development, regulatory framework that facilitates business transactions, and country protection of investor rights to address concerns regarding potential technology leaks. Country regulations on data protection and accessibility will pose direct implications (Ciulli & Kolk, 2023) for data-driven innovation. For instance, the deployment of advanced computing across manufacturing subsidiaries determines MNEs' ability to innovate their production processes towards smart manufacturing (Ciulli & Kolk, 2023). Moreover, differences in the home and host country's regulations and economic development can be a barrier to successful global integration for MNEs (Hennart, 2019).

2.7 Digitalisation

Digitalisation is defined as the use of digital technology and data management to change a MNCs' business processes and business models, to improve operational efficiency, increase revenue and overall profitability (Seow & Chong, n.d.). Findings from Hervé et al. (2022, p. 35) show that “digitalizing business functions could involve redesigning a firm’s business model in a way that enables new opportunities for internationalising, creating value, and developing customer relationships”. Such changes are beneficial to firms operating in both domestic and foreign business environments because by reduce the need for business partner interaction and facilitating transactions without following the traditional internationalisation process (da Fonseca et al., 2022; Autio et al., 2020). For instance, MNEs use AI to develop credit profiles for unbanked farmers to enable them access to loans and insurance by using mobile phone collected data which helped them increase investments in their farms (Ciulli & Kolk, 2023). However, Siachou et al. (2021) warn that traditional MNCs to be mindful of the shortcomings of simple implementing technologies like digital communications without proper integration of business processes, operations, supply chain, and various stakeholders as it is challenging for traditional firms to efficient digital transformation.

The use of digital technologies encourages firms to leverage digitalisation to gain access to foreign markets without the need for physical presence, as digitalisation creates network connections that avail one FSAs to another through international online exchanges (Błaszczuk et al., 2023). Hence, traditional firms are directing their approach to strategic ecosystems with external digital players to access innovative developments in international markets (Siachou et al., 2021). It is evident that traditional methods of entering foreign markets have taken a transition (Błaszczuk et al., 2023) to internet-compatible data packages (Banalieva & Dhanaraj, 2019) which continues to transform internationalisation. Shaheer et al. (2020) observed a shift towards user adaptation by traditional MNCs when entering foreign markets using digital innovations to penetrate foreign countries.

2.7.1 Elements of digitalisation

Autio et al. (2021) outlined three fundamental features of digitalisation affecting the geographic organisation of firms, namely re-programmability, infrastructural elementality, and intangibility. Firstly, programmability enables usage of through delayed binding by reprogramming to create value (Autio et al., 2021) secondly, infrastructural elementality enables digital assets to facilitate communications across different borders in global strategy design, thirdly, intangibility can eliminate dependence on physical presence in foreign markets such as those

imposed by high cost of transportation and location disadvantages, finally, elements of digitalisation are able to assist in the development of alternative distribution channels, customer value creation, and build new business model (Seow & Chong, n.d.).

Data management

Data can be managed by using different technologies to categorise data according to their role such as IoT and blockchain collecting data from various diverse sources, and cloud computing processes and aggregate data, as well as AI assisting in understanding the data used in making decisions (Ciulli & Kolk, 2023). Hennart, (2019) referred to four large data centers storing one hundred billion Visa credit card transactions in various locations around the world. Hence, firms need to invest in digital technologies and connectivity devices to collect data and provide new customer offerings because digital technologies are capable of collecting data and creating a digitised system to manage collected data (Kolagar et al., 2022). For example, cloud computing is a storage resource that enables MNCs access and process could store data and outsource data management and storage services (Ciulli & Kolk, 2023).

However, there is an increased level of regulations for data protection which requires firms to have information-processing capabilities to protect customer data and manage threats from digital connectivity while complying with the data protection regulations of various countries.

Network connectivity

According to Luo (2022) digital connectivity works as both a driver and disruptor of firm activities in foreign markets. Furthermore, digital connectivity is made possible through “digital platforms, information and communication technologies (ICT), internet and intranet access, and other digital technology enablers, such as big data, cloud services, and data analytics and intelligence” (Luo, 2022, p. 345). Digital connectivity is enhanced by the availability of digital infrastructure which enables connection globally (Shaheer & Li, 2020). Such as a centralised data center enabling MNCs to access global data which makes firm collaboration with third parties simpler (Ciulli & Kolk, 2023). In contrast, the use of a centralised data center may slow down connectivity as data processing and sending the response from the cloud to the device is affected by the distance between the data center and the device.

Furthermore, digital connectivity encourages real-time interaction with customers from different geographic locations (Luo, 2021), this gives firms access to valuable knowledge through digital connectivity by empowering global consumers to have social interaction online

(Luo, 2021). On the other side, digital connectivity enables MNCs to isolate their R&D activities geographically and to further develop their technological skills by building networks to exploit global knowledge (Liu et al., 2022). Since, the ecosystem focused model is changing traditional business' core capabilities into liabilities and forcing traditional firms to evaluate how new modes of delivery will affect their businesses (Dunning & Wymbs, 2001).

Digital communication

The global development of user-friendly online communication channels has opened innovative and attractive means to create value for customers (Luo, 2021). For instance, access to the internet enables customers to are rate the standard of services or purchased products instantly with the help of social media and online communication (Van Veldhoven & Vanthienen, 2022). Hence, Shaheer et al. (2020) stress the importance of market communication as it affects how a firm position itself in the market necessitating expertise in local contexts and an understanding of culture-specific processes. Given that current marketing and communication strategies of companies are dominated by social media platforms (e.g., YouTube, Twitter, TikTok) dictates the marketing and communication strategies of companies forcing businesses to transition new channels (Van Veldhoven & Vanthienen, 2022).

The availability of digital technologies is bridging the gap to the market information acquisition and cross-border communication (Lee et al., 2019) using Information communication technology to facilitates exchange of market and product information through digital communication and reducing communication and transactions costs which shortened the distance across the globe and avail new opportunities for traditional firms venturing abroad (Strange et al., 2022). Additionally, advancement in information and communication technologies are expanding the business lendscape for new and existing companies to the new marketplace on the internet enhancing their share of international activities (Wittkop et al., 2018). However, online communication technology may require companies to adopt standardised digital technologies due to compatibility requirements (Van Veldhoven & Vanthienen, 2022), similar to requirements for countries to adopt rich communication services to enable international communication compatibility.

Digital Platforms

Digital platform businesses provide their product and services online only (e.g., Airbnb and Uber) (Cha et al., 2022). Digital platforms offer traditional firms' easy access to required digital knowledge and increase customer reach through social media marketing which exposes

consumers from around the world to Luo (2021). However, the conveniences of the online marketplace from digital platforms affect internationalisation contradicting traditional MNEs which were successful in their pre-digital era (Siachou et al., 2021). Multinational businesses are leveraging digital platforms to establish digitalised business network moving away from the internal resources and capabilities (Cha et al., 2023).

On the other hand, Cha et al. (2023) views digital platforms as a firm internationalisation enabler that can connect independent activities across different borders and facilitate transactions on digital platforms. Contrary to the traditional forms of internationalisation that relied on internalising firm specific assets, digital platform facilitates transactions between participants of the sharing economy and their customers (Cha et al., 2023).

2.8 Digitalisation and internationalisation

Digitalisation transforms traditional firms, and in return, business drives continuous digital evolution (Seow & Chong, n.d.), because of the transformation firms can improve their global value chain in the internationalisation process using digital technologies. The process of internationalisation in terms of access to resources knowledge development in foreign markets, and attaining capabilities (Hervé et al., 2019) are affected by digital technologies. Similarly, previously known restrictions to IB including new market entry mode choices or speed and patterns of internationalisation are transformed, (Hervé et al., 2019; Seow & Chong, n.d.) as well as operations efficacy and business location presence have been redefined. According to (da Fonseca et al., 2023) continuous environmental change due to digitalisation requires firms to develop new capabilities to emphasise their business operations in foreign countries and deal with cultural and institutional differences while still developing. Furthermore, the potential for internationalisation enhancement can go beyond production and operation, (Błaszczuk et al., 2023) digital economy and network links can create channels that reduce barriers to foreign market entry. As a result, firms can internationalise early and quickly. However, early access to foreign markets requires a global business model that can enable firms to grow internationally as early internationalising firms fall short of capabilities to grow geographically due to high commitment to various network links (Reuber et al., 2021).

Conclusion

The above analysis of literature on internationalisation and digitalisation indicates clearly that digitalisation offers great benefits to firms participating in business globally. Consequently,

digitalisation exposes firms to risks and challenges brought by the use of digital technologies. Although there were several studies focused on internationalisation processes conducted, they did not indicate how adequate IB theory is when applied within the context of internationalisation and digitalisation in the digital era.

Chapter 3 - Research Question

Research Question

The research questions on this chapter are formulated from the knowledge gap identified in the reviewed literature of research conducted on digitalisation and internationalisation.

The research questions are derived from the reviewed literature as presented in Chapter 2. The review recognises the changes in internationalisation processes due to digitalisation. Such as the advancements in technology that are altering traditional entry modes and internationalisation strategies (Shaheer et al., 2022) prompting conflicting views among IB scholars. The research questions of the study are informed by identified gaps in the reviewed literature since the emergence of digital technology phenomena altered the focus of the global value chain system towards involvement rather than investment (Brouthers et al., 2022).

3.1. Research questions

The integration of digitalisation and internationalisation has increased the need for firms to reassess their strategies (Hervé et al., 2020) as digital technology is changing internationalisation process, but available theoretical knowledge of digitalisation history is limited.

Therefore, the focus of this research is on digitalisation's impact on internationalisation strategies of traditional MNCs entering EMs. The following questions will be addressed to accomplish aims of the study:

How does digitalisation impact internationalisation processes of traditional MNCs entering EMs?

Sub questions: The following sub questions will be addressed in order to answer the main research question:

Research Question 1

In what way does digital transformation affect traditional MNCs' organizational structures and decision-making when internationalising into EMs?

This question seeks to investigate the implications of digital transformation on the traditional MNCs organisational structure in relation to roles, authority and responsibilities, functions, and decision-making authority.

Research Question 2

Why does digital platforms integration impact traditional MNCs' market entry strategies in EMs?

The purpose of this question is to seek an understanding of the effects of integrating digital platforms in the market entry strategies, and changes that occur to traditional MNCs' new market entry mode.

Research Question 3

Why EMs require market adaptation and localisation of digital technologies and how market adaptation and localisation impact internationalisation strategies?

This question is intended to seek an understanding on measures taken by traditional MNCs to adapt and localise their offerings to suit market requirements and how it is impacted by digitalisation.

Research Question 4

What difficulties do traditional MNCs encounter in their internationalization processes due to digital transformation?

This question aims to identify challenges brought by digital transformation on traditional MNCs and understand how internationalisation processes of traditional MNCs are affected by such challenges.

Conclusion

The above chapter posed the main research question of the study and further outlined four sub-questions and describe in detail the purpose of each sub-question. By gaining insights into the sub-research question the researcher will be able to answer this study's main research question. The following chapter addresses the research methodology used by the researcher to collect data to answer the research question.

Table 1. Digitalisation and internationalisation strategies

Research question	Authors	Title
Research question 1.	Simon Chaniasa, Michael D. Myersb, Thomas Hess. (Chaniasa et al., 2019)	Digital transformation strategy making in pre-digital organizations: The case of a financial services provider
Research question 2.	Siachou E, Vrontis D, Trichina E (Siachou et al., 2021)	Can traditional organizations be digitally transformed by themselves? The moderating role of absorptive capacity and strategic interdependence
	Hennart J Hennart, 2019	Digitalized service multinationals and IB theory
Research question 3.	Liedong T. A, Peprah A. A, Amartey A. O, Rajwani T (Liedong et al., 2020)	Institutional voids and firms' resource commitment in EMs: A review and future research agenda Liedong T, Peprah A, [...] Rajwani T
Research question 4.	Ahmad Khan (Khan et al., 2019)	The Cashless Economy: Challenges And Prospects

Source: Author's own.

Chapter 4 - Research Methodology

4.1. Introduction

This study followed a qualitative research and narrative inquiry approach to explore the effects of digitalisation on internationalisation strategies of traditional MNCs entering EMs. Methodology and design of the study used to address the impact of digitalisation on internationalisation processes of traditional MNCs entering EMs are outlined in this section and justified decision for using qualitative research and a narrative inquiry approach. The research design, research methods, analysed data, and data sampled are outlined in this section. The process followed to collect and analyse collected data as well as measures taken to validate the quality of the research to ensure the trustworthiness and dependability of the study.

4.2. Research Design

This study followed a qualitative and exploratory approach to gain understanding on how digitalisation affects internationalisation strategies. Exploratory research was useful in this study as it assisted in a better understanding of the study phenomenon (Saunders et al., 2019). Qualitative research offered an in-depth understanding on the changes traditional MNCs and their internationalisation processes due to digitalisation. Thematic analysis was used to explore and interpret analysed data (Ragab & Arisha, 2017). The use of interpretivism and inductive research in this study gave the researcher the ability to form a better understanding of internationalisation processes and digitalisation phenomena (Ragab & Arisha, 2017). The consistency of the methodological choices was suitable for this study because the study focused on a small population and the study was conducted within a short time frame, but the chosen design enabled the researcher to note data saturation as analyses was parallel to data.

4.2.1 Research Philosophy.

Interpretivism philosophy was employed in this study. The chosen philosophy enabled the researcher to explore and form a different theoretical understanding that offered the

researcher a better explanation of how digitalisation influence internationalisation strategies and traditional MNCs when entering EMs. The focus of the study was on narrated stories and the influence of previous knowledge, and the researcher ensured to consider ethics when collected data was interpreted. The study was grounded on the interpretivism philosophy which helped the researcher in gaining a different perception on the direct impact of digitalisation on traditional MNCs and internationalisation processes when entering EMs (Ragab & Arisha, 2017).

Saunders et al. (2019) argued that interpretivism research allowed researchers to gain an understanding and interpret experiences of different groups and people within a certain environment from their viewpoint which required the researcher to assume an empathetic attitude. Hence the study aimed for the researcher to form a varied theoretical perspective on the impact of digitalisation on traditional MNCs and internationalisation strategies by examining the OLI paradigm advantage framework when applied in the EMs context as Bhandari et al. (2023) reported that existing IB theories are inadequate when applied in the EMs setting. Therefore, the decision to use interpretivism research was based on the manner it acknowledges multiple meanings of realities and took the researcher's values into consideration (Saunders et al., 2019).

4.2.2 Approach to theory.

As this study intended to explore the applicability of OLI paradigm framework in the changes on how traditional MNCs internationalise into EMs due to the direct influence of digitalisation on traditional MNCs and internationalisation strategy phenomenon the study used inductive approach. According to Saunders et al. (2019), the inductive approach is used to develop a theoretical explanation by exploring the research topic while collecting and analysing data. Therefore, the inductive approach enabled the researcher to gain better understanding of the analysed data which helped the researcher in forming a stronger theoretical perspective.

Several IB theories (New OLI, International new ventures / Born global) according to Bhandari et al. (2023) were extended in an attempt to accommodate digitalisation in the IB theoretical framework. However, the extended theories were found to be insufficient in explaining the digitalisation and internationalisation phenomenon (Bhandari et al., 2023) in the EMs context. Therefore, the study used an inductive approach because of the inadequacies in existing theories when applied the settings of EMs with the changes brought by digitalisation on traditional MNCs and internationalisation strategies, for the reason the study intended to gain

a better theoretical explanation. This approach benefited the study because the research questions of the study were phrased in an inductive approach to direct the way data was collected and analysed.

The exploratory nature of the inductive approach allowed the researcher to gain an in-depth understanding on how digitalisation influence traditional MNCs' internationalisation processes when used together with semi-structured interviews to collect data as both methods were flexible and exploratory when used. This enabled the researcher to analyse data as it was collected and once saturation of data was identified, the second process of analysing collected data commenced and various level data analyses was used to extract valuable data for the study, Saunders et al. (2019) explained exploratory research often starts broad but as the research progress the focus was narrowed down.

4.2.3 Research strategy

The study followed a narrative inquiry strategy which was defined by Saunders et al. (2019) as the narrative approach as a detailed account of what took place, described in a sequential order connecting important points and how they are related. This approach is also known for the use small, purposive samples, although it is time-consuming it is intensive and generated large quantities of data (Saunders et al., 2019), the strategy enabled the researcher to obtain sufficient data from the lived experiences of senior manager who experienced the impact of a of digitalisation on traditional MNCs and how has changed internationalisation processes which allowed the researcher to gain new insights (Ragab & Arisha, 2017).

The use of narrative inquiry according to Saunders et al. (2019) gives researchers a greater understanding of events that took place concerning the research topic, through experienced accounts conveyed by the participants to the researcher in complete stories. Hence, this study employed an oral history approach to collecting data from senior managers who occupy decision-making roles' reflections on traditional organisations' digitalisation and how it has impacted internationalisation strategies.

4.2.4 Time horizon

The researcher acquired ethical clearance for data collection in August 2023. Then proceeded to collect data from September 2023 and concluded data collection in October 2023. Semi-

structured interviews took 30 to 60 minutes per participant allowing the participants sufficient time to narrate what they experienced in the organisation when digitalisation took place. During the month of November 2023, the researcher analysed collated data and finalised the study for the submission date of 27 November 2023.

4.3 Methods

4.3.1 Techniques and procedures

Saunders et al. (2019) associated semi-structured interviews with qualitative research, that is based on an inductive approach following an exploratory course to allow progression of interview questions and development of interview themes from complete stories narrated by participants. The study used semi-structured interviews which according to Saunders et al. (2019) may be used with a theory-testing approach to thematic analysis because the study aims to test the theory to develop a sufficient theoretical explanation.

4.3.2 Population.

Thee In this study, the population consist of the following:

- Traditional MNCs with business operations internationally which are now adapting to digital operations in response to changes brought by digitalisation in the IB environment.
- Executives and senior managers with decision-making roles such as Chief Executive Officers (CEOs), Chief Technology Officers (CTOs), Chief Commercial Officers (CCOs), Regional Managers, and Business Developers who have over three years' experience working of digitalisation, digital transformation, and business development because to their perspective of digitalisation from their lived experience contributed to the required data used in answering the main question of the study. Research question: How does digitalisation affect internationalisation strategies of traditional MNCs entering EMs?
- EMs in regions developing economies that indicated digital business potential such as the African region leveraging digital technologies to grow their economies.

Ragab and Arisha, (2018) referred to the research population as the overall group that included individuals within the focus of the research with the required information to answer

the research question. Senior managers provided valuable insights into the study from their experiences that assisted the researcher in understanding how digitalisation changes traditional MNCs and internationalisation processes.

The aim of the study was to explore the OLI paradigm as well as the to form a theoretical perspective that applies to the phenomenon of how digitalisation change traditional MNCs and internationalisation processes in EMs, the study subset its population to traditional MNCs who adapted to digitalisation and digital transformation with presence in EMs. However, to enable easy access to a population that falls within the elements of digitalisation in the IB environment, the study further grouped the population to senior manager with three or more working experience of digitalisation in traditional MNCs that has digitalised or are digitally transforming their business operations while operating in EMs.

4.3.3 Unit of analysis

The study intended to explore the OLI paradigm framework in order to gain a better theoretical perspective that can sufficiently explain theory and its applicability to the phenomenon of changes in traditional MNCs and internationalisation processes due to the influence of digitalisation in EMs settings. Therefore, the unit of analysis for this study is the traditional MNCs with which the study was conducted. Executives and senior managers who occupy decision-making roles in relation to digitalisation, digital transformation and internationalisation within the traditional MNCs operating in the EMs were units of observation for the study as the researcher intended to derive data from the experiences of senior managers with decision-making roles regarding digitalisation, digital transformation and internationalisation strategies when entering EMs.

4.3.4 Sampling method

The study used non-probability sampling to select the sample of the study this was based the lack of access to full population by the researcher who used non-probability sampling along with purposive sampling and snowball sampling to address limited access to the total population of all senior managers who occupy decision making roles in digitally transformed traditional MNCs operating in EMs.

The researcher set out to use a sample of 15 to 20 participants but data saturation was achieved with a smaller sample of 12 participants. The researcher used narrative inquiry for data collection and was able to analyse data as it was collected enabling the researcher to

notice saturation of data in the process of conducting interviews for the study (Saunders et al., 2019). Ragab and Arisha, (2018) described non-probability sampling techniques as a qualitative study that selects participants using judgment to identify informative individuals to allow the researcher to achieve research objectives.

For this study, non-probability sampling was employed as it was the convenient method for the researcher to secure interviews with senior managers of traditional MNCs that were identified to meet the criteria of the study.

According to Saunders et al. (2019), purposive heterogeneous sampling is often used with a small sample of participants who are identified by the researcher to have the capabilities to answer research questions of the study best (Saunders et al., 2019). The sample group of this study consisted of a small number of participants but only 12 participants were interviewed by the researcher when data saturation was achieved. The interviewed participants have experience in digitalisation and internationalisation within the EMs setting. The following table enlists detail regarding participants' industry, position and duration of the interview:

Table 2. Actual participants interviewed.

Participants	Participant industry	Participant role
1	IT Services and IT Consulting	CEO
2	Transport	Business Developer Manager: Engineer
3	Engineering	Business Developer Manager
4	IT Services	Senior Account Manager
5	IT Services	Chief Executive Officer: Digital Leader
6	Mining	CEO:
7	IT Services	Vice President: Digital Delivery Management
8	Mining	Executive Director
9	Transport	CEO: Vice President Business Development
10	Financial	Head of digital and data
11	Education	Executive Director
12	Transport	Director

Source: Author's own

The researcher used narrative inquiry considering the strategy's ability to minimise researcher bias by allowing participants to tell their experiences with minimum interference from the

researcher. The researcher chose the strategy due to the vulnerability of the non-probability sampling technique used to identify participants of the study by the researcher.

4.3.5 Research instrument

The study used a semi-structured interviews to collect data, the interview questions were guided by the sub-questions of the main research question building on the research purpose. The flexible nature of semi-structured interviews enabled the participants to extend on their answers to the questions asked by the researcher. The nature of the interview questions guided participants but while avoiding possible leading responses. The table below present research instrument used for the study.

Table 3. Research instrument.

Introductory question		Please tell me about their role in this organization and your experience with digitalisation and internationalisation in emerging markets.
RQ1	In what way does digital transformation affect traditional MNCs' organizational structures and decision-making when internationalising into EMs?	Tell me about the how digitalization has influenced the firm's organizational structure and management practices in relation to internationalization efforts?
RQ2	Why does digital platforms integration impact traditional MNCs' market entry strategies in EMs?	Are there any changes in decision-making processes and communication patterns because of digital transformation? Tell me about the use of digital platforms by the organisation for market development and diversification within emerging market? (How is that process like?) Describe how digitalization has affected the organisation's market entry approach into emerging markets?
RQ3	Why EMs require market adaptation and localisation of digital technologies and how market adaptation and localisation impact internationalisation strategies?	Tell me about (your experience of) digitalisation strategies and technologies used by the organization for market penetration when entering emerging markets? How do you foresee the effects of digitalization in internationalization processes in the future? Tell me about digital tools and platforms used for market research and stakeholder engagement?
RQ4	What difficulties do traditional MNCs encounter in their internationalization processes due to digital transformation?	Describe the perceived benefits and advantages that digitalization brings to the internationalization process? Tell me about the challenges the organisation encountered while integrating digital technologies into their international expansion?
Closing question		What would your recommendations be for other traditional MNCs venturing into emerging markets.

Source: Author's own.

4.3.6 Data collection process.

According to Ragab and Arisha, (2018), interviews as a method of collecting data offer more detailed information and the ability to ask further questions. Therefore, for this study participants were interviewed by the researcher to collect data. The researcher scheduled interviews with participants in advance to guarantee a high response rate. All interviews took place virtually in the time from September to October 2023. However, this method of data

collection requires sufficient time to transcribe and analyse interview transcripts (Ragab & Arisha, 2017). All participants were informed that the interviews were recorded prior to interviews taking place. All participants gave their consent in writing. Hence all recorded data of the study has been stored in an electronic file on the University network to ensure reliable data backup.

4.3.7 Data analysis and coding.

The researcher confirmed data saturation during the interview with participant 12 as the interviews provided similar information as the previous participants provided. Saunders et al. (2019) described thematic analysis as a rigorous procedure that consists of four elements analysing data as you collect it going back and forth and progressing to the next stage. The researcher started the first phase of data analysis in the process of collecting data, by analysing each interview transcript at the end of the interview. Followed by a comparison of all 12 interview transcripts to identify patterns in the data collected, then the researcher grouped identified patterns to create themes that have emerged from transcripts by coding interview transcripts using the qualitative data analysis software package ATLAS.ti.

Thematic analysis was used, to analyse data for inductive descriptive concepts. The process was repeated between collected data, theoretical concepts, and insights from the literature review. A total of 43 codes were developed and grouped into 12 themes: (Digitalisation, Organisation structure, Collaboration, Value creation, Infrastructure, Change management, Communication, Integration, New Market, Challenges, Digital tools, and Market adaptation). The research question of the study along with interview guides were used to guide the researcher's decision in selecting data to code. Table 4.1 outlines detailed code selection grouping for the main theme. After coding data, searching for themes, and identifying patterns and relationships within a list of codes created the researcher proceeded to test recognised relationships and patterns in codes.

Table 4. Exemplary codes and themes

Themes	Codes groups
Organisation structure	New business units, Structural change, Existing structure.
Collaboration	Targeted collaboration, Dependent on partnerships, Challenges in shifting to digital platforms, Stakeholder connection
Value creation	Advantage, Internal value, Value proposition, Effectiveness, Economy of scale, Cost reduction.
Infrastructure	Technology is a tool, Infrastructure limitation, Cloud-based storage system, Enables rapid digitalisation.

Change management	Culture change, Project manager, Create a guiding coalition, Culture change resistance, Training required, Strategic alignment.
Communication	Real-time Responsiveness, Domestic limitation, Aligned client engagement.
Integration	Limited bank integration, Platform dependence, Digital transformation, System reliance.
New markets	Physical presence, Market research.
Challenges	Outdated technology, High development costs, Stagnant technology Change resistance, Challenge of connectivity, Digital infrastructure
Digital tools	Data management systems, Big Data, Social media, Cloud, Fourth industrial revolution, Artificial intelligence, Machine learning, Data science, Analytics.
Market adaptation	Technology adaptation solution, Adapt to market conditions.

Source: Author's own.

Research quality

This researcher took into consideration strengths and weaknesses when choosing the method of data collection and measures were taken to justify the limitation of the methodological choice. Although there were limitations to the chosen methodology, the methodology and methods proved to be the most appropriate and convenient for achieving what the study intended to achieve. To ensure the validity and reliability of the findings, the researcher aligned the philosophical assumptions with the chosen study methodology before data collection.

Validity

In this study, the researcher used several sources, methods, and frameworks to support the evidence provided Creswell and Poth (2016) by corroborating interview transcripts with theories and literature reviewed in Chapter 2 triangulating data to validate the findings of the study. The researcher used data triangulation to authenticate research data by comparing data collected from interviewing participants against each other to identify similar patterns and themes in participants' transcripts as well as compare transcripts to available recent literature on digitalisation and internationalisation to authenticate research data. Validity is used to evaluate the quality of the study and verify how suitable measurement is used to analyse data (Saunders et al., 2019).

Reliability

As stated by Creswell and Poth (2016), reliability is dependent on the detailed field notes obtained by using a reliable recording device followed by transcribing the recording. In this study, the researcher was able to record and transcribe recorded interviews using google meets. Creswell and Poth (2016), further referred to reliability as measure used to compare codes from multiple analysis to establish reliability of the process used to analyse data. As this study compared data from 12 participants against each other, then compare codes from the interview transcript with existing literature in Chapter 2.

4.4 Limitation of the research design and methods.

The decision to employ a qualitative research method presented limitations on the research design and methods. According to Ragab and Arisha, (2018) findings of a qualitative study are only applied to a small unit of people within the study's framework as they cannot be generalised, which is a disadvantage to the qualitative study. Furthermore, the collection of data, transcription, and analysis of interviews was time-consuming (Ragab & Arisha, 2017) which was limiting to this study because the availability of participants was spread across the calendar interfering with the researcher's data collection timeframe. However, was analysed as interviews were conducted to enable the researcher sufficient time to analyse all collected data.

4.5 Ethical considerations

The researcher had to obtain ethical approval from the Research Ethics Committee before the data collection process began. Upon receiving approval for data collection, the researcher contacted potential participants. The participants who agreed to participate in the study were asked to sign an informed consent form before the interview. Participants were ensured that all names and identifiers regarding both their identity and organisations were removed from the analysis and results presentation.

Chapter 5 - Results discussion

5.1. Introduction

In this chapter the results of the conducted semi-structured interview are presented. The presented findings from the analysis of data collected from the semi-structured interviews conducted with 12 participants are outlined as per the research questions indicated in chapter 03. The chapter ends with a summary of presented results.

5.2 Description of the sample - Interview participants and context

As indicated in the ethical clearance process, all participant's names and identifiers were removed from participants' quotes to guarantee participants anonymity. The participants were selected from various groups of organisations and held different positions. As this study aims to obtain views of senior managers on digitalisation and internationalisation strategies with experience in traditional MNCs operating in EMs across different industries. 12 participants who hold senior and executive role in digital transforming or digitalised firms were interviewed.

Table 5. Interviewees in order of interview conducted.

Participants	Industry	Position	Interview date and duration
1	IT Services and IT Consulting	CEO	2023/09/04 - 37:28
2	Transport	Business Developer Manager: Engineer	2023/09/29 - 31:13
3	Engineering	Business Developer Manager	2023/09/21 -22:58
4	IT Services	Senior Account Manager	2023/10/19 - 44:39
5	IT Services	Chief Executive Officer: Digital Leader	2023/10/08 - 33:39
6	Mining	CEO:	2023/10/11 - 32:30
7	IT Services	Vice President: Digital Delivery Management	2023/10/27 - 16:37

8	Mining	Executive Director	2023/10/16 - 41:56
9	Transport	CEO: Vice President Business Development	2023/10/06 - 32:11
10	Financial	Head of digital and data	2023/10/06 - 42:32
11	Education	Executive Director	2023/10/10 - 56:05
12	Transport	Director	2023/10/20 - 37:04

Source: Author's own.

As indicated above the names of the participants and other identifiers are not disclosed to ensure anonymity is reserved as per the ethical clearance. It was vital that the roles of interviewees are relevant to this research and with decision making responsibilities associated with such a role as the study aim to gain views of managers on the digitalisation and internationalisation phenomenon.

Semi-structured interviews were conducted with 12 participants from the following industries: IT solutions, Mining, Transport, Engineering, Financial services, Education. The researcher selected participants from six different industries to acquire varying views of the research topic and enable a robust collection of data. The organisations from which data was collected consist of the following industries: Transportation (mobility industry), mining industry, information and communications technology (ICT) and manufacturing industry and banking industry.

5.3 Research question results presentation.

The 12 themes identified emerged from interview questionnaire along with Chapter 2 of the study and are listed as follows:

- Organisation structure
- Collaboration
- Value creation
- Infrastructure
- Change management.
- Communication.
- Integration.
- Newmarket.

- Challenges.
- Market adaptation.
- Digital tools.
- Compliance and regulations.

The results per research question are presented below.

5.3.1. Research question 1.

RQ. 1. In what way does digital transformation affect traditional MNCs' organizational structures and decision-making when internationalising into EMs?

The purpose of this question is to investigate the implications of digital transformation on the organisational structure of traditional MNCs pertaining to responsibilities within the organisation, functions, and decision-making authority. The researcher asked participants to discuss their experience relating to the influence of digital transformation on the structure of the organisations.

Analysed themes are present in the table below:

Table 6. Research question 1 - Themes

1 st Analysis: Codes	2 nd Analysis: Codes	3 rd Analysis: Themes
Bringing into that specific organization business unit within the organization	New business units	Organisation structure
We needed to change our structure to allocate, one operator	Structural change	
Try and fit this new kind of competencies into the existing structure	Existing structure	
Lead to changes in structure		
How do you bring a whole team along for that journey	Culture change	Change management
Making sure that you're working with it organizational change team to tailor the message.	Project manager	
Important to create that compelling vision to create that guiding coalition, that delivers the change.	create a guiding coalition.	
Biggest inhibitors to digitalisation are the behaviour within the organisation of the culture.	Culture change resistance	
Their digital literacy is not up to the level, you wanted to be.	Training required	
Alignment with strategy and education fluency is super important	Strategic alignment	
It will only give them an advantage if they use it for the right reasons.	Advantage	Value creation
What value am I trading for the marketing team, for the operations team?	Internal value	

To change our value proposition or enhance our value proposition.	Value proposition	
Supply chain analytics and to reduce the cost of running my supply chain and managing procurement	Effectiveness	
With digitalisation, it's also easier to create a scalability that gives you an economy of scale benefit.	Economy of scale	
Talking in a digital manner, try and drive down the costs of doing business.	Cost reduction	
They can respond in real time to what you get from the market, and you are able to position products. services in an optimal manner	Real-time Responsiveness	Communication
The infrastructure for communications was limited and was always going to be limited.	Domestic limitation	
Aligned experience from our external clients how they engage with us and the feedback that they get	Aligned client engagement	

Source: Author's own

Organisational structure

Participants provide collective insights into their understanding of the relationship between organizational structure and the changing business landscape due to digitalisation.

Participant 12 indicated the importance of having the right corporate structure in order to adapt to a competitive and dynamic market.

Participant 12: *"It's very fluid market and very competitive market and you need to have the right working environment and the right kind of corporate structure in place that suits new teams coming in."*

Participant 02 mentioned how digital transformation impacts decision-making processes within the organization as a result of market dynamics and changes in the company's structure.

Participant 02: *"The previously you had people who were moving from Zambia to Kenya to come attend meetings and decisions were taken and things like that, how has that impacted, how decisions are taken within the organization."*

Participant 01: *"To shape up or ship out, so the structure changes and I must say that digital transformation work itself. It's scared a lot of people because people are worried about losing their jobs and people do lose their jobs. But what I've noted was more jobs end up being created."*

While Participant 01 acknowledges that forces in the market impacted by digital transformation change the organisational structure, he raised concerns about the alteration of certain jobs.

Participant 01: *“Yeah, I was saying that both the organigram and the company structure as well as the organogram have to change because you have new requirements as per your new digital needs which you may not have inhouse capacity.”*

Participant 01 and Participant 12 share similar views regarding the need for new skills as jobs will be replaced by the newly created role that aligns with the requirements for digital transformation.

Change management.

Most participants expressed the importance of working with change management within the organisation which simplifies changing organisational culture and assures all stakeholders the

Participant 10: *“Culture needs to be right, it needs to align, with the strategy and if you do not have an enabling culture to achieve their digitalisation strategy.”*

Participant 05: *“If again, it requires too much training. It would suggest that what you've introduced is very complicated. And not designed around the human, which is another mistake that happens when these transformations take place from a technology perspective.”*

The participants showed the significance of change management within this context. Several participants emphasised the importance of organisational culture in ensuring a seamless digital transformation process.

Value creation

Participants share similar insights on the potential benefits of digital transformation. However, difficult decisions must be taken for digitalisation strategy to create value for the organisation's clients. While it is so, the strategy may result in the joblessness of a significant workforce.

Participant 01 shows the advantages of introducing digitalisation within the payment process or operation as it allows organisations to optimize and enhance their services.

Participant 01: *“I think about a billion or two billion payments per month, and the new digitalisation of the process or the operation assists them in that now they can actually optimize and improve on their offering.”*

As Participant 01 displays the benefits of introducing digitalisation Participant 10 emphasizes the importance of demonstrating such benefits when entering new markets. Participant 10

further explained the challenges and complexities of implementing a new digitalisation strategy.

Participant 10: *“To introduce a new digitalisation strategy, which impacts probably 10% of the company because their roles are no longer needed. but it creates value for your clients, those are difficult decisions.”*

Participant 10: *“But for you to be successful while entering the South African market, you need to show benefits for the people, right? You need to show benefits either safe, safety wise or however, but there must be an incentive for the labour market in the country.”*

Participant 07 shares similar insights with Participant 01 and 10 on the significant advantages of digitalisation, particularly improving services for clients, cost savings and operational efficiencies.

Participant 07: *“And the big one that everybody always talks about is cost savings, and if you can digitize the right business process, and you can certainly drive some cost efficiencies, and operational efficiencies, and one of the big things that we've seen through the digitalisation strategy that we've got to be busy implementing store is actually a aligned experience from our external clients and how they engage with us and how are the feedback that they get. and how they experience some of these key business processes that we are automating and digitizing.”*

Communication

Participant 07 emphasized the importance appropriate communication within the organisation with fitting massaging in the context of digitalisation when transitioning from manual processes to digital systems. While participant 12 shares the need for appropriate communication channels for both internal and external communication to effectively navigate the transition.

Participant 07: *“So if you communicate with someone that's currently potentially doing something manually, that is going to be digitized. The message that you have to give them is a lot different than the message. You're going to give to the executive of that business unit or department. So, I think a very strong engagement with organizational change management. The team is required to understand.”*

Participant 12: *“Again that then requires different skills internally. If you're a big company used to dealing with the established communication channels. Do you have*

the right people who understand how to communicate As I say different social media channels.”

Figure 01 illustrate key themes that emerged from the interview questions relating to the impact of digitalisation on organizational structures and decision making.

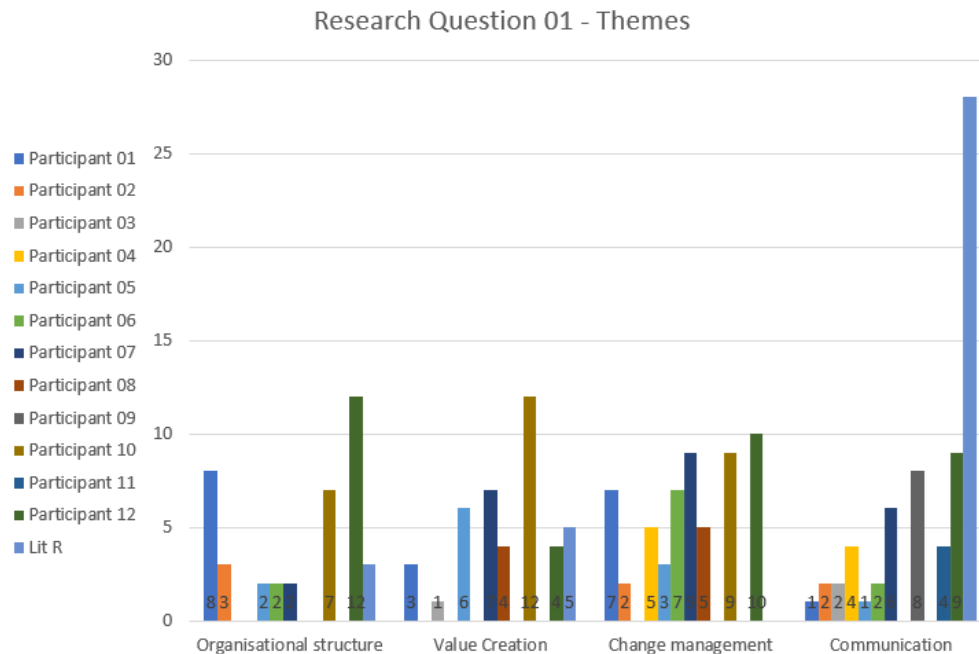


Figure 1. Impact on organisational structure and decision-making.

Source: Author's own.

Theme: Organisational structure

Seventeen out of twelve participants indicated that digital transformation alters the structure of traditional organisations. This theme was characterised by the following code groups:

New business units – Participants indicated that new business units are developed in response to demand of new digital skills. Structural change – Participants spoke of changes brought by the emergence of new executive roles (e.g., Chief technology officer, Chief information officer) creating a shift in the structure of a firm. Existing structure – Other participants indicated that is no requirement for changing organisation structure as a result of digital transformation.

Theme: Change management

Of the twelve participants, nine highlighted that change management is needed when firms digitally transform to ensure alignment of organisational culture, strategy and deployed digital technology. The code groups for this theme are culture change, project manager, create a guiding, culture change resistance, training required, strategic alignment.

Theme: Value creation

Seven out of twelve participants discussed the importance of digitalisation in creating value for traditional firms highlighting internal value, value proposition, effectiveness, economy of scale, cost reduction as indicators of value created.

Theme: Communication

Ten participants shared insights on communication benefits to be gained by a firm that uses digital and online communication. Code group for the theme consist of real-time responsiveness, domestic limitation and aligned client engagement.

Conclusion of research question 1

Insights into the impact of digital transformation on traditional MNCs' organizational structures and decision-making processes have been highlighted by participants. Such as the need for agility and flexibility, change management, and effective communication within the organization. While there are benefits for traditional MNCs participants highlighted the value created by digital transformation. These benefits often come with challenges associated with such adaptation.

5.3.2. Research question 2.

RQ.2 Why does digital platforms integration impact traditional MNCs' market entry strategies in EMs?

The purpose of this question is to seek an understanding of the effects of integrating digital platforms in the market entry strategies, and changes that occur to traditional MNCs' new market entry mode.

Analysed themes are present in the table below:

Table 7. Research question 2 - Themes

1 st Analysis	2 nd Analysis	3 rd Analysis
Integration between the different banks is quite a new thing in other market.	Limited bank integration	Integration
The ultimate back-end integration depends on what system you're talking about and what platforms you're using.	Platform dependence	
All your invoicing, all your client interactions either be a mix of One or the other, meaning it can be purely digital.	Digital transformation	
The ultimate back-end integration depends on what system and what platforms you're using.	System reliance	
Narrow down the companies that you want to when a collaborate with.	Targeted collaboration	Collaboration
Challenge because now you're dependent on partnerships with other service providers.	Dependent on partnerships	
	Challenges in shifting to digital platforms	
When you implement something, you always consult with the stakeholders and understand where they are and how we can collaborate all the efforts.	Stakeholder connection	
You need to have on the ground expertise and that does not mean sending your own existing people into that market.	Physical presence	New Markets
But without a proper assessment and going with a head mentality, it becomes problem Yeah, so a proper EM assessment of the effectiveness.	Market research	

Source: Author's own.

Integration

Although participant nine indicates limitation in integration between different banks, he also firmly talks about the advancement of African region with regards to mobile network operators and their money wallets.

Participant 09: *“The ultimate back-end integration depends on what system you're talking about and what platforms you're using. So generally speaking most African countries, if you have to make a decision, integrating with the mobile network operators and their money wallets, that will be the first port of call. So a lot of African countries have adopted mobile wallets as a means of payment very quickly and if you want to be part of the game you actually do great with it.”*

Participant 05 talked about integrating existing processes with newly deployed technologies to improve businesses.

Participant 05: *“What technology do you start off with? You've got to say, what business problem do I want to unlock growth productivity or experience if one unlocks productivity? Then I'm gonna deploy a combination of technologies that allow productivity to improve. it could be automation. It could be just basic data. It could be IoT, etc. The same technologies could be used to unlock growth or to unlock customer experience. So I think the key thing is that technology is the enabler, it's not the golden bullet or the silver bullet.”*

Collaboration

Participant 12 explains the difficulty in shift to digital platforms for traditional large companies and how they can overcome the difficulties by collaborating with companies that specialises in digitalisation.

Participant 12: *“But particularly when you are a big company with a long history, I wouldn't say traditional, but very fixed way of doing things, then changing that to suddenly become the digital services companies. It's very difficult. I think then looking to partner and work with people who have specific expertise as much better way to go.”*

Participant 12: *“And so, then you had bigger companies, are starting to see threats there and make the decision to move into that space on their own, either by developing this competency in-house, or they would work with, external partners, or maybe even acquire, external companies that bring that competency to them.”*

Participant 1 and 12 share similar views of large companies opting to acquire smaller companies that specializes in digital transformation instead of collaborating with them.

Participant 12: *“There is this tendency, but I think if you look at some of the real success stories, they come from partnerships, acquisitions in-house development. Can be very difficult can be very time-consuming. I personally think actually partnering with providers you can deliver that specific competency that you're looking for or technology is a much better approach.”*

Participant 08 emphasizes the importance of collaboration when companies that specializes in digitally transformation.

Participant 08: *“So a lot of digitalisation is dependent on partnership because you're coming with the solution that seats on someone's platform, and whether we like to believe it or not, if it's not attractive for a Vodacom or an MTN or whoever said the network provider in network, I'm mentioning network because it's the biggest obstacle for digitizing our mines because they're generally in remote areas, So if mines were in the cities, we wouldn't have such issues. So, if it is not beneficial or attractive to them, they would not invest in expensive infrastructure, to get connectivity.”*

Participant 01: *“But then companies are going to come into the picture, and they are just going to realize that they cannot compete at this at the speed at which the smaller companies are doing so they will. They will push for opposition for buying the smaller companies out and try to operate those innovative sections of the organization externally through their acquisition.”*

New markets

When entering new markets partnership with local companies is viewed to be important. Participant 09 says it is vital to partner with locals when entering new markets to limit resistance to digitalisation in markets that are not digitally advance as well to understand local culture.

Participant 09: *“We still have a very strong drive to make sure that we have the right local partner. It's still absolutely critical to understand the local culture, and digital adoption is very much a function of the culture in the country. Certain cultures or are highly open to digitalisation while other cultures are highly resistant to digitization. So, you still have to be physically presence, and you still have to know the partners that you're dealing with, of course, becomes a bit easier to say soon analyse partners with all the data that's available online.”*

However, participant four is of the view that certain EMs may have law limits digital adaption and may cause companies to delay their digital transformation plans.

Participants 04: *“Some limitations would be the EMs that you're entering, which may have laws that might delay your mode of doing business, and you find that it takes you to find your way around it by the time you get the horses bolted, the market has left*

you. So, there's compliance issues, there's adoption issues, there's usability of systems that you use as well.”

Figure 03 displays three themes from the interview questions relating to digital platforms and market entry strategies.

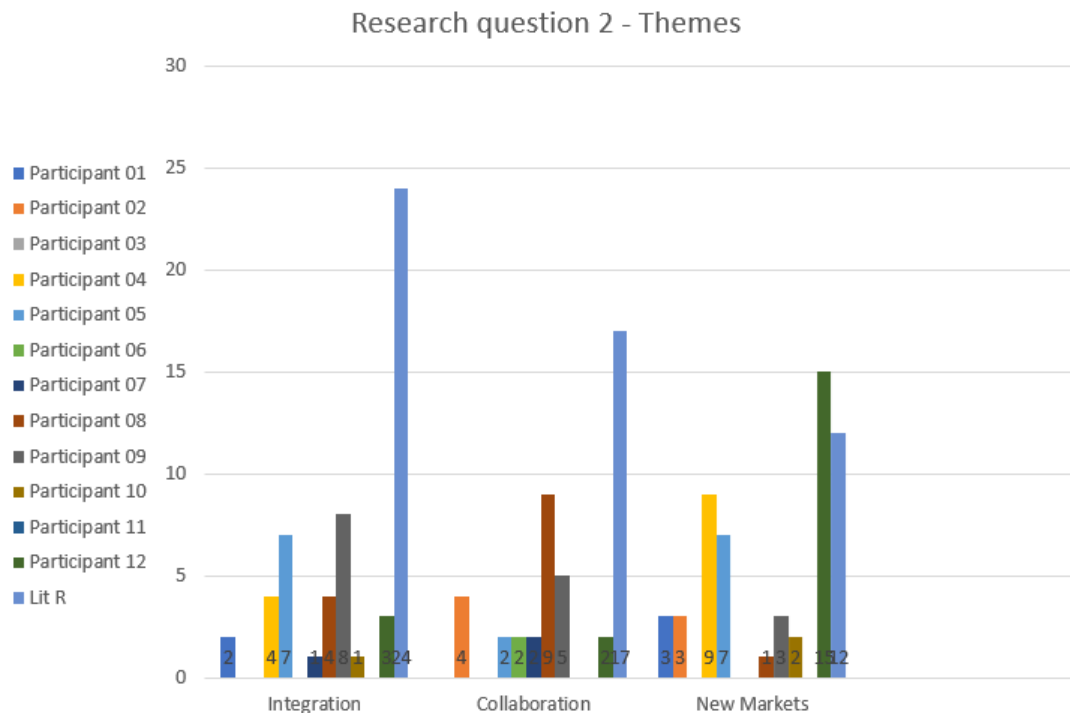


Figure 2. Digital platforms and market entry strategies

Source: Author's own

Theme: Integration

Seven interviewed participants discussed integration of deployed digital solutions with the available network in the market and these code group emerged: Platform dependence, digital transformation, system reliance. It was confirmed by Narula et al. (2019), who stated that inter-firm relationships integrate firm specific advantages between partnering firms (Narula et al., 2019).

Theme: Collaboration

Four code group emerged under the discussion of collaboration in the interviews, but only seven participants shared their views on this theme. Code group: Targeted collaboration, dependent on partnerships, challenges in shifting to digital platforms, stakeholder connection.

Ciulli and Kolk (2023) affirms the participants' discussion stating firm collaboration with third parties enabling firms to access global data.

Theme: New markets

Seven participants share insights reduction of new market entry barrier and two code group surfaced: Physical presence, market research. Hence, literature credits strategic alliances for assisting traditional MNCs digitally transform (Siachou et al., 2021) resulting in reduced entry market barrier.

Conclusion of Research Question 2

The influence of digital transformation on traditional MNCs' organizational structures and decision-making processes is significant. Digital transformation necessitates traditional MNCs to collaborate form partnerships with local partners rather than depend on internalisation as digitalisation is highly dependent on partnerships. Furthermore, digital adaptation in EMs comes with various challenges including legal compliance.

5.3.3. Research question 3.

RQ.3. Why EMs require market adaptation and localisation of digital technologies and how market adaptation and localisation impact internationalisation strategies?

The purpose of this question is to obtain an understanding on measures taken by traditional MNCs adapt and localise their offering to suite market requirements and how it is impacted by digitalisation.

Analysed themes are present in the table below:

Table 8. Research question 3 - Themes

1 st Analysis	2 nd Analysis	3 rd Analysis
I think the key thing is that technology is the enabler, it's not the golden bullet or the silver bullet.	Technology is a tool	Infrastructure
The infrastructure for communications was limited and was always going to be limited.	Infrastructure limitation	

Physical IT infrastructure, everything runs in the cloud	Cloud-based storage system.	
Once the basic infrastructure is in place digitalisation happens very quickly.	Enables rapid digitalisation	
Big Data is how well are you going to deal with all the data to generate in that market.	Data management systems	Digital tools
Remember, you've got big data, you've got social media, you've got cloud and then you have all these new tools of fourth industrial revolution, artificial intelligence, machine learning, data science which for me really working that analytics space.	Big Data	
	Social Media	
	Cloud	
	Fourth industrial revolution	
	Artificial intelligence	
	Machine learning	
	Data science	
Analytics		
Adopting the technology solutions that captures developing and looking at how we take these solutions into the African market.	Technology adaptation solution	Market adaptation
One key challenge I've seen is not being adaptive to changing market conditions.	Adapt to market conditions.	
Adapting the technology solutions that capture developing market		

Source: Author's own

Infrastructure

Participant 06 sheds insights on the positive impact of access to full Wi-Fi enabling systems to run effectively.

Participant 06: *“Let's go put an underground network to put Wi-Fi in every facet of the underground environment, which is considerable. when you look at an open pit, mine versus an underground mine the infrastructure required to get connectivity underground. This is extensive because you've only got probably three or four hundred meters of line of sight before you need it Wi-Fi repeater. So, when I looked at that, I always knew, the perfect system has full Wi-Fi coverage, everywhere real-time information feeding back at any given time, but we had to because we had those limitations, we weren't able to do that.”*

Participant 11 and participant 10 spoke of the importance of physical infrastructure when companies are operating in the EMs.

Participant 11: *“But another problem that has impacted us hugely is infrastructure, obviously, because if you cannot run a factory because you have no power or if you are having to invest a lot of money in ensuring that you do have power. It's going to ultimately make you least competitive. If you can't get your goods to ports because the railway system isn't functional. Or you are delivering late, you're not going to have too many happy customers.”*

Participant 10: *“You need to have a Stable electricity water supply in the basics, So that all there needs to be in place and very few countries are getting that right now.”*

Digital tools

Participant 11 highlights the hostility of digitalisation in the use of artificial intelligence in to write assignment for student.

Participant 11: *“So, digitalisation has played quite a big part, and I don't think it's going to go away with everything coming back to normal. and one of the adverse sides of digitalisation is the fact that we starting to see, for example, student assignments, that are being done by artificial intelligence and not by students, So, we are figuring out a way to counteract that now because there is a format although the content is different, the format remains fairly standardized is recognizable.”*

Participant 04: *“Remember, you've got big data, you've got social media, you've got cloud. Right. And then you have all these new tools of fourth Industrial Revolution, artificial intelligence, machine learning, data science. Right. Which, for me really working that analytics space.”*

Digital tools such as cloud environment enables companies to outsource their data storage and management.

Participant 04: *“With the cloud environment, there's no need for you as a business to have a data center with couple of servers running your environment, which you need to manage and monitor and support You go to Microsoft AWS Google Cloud, you set up your environment, they manage and do everything, and that can be located anyway in the world and you can have 24 by seven availability.”*

Market adaptation

Adaption to a global digital standard has been challenging. Participant 07 indicates that there is a preference towards retaining local options, but they are not aligned organization's strategy.

Participant 07: *"I think change is hard for most of us. nobody likes to change Everybody will really believe there is a digitized process. And it's I think the biggest challenge for us is making sure people understand the bigger picture and adopting and our use case a global digitization standard versus a local option that might work well for them, but isolates them, from the rest of the organization strategy."*

In addition to this Participants 12 adds that adaptable solution simplifies new markets entry.

Participant 12: *"It's just means you have to be more adaptable in the solution you're building. The ability to be more flexible, the ability to move into new markets, to address, new customers with new solutions."*

Figure: 04 exhibition three themes derived from the interview questions relating to Market adaptation and localisation.

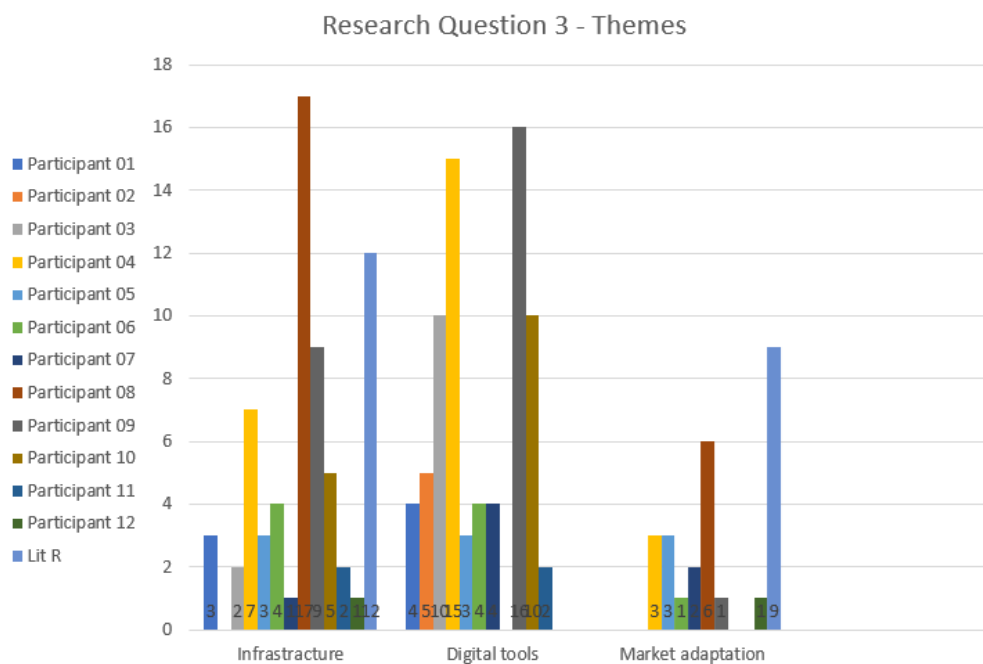


Figure 3. Market adaptation and localisation.

Source: Aothor's Own

Theme: Infrastructure

From the question relating to market adaptation and localisation three key theme emerged. Ten participants shared their views on the importance and implication of inadequate infrastructure: Technology is a tool, infrastructure limitation, cloud-based storage system , enables rapid digitalisation.

Theme: Digital tool

Participants also highlighted digital tools as an influencing factor in firm adaptation of digital technology and ten participants spoke about digital tools. (Data management systems, dig data, social media, cloud, fourth industrial revolution, artificial intelligence, machine learning, data science, analytics).

Theme: Market adaptation

Seven participants discussed market adaptation and two code group emerged: Technology adaptation solution, adapt to market conditions.

Conclusion of Research Question 3

Two participants highlighted the complex connection between digitalisation and physical infrastructure, which increases the need for adaptable solutions when traditional MNCs' expand to EMs. As the digital landscape continues to develop traditional MNCs are required to restructure their strategies and approach to EMs.

5.3.4. Research question 4.

RQ. 4. What difficulties do traditional MNCs encounter in their internationalization processes due to digital transformation?

This question aims to understand challenges phasing by traditional MNCs due to digital transformation and the effects such challenges have on internationalisation processes of traditional MNCs.

Analysed themes are present in the table below:

Table 9. Research question 4 - Themes.

1 st Analysis	2 nd Analysis	3 rd Analysis
Boarder regulations	Cross boarder regulations	Compliance and regulations.
Digital tools comply with country regulations or are compatible with the country's infrastructure	Digital tools compliance with country regulations	
	compatible with the country's infrastructure	
Others try and develop it all themselves and they're often late to market.	Outdated technology	Challenges
They have huge development costs and the service that they have in the end is not as competitive.	high development costs	
	Stagnant technology	
But a very fixed way of doing things, then changing that to suddenly become a digital services company it's very difficult.	Change resistance	
The challenge of connectivity and digitalisation go hand in hand	challenge of connectivity	
The infrastructure in the areas it's not advanced.	Digital infrastructure	

Source: Author's own

Compliance and regulation

Participant 04 shared insights of possible implications to companies entering EMs resulting from compliance issues. While Participant 12 raised concern about the increase on regulation.

Participant 04: *"I found that. for example, some limitations would be the EMs that you're entering, which may have laws that might delay your mode of doing business, and you find that it takes you to find your way around it by the time you get the horses bolted, the market has left you. So, there's compliance issues, there's adoption issues, there's usability of systems that you use as well."*

Participant 11: *“All of us are strongly regulated and every country has its own regulations, and some have their own reasons for certain regulations. As we've discovered recently, with Europe, where they are now becoming very environmentally concerned and they're starting to have a South Africa on various environmental issues.”*

Participant 12 emphasised the need to focus on ensuring the solution provided comply with country regulations.

Participant 12: *“There will always be different regulations in different countries that you have to adhere to and then it just becomes a question of how you make sure that your products and solutions, fit all of those different regulatory requirements.”*

Regulations are seen as a barrier for companies to internationalise, however, Participant 04 focused on digital platforms to enhance tedious manual systems.

Participant 04: *“For you to fulfil that order, it doesn't matter what type of business you are, it doesn't matter. Also, the complexity was a lot of things can be containerized, if you're looking at border regulations, you're looking at a type of contracts that you can have. You are also looking at non-disclosure agreements, all of these things used to be done on paper. but now, you can digitize we can scan them.”*

Challenges

While there are numerous challenges for traditional organisations in the transitioning process to digitalisation, participant 12 stresses resistance to change to be a dominant challenge.

Participant 12: *“But particularly when you're a big company, long history I wouldn't say traditional, but very fixed way of doing things, then changing that to suddenly become the digital services companies. It's very difficult. I think Then looking to partner and work with people who have specific expertise is a much better way to go”.*

Participant 09 however emphasised the significance of connectivity as a challenge for digitalisation.

Participant 09: *“Have Sufficient Connectivity. It is a significant challenge that has to be overcome before. You can get the benefits from digitalisation”.*

While Participant 08 also views connectivity to be a challenge, their emphasis is on the inadequate infrastructure that causes connectivity challenges.

Participant 08: *“Before we stored it on PREM and that turned out to be quite challenging because of the connectivity issues. The infrastructure in the areas it's not*

advanced. Yes, to carry that in. you end up compromising the business because you are unable to connect for an hour”.

Figure: 05 show key themes from the interview questions relating to challenges in internationalisation processes.

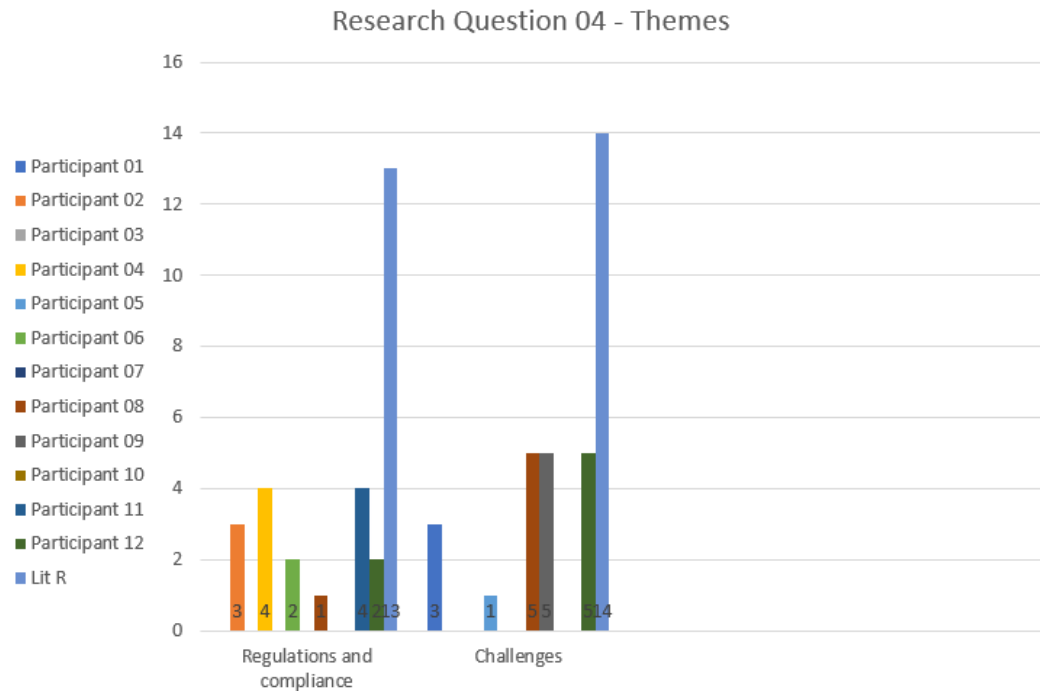


Figure 4. Challenges in internationalisation processes.

Source: Author's own

Six interviewed participants spoke of different regulations across different countries. And these code group emerged, cross border regulations, digital tools compliance with country regulations, compatible with the country's infrastructure.

Five participants spoke of challenges in adapting digital technologies in EMs and six code groups emerged outdated technology, high development costs, stagnant technology, change resistance, challenge of connectivity, digital infrastructure.

Conclusion of Research Question 4

Participant 04 and Participant 11 highlighted the regulatory challenges when entering EMs due to distinct regulatory frameworks across different countries. Which increases the need for adaptation and alignment to particular country regulations. In addition, reliable digital infrastructure is important for digitalised traditional MNCs to overcome connectivity issues as indicated by Participants 09 and 08.

5.4. Conclusion

This chapter discussed the above-presented results of the study in relation to the four sub-questions formulated to assist in responding to the main research question: What is the impact of digitalisation on internationalisation processes for traditional MNCs entering EMs?

The presented conflicting results as the impact of digitalisation on the internationalisation processes of traditional MNCs entering EMs brings both opportunities and challenges. As digital transformation requires traditional MNCs to alter their organisational structures and decision-making processes and increase agility and effective communication to leverage digitalisation advantages they equally present challenges of managing change and adapting to the evolving digital landscape.

Based on the four sub-research questions, it was conclusion that Traditional MNCs must navigate the difficulties of organisational change, local partners collaboration, legal compliance, and the adaptation to various digital and physical environment to internationalise successfully but requires firms take both the benefits of digitalisation while addressing related challenges, ensuring a comprehensive and sustainable approach to global expansion.

CHAPTER 6 – Discussion of results

6.1 Introduction

The aim of the study was exploring the how digitalisation influence internationalisation processes and traditional MNCs entering EMs. This chapter seeks discusses the findings in chapter 5 in relation to the literature review in chapter 2 and the research question in chapter three to conduct further analysis to confirm consistency between the findings and the reviewed literature.

This chapter is arranged according to the research question alongside fitting themes per research question. Each research question with selected themes will be discussed in comparison with the discussed literature in chapter two in order to analyse the finding in chapter five against the literature to determine if the finding deviates from the literature or if there were new findings discovered that are not covered by the existing literature, such finding will be offered as a contribution to the body of knowledge.

6.2 Discussion of the results

6.2.1. Research Question 1

In what way does digital transformation affect traditional MNCs' organizational structures and decision-making when internationalising into EMs?

The purpose of this question is to investigate the implications of digital transformation on the organisational structure of traditional MNCs pertaining to responsibilities within the organisation, functions, and decision-making authority. The researcher asked participants to discuss their experience relating to the influence of digital transformation on the structure of the organisations.

6.2.1.1 RQ 1: Theme - Organisation structure

The findings of the study displayed that digital transformation alters the organisational structure of traditional organisations and recognises the importance of such a shift in organizational structure for adapting to digital requirements underlines the transformative market dynamics. In addition, the findings highlight the complex relationship between digitalisation, organizational structure, and decision-making within traditional MNCs. Furthermore, the findings confirm the view of Luo (2021) who states that digital transformation

may alter the structure of the organisation by phasing out some roles while integrating a firm's internal and external activities. Both Participants 01 and 12's views of job security and the potential displacement of certain roles reflect those of Luo (2021). While literature noted that non-traditional international market entry mode is created (Brouthers et al., 2022) by shifting away from the administrative control and cost reduction structured.

6.2.1.2 RQ 1: Theme - Change management

The findings further indicated the importance of change management in facilitating digital transformation within traditional MNCs. For traditional MNCs to transition to digitalisation seamlessly effective change management is required to align organisational culture with digitalisation strategies. The involvement of change management creates a positive environment for change but also ensures alignment with the organisation's strategic objectives. Hence Cha et al. (2023) and Bouncken et al. (2022) found that high institutional diversity and cultural differences may cause variance in system interpretation, and lack of digital infrastructure increases geographic and technological distance challenges. These insights contribute to a deeper understanding of the dynamic relationship between digital transformation, organizational structure, decision-making, and the role of change management in the context of digitalisation and internationalisation into EMs.

6.2.1.3 RQ 1: Theme – Value creation

As the study explored the profound influence of digital transformation on traditional (MNCs) during their internationalisation into EMs. Several participants noticed the potential for digital transformation to create significant value. The results also highlighted the transformative potential of digitalisation in not only improving internal operations but also in delivering a more coherent and customer-centric experience to external clients. This finding is related to Luo's (2021) L advantage of the digitisation-enabled linkages that create a global business ecosystem of firms which jointly create value for customers. Autio et al. (2021) refers to creating value using delayed binding and reprogramming developed digital codes.

However, the findings also indicated reliant on digitalisation for value creation may be a challenge for traditional MNCs when entering EMs as digitalisation can transform certain jobs which leads to rendering an extensive workforce redundant. Therefore, the creation of value through digitalisation may necessitate challenging decisions to be made and rigorous demonstration of these value-driven benefits, particularly when entering new markets.

The finding demonstrates how the digital transformation process influences the decision-making of traditional MNCs in their efforts to optimize services, enhance cost efficiencies, and

improve client engagement through digitalisation even when it is accompanied by the challenging task of managing workforce changes.

6.2.1.4 RQ 1: Theme – Communication

The results of the study reveal the important role of effective communication within traditional MNCs during the process of digital transformation. Effective communication assists traditional MNCs in overcoming challenges of internationalisation in EMs as it assists firms in understanding the diverse communication needs of different stakeholders and adapting to new communication channels enabling firms to integrate digitalisation successfully. These results correspond with the current literature on the effects of communication on firm position within a market and understanding local contexts (Shaheer et al., 2020).

Moreover, the literature indicated the vital role of simple digital communication tools in creating value for customers (Luo, 2021). Digital communication shortened the distance across the globe enabling firms' easy access to foreign markets (Lee et al., 2019). While the importance of communication is emphasised by both literature and participants, literature is more focused on the communication between the organisation and its customers. When participants find internal communication more important.

Table 10. Summary of research question 1 findings

RQ. 1. In what way does digital transformation affect traditional MNCs' organizational structures and decision-making when internationalising into EMs?				
Industry	Organisational structure	Change management	Value creation	Communication
Mining	-Structure changes	Change management required: culture	-Monitory value -Process efficiency	-Realtime communication -
IT solutions	-Structure changes	Change management required: External	Monitory value	-Realtime communication
Financial services		Change management required: internal	Value for client	-Direct communication with customers.
Transport	-Change in structure -Physical use of office changes -Decision-making processes		-Monitory value -Process efficiency -Cost reduction	-Improved communication
Education	- No change in structure. - Physical use of office changes			Improve communication

Source: Author's own.

Summary of the discussion of research question 1.

The findings of the study revealed that digital transformation alters traditional MNCs organisational structure due to changes taking place in the IB environment. Furthermore, the results revealed a shift in decision-making regarding market selection and market entry into new markets. The results aligned with reports by Brouthers et al. (2022) who reported that the evolvement of the market entry mode approach no longer represents structures of traditional firms that focused on controlling processes and reducing cost. Therefore, this study proposes that:

Proposition 1

Traditional MNCs need to recognise the importance of change management the shift in organisational structure and the need to align their internationalisation strategies with an appropriate market entry mode during internationalisation into EMs.

Table 11 illustrates the connection between the findings of the study and the existing literature for Research Question 01.

Table 11. Research question 1 literature citation

Themes	Literature citation
Organisational structure	Luo, 2021.
Change management	Cha et al., 2023; Bouncken et al., 2022.
Value creation	Luo, 2021.
Communication	Lee et al., 2019; Luo, 2021; Shaheer et al., 2020.

Source: Author's own.

6.2.2. Research Question 2

Why does digital platform integration impact traditional MNCs' market entry strategies in EMs?

The purpose of this question is to seek an understanding of the effects of integrating digital platforms in the market entry strategies, and changes that occur to traditional MNCs' new market entry mode.

6.2.2.1 RQ 2: Theme – Integration

The findings of this study suggest that digital platform integration has an essential role in shaping the market entry strategies of traditional MNCs in emerging African markets. This integration has influenced the increased local adoption of mobile payments methods and the banking services in different countries. The findings express the importance of integrating mobile payment solutions and traditional banking systems to tailor traditional MNCs' market entry strategies to specific country dynamics.

The study's findings reveal that the integration of digital platforms has a significant impact on traditional MNCs market entry strategies in EMs. The finding demonstrates the importance of integrating existing processes with new technology to improve business processes and enhance customer experience. Participants five and nine addressed the compatibility of the market infrastructure when integrating new technology. Moreover, Participant Nine particularly spoke of consideration of existing mobile network operators' integration with banking system networks due to the adoption of mobile payments. These findings indicate the need to integrate internal processes for efficiency as well as the integration of the firm-chosen system with the country's existing platform. These findings are supported by the current literature as discussed in Chapter 2. Siachou et al. (2021) reported that technology integration across business functions and industries is beneficial for traditional MNCs using strategic alliances to enter new markets.

These findings indicate that integration has a positive effect on traditional MNCs that are transitioning to digitalisation. And it is important for new market entry strategies such as strategic alliances to help traditional firms digitally transform (Siachou et al., 2021), and in internationalisation strategies like global standardisation strategy which adopts product standardisation across national markets creating interdependence among foreign subunits and integrating everything from a central place (Luo, 2022), and transnational strategy that develops an integrated and flexible organisational network to achieve global efficiency and local responsiveness (Luo, 2022).

6.2.2.2 RQ 2: Theme – Collaboration

The results of the study indicate that digital platform integration influences the market entry strategies of traditional MNCs in EMs. Partnerships or acquisitions of specialised digital firms assist traditional MNCs with transitioning to digital services successfully. This collaborative strategy proves to be more effective in comparison to the internalisation approach used by most traditional MNCs. These findings partially agree with the literature in Chapter 2 as Narula et al. (2019) indicated an increase in strategic alliances and subcontracting for innovation.

The findings also show the need for collaboration with network providers to overcome connectivity challenges as Participants 08 and 06 stress the need for connectivity in digitising operations in the mining sector. Research supports the results as Narula et al. (2019) view inter-firm relationships as integrating firm-specific advantages of each firm leading to internalisation advantages and centralised data centers enabling MNCs to access global data which simplifies firm collaboration (Ciulli & Kolk., 2023).

6.2.2.3 RQ 2: Theme – New markets

The findings of this study stated the importance of partnering with locals when entering new markets to assist in understanding different cultures, legal matters, and compliance requirements. The results highlighted the link between the cultural content of the country and digital adoption stressing the need for physical presence in foreign markets as Participant 09 argued that certain cultures may hinder digitalisation. The results related to reports by Hervé et al. (2020) and Błaszczuk et al. (2023) on the use of digitalisation to identify suitable local partners and reduction of barriers to foreign market entry through the digital economy. In contrast, the literature lacks inputs on culture and new markets, although the study reveals that understanding of the cultural context of the country.

The findings of the study revealed legal issues and compliance matters are challenges associated with entering new markets. Participant 04 pointed out that legal constraints can prevent digital adaptation due to concerns about system compatibility in EMs while compliance with foreign country regulations is challenging. Hence, scholars reported that MNEs have preferences towards countries with labour-friendly regulations, cultural compatibility, and similar political systems to that of their home country (Xu et al., 2021). The findings indicated the importance of local partnerships, cultural factors, and adaptability when entering new markets.

Table 12. Summary of research question 2 findings

RQ.2 Why does digital platform integration impact traditional MNCs' market entry strategies in EMs?			
Industry	Integration	Collaboration	Network
Mining	-Streamline internal processes -Alignment with network services	- Access to network - Foreign regulations	- Costly isolated network - Partnership requirements -Improves communication
IT solutions	-Streamline internal processes. -Access data remotely: cloud storing	- Data centres access - comply with foreign regulations. - Access needed skills	-Partnership agreement -Improves communication
Financial services		- Access to digital platforms	-Improves communication
Transport	-alignment with country payments systems	- access country payment systems - meet different countries' regulations	-Improves integration -Opens the market
Education		Meet different countries' regulations	-Improves communication

Source: Author's own.

Summary of the discussion of research question 2.

The findings of the study emphasised the importance of ecosystems and partnerships for digitally transformed traditional MNCs when entering emerging markets. Participants highlighted the need for collaboration through partnerships or acquisitions of specialised digital firms, to address connectivity challenges and navigate cultural, and compliance complexities and market adaptation. This is supported by the literature in Chapter 2 which states that the collaboration of two or more firms can be beneficial to traditional firms by facilitating the exchange of technological knowledge between partners and services to serve as a mode to access new markets (Siachou et al., 2021). Thus, the study proposes that:

Proposition 02

The study suggests that traditional MNCs are to consider the effectiveness of firm collaboration as a new market entry approach for the digitally transformed MNCs to adapt to foreign market requirements and navigate legal constraints and compliance issues on market entry decisions.

Table 13 below illustrates the link between the findings of the study and the existing literature for research question 02.

Table 13. Research question 2 literature citation

Themes	Literature citation
Integration	Siachou et al., 2021; Luo, 2022.
Collaboration	Narula et al., 2019; Ciulli & Kolk, 2023.
New markets	Hervé et al., 2020; Błaszczyk et al., 2023; Xu et al., 2021.

Source: Author's own

6.2.3. Research question 3

How does digitalisation influence traditional MNCs' market adaptation and localisation in EMs?

The purpose of this question is to obtain an understanding of measures taken by traditional MNCs to adapt and localise their offering to suit market requirements and how it is impacted by digitalisation.

6.2.3.1 RQ 3: Theme – Infrastructure

The findings of the study indicated critical factors of physical infrastructure such as stable electricity, water supply, and functional transportation systems on traditional MNCs market adaptation and localization in EMs. Although this study stressed the need for physical infrastructure in adaptation and localisation when traditional MNCs digitalise, there is a lack of literature that addresses physical infrastructure as a necessity for market adaptation and localisation. Hence a study by (Seow & Chong, n.d.) indicates that digital intangible infrastructure can eliminate dependence on physical proximity such as those imposed by transportation and location.

Further findings of the study revealed digital infrastructure is a necessity for digitalisation. Participant 06 highlights the dependence of digitalisation on digital infrastructure for connectivity to enable real-time communication. This finding aligns with Shaheer and Li (2020) report that digital infrastructure enhances digital connectivity which enables connection globally. On the other hand, the finding highlights limitations in digitalisation due to infrastructure constraints. Lack of digital infrastructure and trade assistance weakens the efficiency of asset-light businesses, argued Cha et al. (2023) and Bouncken et al. (2022) in support of the results of the study.

6.2.3.2 RQ 3: Theme – Digital tools

The results of the study indicate the conflicting role of digital tools for traditional MNCs as they address challenges associated with market adaptation and localisation in the era of digitalisation presenting both challenges and opportunities. Participant 04 highlighted the operational benefits of utilising digital tools such as big data, social media, and tools like artificial intelligence, machine learning, and data science these tools in the analytics environment. This is supported by Hervé et al. (2020) argument that the use of advanced digital technologies like artificial intelligence can now be used to improve efficiency. Furthermore, the findings showed the cloud environment as a powerful digital tool offering traditional MNCs access to global data and enabling firms to subcontract data storage and management. The results are confirmed by literature which outlines digital tools' ability to collect data and create a digitised system to manage collected data (Kolagar et al., 2022; Ciulli & Kolk, 2023).

The opposing side of the results as per the study is the disadvantages associated with the use of digital tools. As indicated by Participant 11 who showed concern about using AI in the field of education noting that standardised AI-generated content challenges the recognition of authentic student work.

6.2.3.3 RQ 3: Theme – Market adaptation

The findings of the study showed resistance towards standardisation of digital solutions across diverse markets due to the preference for local digital solutions that are not aligned with the firm's global strategy. The findings of the study therefore support the existing literature as per the recent study of Batsakis et al. (2023) that studied market adaptation within the retail sector and reported findings that grocery retailers are not dependent on standardisation, they tend to adapt their product offerings when expanding internationally to minimise risks and costs associated with operating in foreign markets. In contrast, the same study reported that non-grocery retailers are in favour of standardise digital solutions when entering different markets (Batsakis et al., 2023).

The finding of the study further revealed that market adaptability simplifies new market entry. Participant 12 deemed a firm's ability to develop flexible solutions essential for addressing the different needs across different markets. This result highlights the necessity for the strategic value of adaptability in digital solutions, stressing that a standardised approach may not be effective in diverse market landscapes. The findings align with the findings of (Lu et al., 2022) which highlighted several advantages of market adaptability such as access to foreign resources, and reshaping MNCs' product portfolios.

The findings indicate the complex nature of market adaptation in the digitalisation efforts of traditional MNCs, where striking a balance between standardisation and local adaptability of digital solutions is vital in entering new markets successfully.

Table 14. Summary of research question 3 findings

RQ.3. Why do EMs require market adaptation and localisation of digital technologies and how do market adaptation and localisation impact internationalisation strategies?			
Industry	Infrastructure	Digital tools	Market adaptation
Mining	-Digital infrastructure -Physical infrastructure	-Internet connection -Digital platforms -AI-based planning	-Market forces -Digital solution misalignment -Lack of infrastructure
IT solutions	-Digital infrastructure -Physical infrastructure	-4G & 3G connection -Digital platforms	-Market forces -Inadequate infrastructure
Financial services	-Digital infrastructure -Physical infrastructure	-Internet connection -Digital platforms	-Market forces -Lack of infrastructure
Transport	-Digital infrastructure -Physical infrastructure	-4G & 3G connection -Digital platforms	-Digital solution misalignment -Inadequate infrastructure
Education	-Physical infrastructure	-Digital platforms -Internet connection	

Source: Author's own

Summary of the discussion of research question 3.

The research indicated the significant role of physical infrastructure in EMs. However, the findings of the study strongly suggest that digital infrastructure is central to the success of digitalisation. Hence Cha et al. (2023) warn that the lack of suitable digital infrastructure creates challenges for digital adaptability in EMs due to high costs for firms in deploying digital infrastructure to enter the EMs. The study further revealed the need for flexibility in navigating the complexity of market adaptation during the digitalisation efforts of traditional MNCs in emerging markets. This aligns with existing literature as Meyer and Li (2022) expressed that using a global standardisation strategy alone has adaptation constraints like the host country policies and minimal international transfer practices (Hennart, 2019; Xu et al., 2021). Hence, the study proposes that:

Proposition 03.

Both physical and digital infrastructure are vital elements of a successful digital transformation in emerging markets. Moreover, aligning digital solutions with local market adaptation requirements is a necessity for MNCs in EMs.

Table 14 illustrates the link between the findings of the study and the existing literature for research question 03.

Table 15. Research question 3 literature citation

Themes	Literature citation
Infrastructure	Shaheer & Li, 2020; Cha et al., 2023; Bouncken et al., 2022; Seow & Chong, n.d..
Digital tools	Hervé et al., 2020; Kolagar et al., 2022; Ciulli & Kolk, 2023.
Market adaptation	Lu et al., 2022; Kuivalainen et al., 2012; Luo, 2021.

Source: Author's own

6.2.4. Research Question 4

What difficulties do traditional MNCs encounter in their internationalization processes due to digital transformation?

This question aims to understand the challenges faced by traditional MNCs due to digital transformation and the effects such challenges have on the internationalisation processes of traditional MNCs.

6.2.4.1 RQ 4: Theme – Compliance and regulations.

The findings of the study indicated challenges emerging from the need to adapt to different sets of regulations of different countries causing difficulties for traditional MNCs engaging in internationalisation processes during digital transformation. Participant 04 gave an insight into rising complications from entering EMs, where different regulations and country laws can delay business operations. This relates to the literature in Chapter 2 that indicated that the differences in the home and host country's regulations and economic development can be a barrier to successful global integration for MNEs (Hennart, 2019). Moreover, the increased level of regulations for data protection and compliance with the data protection regulations of various countries requires firms to have information-processing capabilities to protect customer data (Luo, 2022).

Participants 11 and 12 emphasised the complex nature of the different regulations on digitalisation that traditional MNCs must navigate when internationalising into various landscapes. Further indicating growing environmental concerns and the necessity of ensuring digital products and solutions align with the different regulatory requirements of different countries. Such regulatory requirements are reported in a study by Kolagar et al. (2022) requiring firms to invest in data management and protection capabilities, (Luo, 2022) to comply with the data protection regulations of various countries.

Moreover, compliance issues are not only limited to legal regulatory conditions but extend to the compatibility of the deployed digital solutions to systems. This increases the complicated nature of compliance challenges, legal requirements, and technological adoption. In contrast, Participant 04 suggested the deployment of digital solutions can streamline manual processes related to compliance and improve efficiency in navigating complex regulatory environments.

6.2.4.2 RQ 4: Theme – Challenges

The findings of the study revealed resistance to change to be a challenge for traditional MNCs with established organisational structures. Participant 12 shared insights on the significant challenges posed by the cultural and fixed practices within established traditional MNCs making it difficult to transition into digital services companies. The existing literature indicated differences in cultural beliefs and values increases failure after M&A integration of firms (Khan et al., 2019). The results show a preference for partnerships and collaboration to effectively navigate the challenge of change resistance.

The results also indicated inadequate infrastructure as a cause of connectivity challenges, rooted in both insufficient connectivity and inadequate infrastructure, underscores the complex nature of challenges inherent in the digitalisation journey for traditional MNCs. These challenges are also highlighted in the literature in Chapter 2 as various scholars indicated that lack of digital infrastructure and trade assistance weakens the efficiency of asset-light businesses while increasing challenges to geographic and technological distances (Cha et al., 2023; Bouncken et al., 2022).

Participant 12 emphasizes that the primary hurdle for large, historically entrenched companies is in the resistance to change. The transition to becoming a digital services company proves to be particularly hard, necessitating a shift in mindset and operational paradigms. This underscores the deep-seated cultural resistance within traditional organizations, suggesting that overcoming this inertia is crucial for successful adaptation to digital transformation. This supported by existing literature, as Ciulli and Kolk (2023) explained that transitioning to

digitalisation can trigger challenges for traditional MNCs as they may be required to change the firms' activities and business models.

Table 16. Summary of research question 4 findings.

RQ. 4. What difficulties do traditional MNCs encounter in their internationalization processes due to digital transformation?		
Industry	Compliance and regulations	Challenges
Mining	-Increasing regulation -Difference in regulations per country	-Lack of physical infrastructure -Network connectivity -Development cost
IT solutions	-Cross-border regulation	-Network connectivity -Globally standardised system -Resistance to foreign systems -New skills required -Increased competition
Financial services	-Product adaptability requirements	-Physical infrastructure -Connectivity
Transport	-Different regulations per country -Labour regulation -Product adaptability requirements	-New skills required -Network connectivity -Stagnant and misaligned technology
Education	-Increasing country regulation -Compliance challenges. -Environmental regulation	-Infrastructure -Digital risks

Source: Author's own

Summary of the discussion of research question 4.

The findings of the study highlighted the challenging nature of the EMs landscape arising from the lack of infrastructure, cultural indifference, and compliance and legal regulatory conditions, enhanced by the compatibility of deployed digital solutions with existing systems in EMs. The findings underline the variety of challenges arising from resistance to change, especially within established traditional MNCs with fixed organizational structures. This aligns with existing literature that shows the instability nature of EMs (Pedersen & Tallman, 2022) and lack of digital infrastructure (Cha et al., 2023a) forces traditional MNCs to deploy effective strategic improvisation as traditional planning tools often prove to be inadequate (Cunha et al., 2022) to navigate an EM entry barrier.

Proposition 4.

Traditional MNCs are required to deploy strategic interventions to address challenges within EMs landscape, by enhancing digital infrastructure, and fostering collaboration to successfully navigate the challenges posed by digital transformation in their internationalisation processes.

Table 16 below illustrates the link between the findings of the study and the existing literature for research question four.

Table 17. Research question 4 literature citation

Themes	Literature citation
Compliance	Hennart, 2019; Luo, 2022; Kolagar et al., 2022.
Challenges	Cha et al., 2023; Bouncken et al., 2022; Khan et al., 2019.

Source: Author's own.

CHAPTER 7 – Conclusion

7.1 Introduction

The purpose of this chapter is to present the findings of the study derived from the analysis of literature review and research findings in Chapter 06. This study was intended to determine the impact of digitalisation on traditional MNCs and internationalisation strategies when entering EMs. To answer the main question of the study the following research objectives were outlined in Chapter 1:

- How traditional MNCs organisational structures are affected by the adjustment to digitalisation.
- How digitalisation influence market entry mode decisions when internationalising into emerging markets.
- Changes market entry strategies caused by integrating digital platforms in traditional MNCs.
- How traditional MNCs diversify to meet local markets requirement after digitally transforming.
- Challenges phased by traditional MNCs due to digitalisation when internationalising.

In this chapter each conclusion of the research question is presented according to the aim of the study. The chapter presents a summary of the research findings, followed by the contribution of the findings to the academic and recommendations to business. Then a discussion of this study's limitations followed with areas of future research.

7.2 Summary of the results per research question & theoretical conclusions

Below is a summary of the key finding answers to the four research questions of the study. The outlined finding supports as well as contradicts funding of literature reviewed in Chapter 2. The finding provided additional views and understanding of how traditional MNCs access new markets and adapt to digitalisation to grow in their internationalisation strategies.

Sub questions: The following sub questions will be addressed in order to answer the main research question:

7.2.1 Research question 1.

The objectives of this research question were to investigate how digital transformation affects the structure of traditional MNCs in relation to decisions regarding market selection and market entry strategies. The question intended to gain understanding of whether digital transformation affect other areas of the firm.

Key findings

The findings of the study show the need for changing roles and responsibilities within the organisation due to the impact of digital transformation on traditional firms which aligns with existing literature (Luo, 2021).

The findings deemed change management to be critical, as prior research also highlighted the importance of effective change management in facilitating the transition of traditional MNCs to digitalisation and ensuring alignment between organisational culture and digitalisation strategies. Moreover, the potential value creation from digital transformation is highlighted with a warning of the challenge of reliance on digitalisation for value creation. Although the majority of participants emphasised the need for effective change management to facilitate the transition to digitalisation, there was no mention of managing change in the reviewed literature.

The importance of communication within traditional MNCs during the digital transformation process is deemed vital, which aligns with the literature on the effects of communication on firms within markets. Several studies agree that digitalisation improved communication within markets, (Hervé et al., 2020) highlighted accuracy of communicated data, (Luo, 2021) reported virtual feed internal communication and global knowledge sharing for workforce.

However, standard digital adaptation may be required for firms to access online communication technology (Van Veldhoven & Vanthienen, 2022).

The finding shows a need for change in organisational structure and potential value can be created through digital transformation in traditional MNCs during internationalisation into emerging markets. Even when there is no literature to support how digitalisation affects traditional firm structure.

7.2.2 Research question 2.

The purpose of this question is to determine how digitalisation affects market entry strategies for traditional MNCs and the impact of digital platform integration new market entry mode.

Key findings

The findings of this study provide valuable insights into the positive effect of integration on traditional MNCs transitioning to digitalisation highlighting the important role played by strategic alliances. In alignment with the literature, strategic alliances prove to have dual market entry strategy that dominated both traditional international market entry and the current digital era market entry strategies (Watson et al., 2018). Additionally, other studies that argue that joint ventures and strategic alliances would be more flexible and changeable modes of entry (Papanastassiou et al., 2020). These collaborative strategies are more effective when traditional MNCs enter new markets than internalisation approaches as the literature highlights the increase in strategic alliances and subcontracting for innovation.

Participants stressed the need to partner with locals when entering new markets to navigate cultural differences, country regulations, and compliance requirements. These institutional factors are important when firms enter international markets (Markman et al., 2019). Reviewed literature supports the results (Papanastassiou et al., 2020) indicating growth in mutual trust and development of technical linkage with foreign partners which encourages involvement instead of investment.

Participants shared more insight on MNEs preferences for countries with labour-friendly regulations and cultural compatibility in efforts to navigate barriers to entering new markets. The findings reveal the significance of collaboration aligning with the view that inter-firm relationships can integrate firm-specific advantages for internalisation advantages. Hence, according to (Liedong et al., 2020) market entry through joint venture with local partners enhances access to market information and improves market adaptation. However, there are concerns regarding conflicting cultural beliefs and values experienced by firms using M&A as market entry strategy as it creates a high failure rate after M&A integration of firms (Khan et al., 2019).

7.2.3 Research question 3.

The reason for this question was to explore forces within emerging markets driving markets adaptation and localisation of digital technologies. This question intended to gain insight on reasons for market adaptation and localisation in emerging markets and how it impacts traditional MNCs internationalisation strategies.

Key findings

The critical role of both physical and digital infrastructure in adapting and localisation by traditional MNCs' when entering emerging markets is revealed by the results of the study. The existing literature supports the importance of digital connectivity for global business operations as participants highlighted the dependence on digital infrastructure for connectivity and real-time communication. Literature shows market adaptation can also be achieved through joint venture with local partners (Liedong et al., 2020). Existing literature also indicate adaptation across different markets may affects a firms distribution channels, advertising, and pricing (Szymanski et al., 1993).

The findings highlight the value of adaptability in digital solutions for successful market entry, stressing the need to maintain the balance between standardisation and local adaptability. According to literature in Chapter 2 market adaptation by traditional firms when entering foreign markets is on the rise as more firms are using digital innovations in foreign markets. The results illustrate the essential and yet contradictory aspects of digital tools that offer operational benefits while still posing challenges such as AI-generated content as shared by Participant 11. However, (Siachou et al., 2021) reported that firms adapting to digitalisation experience hardship in embracing new technologies. These insights indicate the complex nature of traditional MNCs navigating the complexities of market adaptation and localisation in the era of digitalisation.

7.2.4 Research question 4.

This question aims to identify challenges brought by digital transformation on traditional MNCs and understand how the internationalisation processes of traditional MNCs are affected by such challenges.

Key findings

The findings of the study demonstrate the complicated nature of compliance, regulations, and technological dimensions emerging from the need to navigate different sets of regulations in various countries. The findings align with existing literature in highlighting the need to understand the cultural norms of emerging markets to enable firms to meet and manage regulation country regulations (Liu et al., 2022). (Luo, 2022) identified differences in regulatory requirements of different countries as potential barriers to global integration for MNEs. Significantly, the literature considers institutional factors such as local regulations (Markman et al., 2019) to be taken into account when firms are entering international.

The results of the study revealed infrastructure inadequacy as a source of connectivity challenges, aligning with literature that emphasizes the impact of insufficient digital infrastructure on the efficiency of businesses. Additionally, Participant 12 highlighted the cultural and operational challenges faced by traditional MNCs in transitioning into digital services companies. The existing literature acknowledges that low level digital infrastructure increases cost of market entry in to emerging markets cultural differences can contribute to the failure of M&A integration. low level of digital infrastructure in emerging economies due to high costs of deploying digital infrastructure (Cha et al., 2023). In line with the reports by (Cha et al., 2023; Bouncken et al., 2022) that shows lack of digital infrastructure weakens the efficiency of asset-light businesses and widens geographic and technological distances.

Summary of the key findings

Figure 05 below illustrates how digitalisation directly impacts traditional MNCs' internationalisation strategies and market entry mode which indirectly affects traditional MNCs' entry EMs. The framework combines the OLI paradigm internationalisation approach chosen for this study and market entry modes due to the role they play in traditional MNCs' decisions when entering EMs. The study first looked at how digitalisation directly affects international strategies and the ways traditional MNCs enter new markets. It then explores how digitalization indirectly influences the decision-making of traditional MNCs when entering EMs. In EMs, the study highlights how entry mode decisions of traditional MNCs are directly affected by factors in the EMs landscape, such as the country's regulations, infrastructure, and cultural differences. Within digitalisation, the focus is on the ecosystem, digital communication, and digital platforms and data management as contributing factors to traditional MNCs' change in their internationalisation strategy and choice of market entry mode. The study acknowledges the need for actual research to understand how these factors interact and emphasizes the importance of delving deeper into the internationalization process of traditional MNCs. Therefore, the revised framework below provides more insights into the interconnections between these factors.

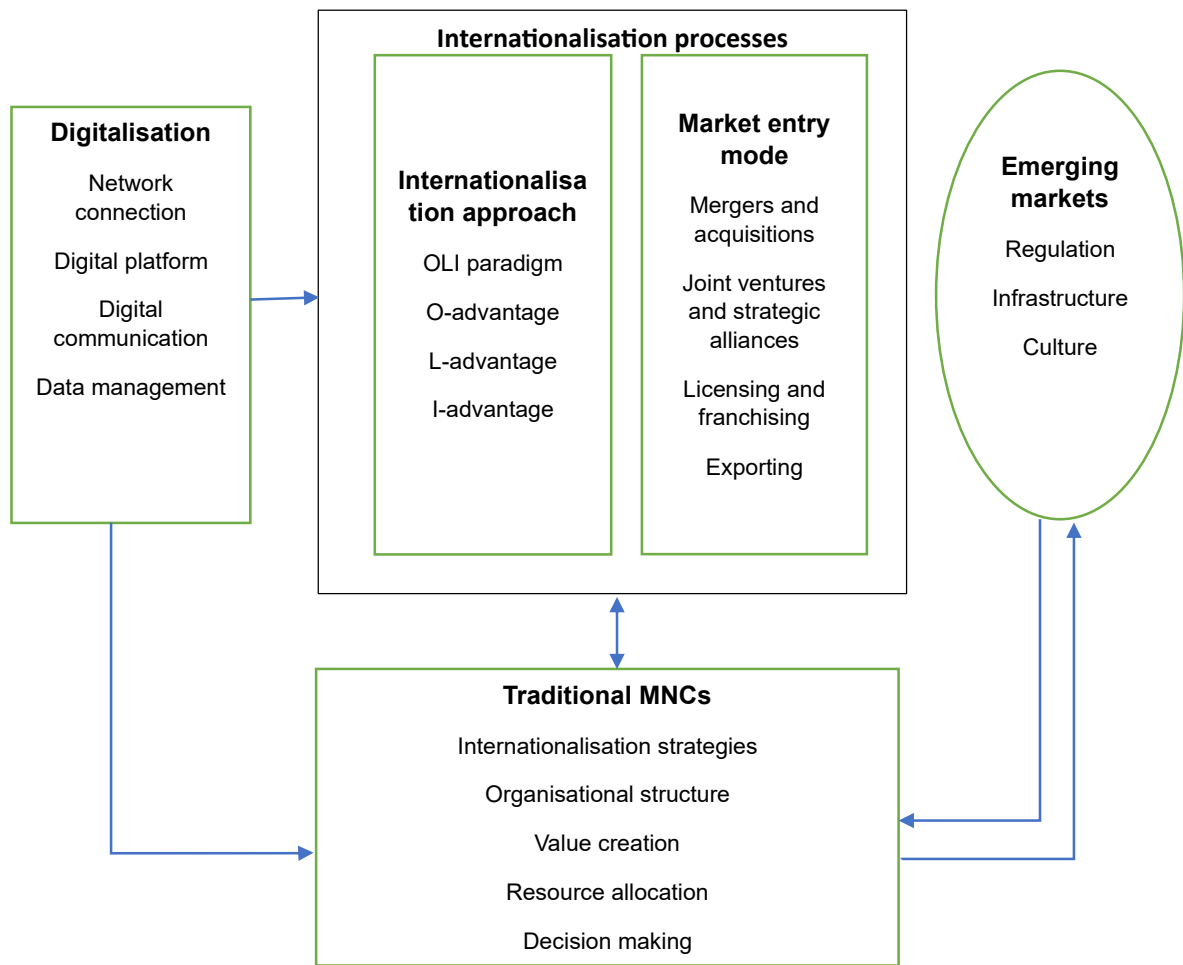


Figure 5. Revised framework

Source: Author's own

7. 3 Research contribution

The study contributes a nuanced perspective to the existing literature by indicating that the internationalisation strategies of traditional MNCs are influenced by the digitalisation of their operations, impacting how these MNCs make decisions about entering new markets. For instance, traditional MNCs employing a global standardisation strategy typically take wholly owned subsidiaries when venturing into new markets, relying on ownership advantages driven by FSAs in new market entries. In contrast, a digitally transformed MNC is more likely to be persuaded by the ecosystem dynamics of digitalisation, prompting a shift in internationalisation strategy towards a multi-domestic approach, often utilizing joint ventures or strategic alliances as entry modes into new markets (Liedong et al., 2020). Notably, this approach does not align with the OLI paradigm, as market entry decisions are not based on Ownership, Location, or Internalization advantages. Existing literature indicates that firms

invest in foreign markets to access required resources at a lower cost than in their home country, and the OLI theory provides different avenues for gaining a competitive advantage by leveraging firm ownership and specific assets along with host country location advantages and internalization benefits, motivating firms to expand internationally (Lou, 2021).

7.4 Recommendations for management.

The findings of this study carry significant managerial implications for traditional MNCs undergoing digital transformation in the internationalisation framework. Acknowledging the influence of digitalisation on internationalisation strategies and market entry modes, management should proactively engage in change management processes. As traditional MNCs change their strategies due to digitalisation, decision-making processes require alignment with chosen market entry modes, especially when entering EMs. To navigate the complexities of EMs, where inadequate infrastructure, regulatory requirements, and cultural differences pose challenges, change management becomes crucial. Facilitating collaborations and partnerships through joint ventures and strategic alliances enhances inter-firm relationships, allowing MNCs to address infrastructure gaps, comply with regulatory frameworks, and navigate diverse cultural contexts. In essence, this study emphasizes the need for change management along with digital transformation to ensure a seamless transition and effective internationalisation strategy alignment in EMs. Therefore, the study's recommendation to management are as follows:

1. **Strategic alignment in digital transformation:** Traditional MNCs should prioritize aligning their internationalisation strategies with the ongoing digital transformation due to the impact of digitalisation on decision-making processes and market entry modes.
2. **Change management practices:** MNCs need to implement strong change management practices to address shifts in internationalisation strategies and decision-making processes resulting from digitalization.
3. **Collaborative entry modes:** Collaborative approaches such as joint ventures and strategic alliances enable seamless inter-firm relationships and help address challenges associated with inadequate infrastructure, regulatory compliance, and cultural differences in EMs.

7.5 Limitations of the research

The sample size of the study concentrated on Africa other emerging market countries could not be represented in the study. Due to the nature of the study, the findings of the research are limited in their application and therefore cannot be generalised. The research findings could have been better, limitations of the initially selected scope led to difficulties in obtaining the desired sample of the study which affected the results of the study. Moreover, the study took place in a limited time period, impacting time that was initially set for data analysis.

7.5 Conclusion

In conclusion, this explored how digitalisation influences traditional MNCs and internationalisation strategies when entering EMs. The study highlighted the digitalisation of traditional influences decisions of MNCs regarding new market entry. The findings of the study emphasise the importance of collaboration and partnerships such as joint ventures and strategic alliances in new market entry modes which assist with challenges associated with inadequate infrastructure, regulatory complexity, and cultural diversity in EMs. The difference between global standardization strategies and the adaptability prompted by digital ecosystems, more so in EMs, stressed the need for a strategic realignment in response to digital transformation. As MNCs navigate this changing landscape, change management emerges as a critical factor in facilitating a seamless transition. The study supports proactive change management practices to address the shifts in internationalisation strategies due to digitalisation.

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Appendix A – Consistency matrix.

Table: Consistency matrix

Research question	Literature reviewed	Data collection tool	Analysis technique
Research question 1.	Chaniasa et al., 2019 Luo, 2021 Cha et al., 2023 Bouncken et al., 2022 Luo, 2021 Lee et al., 2019 Luo, 2021 Shaheer et al., 2020	Semi-structure interviews	Thematic analyses
Research question 2.	Siachou et al., 2021 Luo, 2022 Narula et al., 2019 Ciulli & Kolk, 2023 Hervé et al., 2020 Błaszczyk et al., 2023 Xu et al., 2021.	Semi-structured interviews	Thematic analyses
Research question 3.	Liedong et al., 2020 Shaheer & Li, 2020 Cha et al., 2023 Bouncken et al., 2022 Seow & Chong, n.d. Hervé et al., 2020 Kolagar et al., 2022 Ciulli & Kolk, 2023 Lu et al., 2022 Kuivalainen et al., 2012 Luo, 2021	Semi-structured interviews	Thematic analyses
Research question 4.	Hennart, 2019 Kolagar et al., 2022 Cha et al., 2023 Bouncken et al., 2022	Semi-structured interviews	Thematic analyses

	Khan et al., 2019		
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Appendix B - Research instrument

Table: Research instrument

Introductory question		Please tell me about their role in this organization and your experience with digitalisation and internationalisation in emerging markets.
RQ1	In what way does digital transformation affect traditional MNCs' organizational structures and decision-making when internationalising into EMs?	Tell me about how digitalization has influenced the firm's organizational structure and management practices in relation to internationalization efforts?
		Are there any changes in decision-making processes and communication patterns because of digital transformation?
RQ2	Why does digital platform integration impact traditional MNCs' market entry strategies in EMs?	Tell me about the use of digital platforms by the organisation for market development and diversification within emerging market? (What is that process like?)
		Describe how digitalization has affected the organisation's market entry approach into emerging markets?
		Tell me about (your experience of) digitalisation strategies and technologies used by the organization for market penetration when entering emerging markets?
RQ3	Why do EMs require market adaptation and localisation of digital technologies and how do market adaptation and localisation impact internationalisation strategies?	How do you foresee the effects of digitalization in internationalization processes in the future?
		Tell me about digital tools and platforms used for market research and stakeholder engagement?
RQ4	What difficulties do traditional MNCs encounter in their internationalization	Describe the perceived benefits and advantages that digitalization brings to the internationalization process?

	processes due to digital transformation?	Tell me about the challenges the organisation encountered while integrating digital technologies into their international expansion?
Closing question		What would your recommendations be for other traditional MNCs venturing into emerging markets?

Appendix C – Ethical clearance approval

<p>Gordon Institute of Business Science University of Pretoria</p>	<p>Ethical Clearance Approved</p>
<p>Dear</p> <p>Please be advised that your application for Ethical Clearance has been approved. You are therefore allowed to continue collecting your data. We wish you everything of the best for the rest of the project.</p> <p>Ethical Clearance Form</p> <p>Kind Regards</p>	
<p>This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.</p>	

Appendix D - CERTIFICATION OF ADDITIONAL SUPPORT

Appendix E – Proforma informed consent form

I am conducting research on digitalisation and internationalisation strategies of traditional firms into emerging markets. Our interview is expected to last 45 to 60 minutes and will help us understand what is the impact of digitalisation on internationalisation processes for traditional firms entering emerging markets? Your participation is voluntary, and you can withdraw at any time without penalty.

By signing this letter, you are indicating that you have given permission for:

- the interview to be recorded;
- verbatim quotations from the interview to be used in the report, provided they are not identified with your name or that of your organisation;
- the data to be used as part of a report that will be publicly available once the examination process has been completed; and
- all data to be reported and stored without identifiers.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher name: Dzudzanani Jessica Manda. Research supervisor name: Monaj Chiba

Email: 21845418@mygibs.co.za Email: ChibaM@gibs.co.za

Phone: +27 71 494 0820 Phone: +27 11 771 422

Signature of participant: _____

Date: _____

Signature of researcher: _____

Date: _____

Appendix E – Code book from ATLAS Ti

Count	Code
1	digitalisation
2	value creation
3	infrastructure
4	network connection
5	For example, if you talk about a company like Nestle that operates in different places in Africa, when you go and you offer them a solution that includes digitalization, they actually drive the entire strategy from the head office.
6	To find new sources of growth
7	modernization
8	Digital transformation
9	Process
10	communication
11	digital strategy
12	integration
13	new market
14	technology
15	cost reduction
16	Change management
17	Training
18	Strategy
19	collaborating. I think that's just our consumers by it. I think that's The second one is that Some brands may recognize that consumers want that. So the brands themselves will have a physical store that people can go showcase.
20	You can buy online from them, but you also can go visit the store or Once you visit the store can buy it elsewhere. So I think it changes the dynamic of the competition in the market. But I don't see this is an elimination. Of bricks and mortar completely
21	First of all, there are the traditional retailers. I think there will without a doubt continue with physical space and a combination of physical and online space. And it's not one compromising the other. What you're doing is they're just expand their footprint. they expand their reach.
22	They're not going to service customers but they're going to use digital to run their firms more efficiently
23	improve internal processes
24	After proper research has been done around whether whatever you finally choose will be the most optimal to use in that market, obviously succeeding, in an emerging market

25	internal business processes are Agile
26	Disruption
27	market research
28	digitalization is an enabler
29	start competing very actively against established players
30	You need to have a feedback mechanism that will inform your business, processes that will inform your applications
31	competition
32	Arrangement. It can be a mixture of both
33	internal business processes
34	border regulations
35	to be profitable. Number one, is to drive down your process costs, And process costs
36	change management
37	digital tools
38	but you find that they don't have the latest and the best Then you may need to resort to older digitalization techniques that will talk to those mobile handsets that your clients have
39	market adaptation
40	artificial intelligence
41	Compliance
42	there's adoption issues, there's usability of systems
43	we have infrastructure as a service now
44	it's manufacturing much more efficient
45	digitalization
46	Are we able to produce more
47	The way we do things. Will not necessarily change but we'll do them faster
48	the most effective digital tools that will be relevant to that market
49	technology-based centralized control system
50	digitizing and the whole planning process in the operation
51	collaboration
52	ease of use of their program
53	firm structure
54	creating a functional environment for digitization
55	digitised solution that suits the operation.
56	flexibility
57	improve productivity
58	improve safety
59	risk reduction
60	digitization making emerging markets, and marginal operations, more appealing
61	Aligned operating model that we want to execute against
62	the platform support the business process
63	changes the function within departments
64	dashboard that sort of integrates all those reports

65	how we can collaborate all the efforts
66	try to digitize so much that our infrastructure is not really right
67	Cloud
68	turned out to be quite challenging because of the connectivity issues
69	The infrastructure in the areas it's not advanced
70	ompromising the business because you are unable to connect
71	loss of production that can amount to millions
72	adopting technological or innovative ideas in the context of South Africa
73	Never a one size, fits on, firstly, you need to adopt from one commodity to another
74	Totally different environment
75	need to always adapt and try to fit the solution for the client
76	cultural differences
77	adaptation It's a must you need to study the client that
78	ngagements with the client and not just the top management clients
79	the manager might be all for the solution, all for digitization, but if the guy who's going to use that solution at the end of the day,
80	drive change management from the beginning of the projects
81	enforce engagements
82	changed management is onboarded then they start to help with the engagements and making sure that everyone has got interested on the implementation
83	created a safe environment
84	monetary value
85	The leveling of the playing field
86	able to move more product
87	able to mine more with less effort, you are able to manage your assets better
88	you plan better, you print your resources better. To plan the maintenance of your equipment better, you can budget better
89	data centralized in databases
90	consolidating more and more things into databases
91	to analyze the data
92	solution that did not work
93	the infrastructure at that particular client did not support the optimal running of the solution
94	network connectivity
95	connectivity infrastructure was not there
96	it was almost impossible to run with that solution
97	was not ready yet to extend the network infrastructure to that portion of the mine
98	Custom built and solution
99	digitalization is dependent on partnership
100	Solution that seats on someone's platform,
101	if it's not attractive for a Vodacom or an MTN or whoever said the network provider in network,

102	the biggest obstacle for digitizing our mines because they're generally in remote areas
103	invest in expensive infrastructure, to get connectivity there
104	So what mines tend to do, is they end up building their own isolated network
105	problem comes up if you want to connect to the cloud
106	challenge because now you're dependent on partnerships with other service providers
107	digitalization is helping us find more value
108	there's quite a lot of competition
109	driving training people for jobs of the future
110	people to train and become relevant to expand and grow the digital world
111	Adopting the technology solutions that captures developing and looking at how we take these solutions into the African market
112	how Africa is adopting digital technologies
113	Telecommunications infrastructure
114	adopted Cell phone technology very quickly.
115	o being behind in the technology adoption curve. It's not necessarily a crisis, in fact, it can create opportunities as well.
116	digital digitalization of payments
117	here's a lot of security concern around cash
118	oving digital forms of payment is a very important trend
119	to enhance people's experience of public transport
120	digital form of payment than just mobility, so digital payments is definitely a natural content in Africa that we use everywh
121	digital form of payment than just mobility, so digital payments is definitely a natural content in Africa that we use everywhere into the market.
122	integration between the different banks are quite a new thing in other market
123	depending on the state of the banking system and your strategy to go into that market
124	the state of the infrastructure that banking, the transport infrastructure, that also determines how you go to that market
125	it depends on the maturity of the market
126	the more mature, the market is integrating into an already connected payment system, is a lot easier than when the payment system isn't connected
127	The ultimate back-end integration depends on what system you're talking about and what platforms you're using
128	It has changed the structure of the organization in a very physical way
129	storing your content and, in the cloud
130	it's become so easy to communicate with anybody anywhere in the world at any point in time
131	physical IT infrastructure, everything runs in the cloud
132	have a very strong drive to make sure that we have the right local partner.
133	digital adoption is very much a function of the culture in the country

134	So you still have to be physically presence, and you still have to know the partners that you're dealing with,
135	trying to think that if I can find an example of a company that is been able to enter a market without having a physical presence and I simply just right, there is still a physical component to digitalization. doesn't just happen.
136	with digitalization it's also easier to create a scalability that gives you an economy of scale benefit.
137	advantages come to mind the speed and cost
138	Once the basic infrastructure is there, happens very quickly
139	one of the biggest disadvantages in queries, a barrier to entry for digitalization
140	Sufficient Connectivity
141	A challenge of connectivity, and digitalisation go hand in hand
142	Communication is very different and you have to adjust your penetration strategies
143	To make those adjustments in your approach to customers as well
144	you have to use the right platform
145	relatively fast to adopt a certain technology not necessarily so fast to get out of that technology,
146	don't assume that a solution that works in a first-world country will necessarily work as easily in emerging marke
147	when it comes to technology we probably are followers
148	do we have the capacity
149	Do we have the technology?
150	Do we have the skills?
151	do we actually have the infrastructure around to come and create the digitalization strategies
152	the Nigerian government should not be giving issues around taking the money out of the country.
153	So the rule of law needs to be enforced
154	need to have a Stable electricity water supply in the basics
155	cloud environment,
156	there's no need for you as a business to have a data center with couple of servers running your environment, which you need to manage and monitor and support You go to Microsoft AWS Google Cloud, you set up your environment, they manage and do everything
157	Cloud has set the platform for you to go and set up business in any jurisdiction in the world
158	But you need one of the biggest inhibitors to digitalization is the behavior within the organization of the culture.
159	that's the biggest stumbling block not only for digitalization as a strategy,
160	It is very, very difficult to transform a company once it has been successful
161	big companies, Apple and Microsoft fundamentally transformed, their business and took it on a new direction.

162	That's very, very difficult to do in any organization. Let alone some of the largest organizations.
163	traditional organizations who've been running the business in a certain way. You do not have. The capability to actually transform the business and move into a new direction.
164	the cultural aspect of transformation is probably overlooked
165	digitalization use technology to transform the business
166	What value am I creating For my clients
167	What value am I trading for the marketing team, for the operations team. and for your actual appliance action is going to use it, beat an internal or external product?
168	business model
169	when you're going to introduce a product, it's not the business model, because if you have a good enough product, the model will find itself.
170	to Target your market maybe existing clients you probably need a different strategy for a new market you probably need a different strategy.
171	Think about all your customer segments to ensure that you catering for everyone maybe some difficult decisions have to be made, maybe the costs of running
172	value strategy
173	Ultimately you need to create value for your clients.
174	Culture needs to be right, it needs to align, with the strategy and if you do not have an enabling culture to achieve their digitalization strategy
175	come up with the digitalization strategy and then implement Strategy design is probably the easy part, the execution and operational component of that is far from overlooked
176	digitisation
177	that create the documents that do the costing help you with the costing that's for certain things. And then there are a lot of information tools that are free to use
178	Access map, the enable you to find out the extent of import of your particular product into a particular country
179	Il of us are strongly regulated and every country has its own regulations and some have their own reasons for certain regulations.
180	have to have the quick communication ability
181	there's a lot of information
182	to change our value proposition or enhance our value proposition
183	bigger companies, discovery starting to see threats
184	strategic partnershiip
185	they would Work with, external partners
186	acquire, external companies that bring that competency
187	partnerships are absolutely crucial
188	partnerships, acquisitions in-house development. Can be very difficult can be very time-consuming.
189	partnering with providers you can deliver that specific competency that you're looking for or technology is a much better approach.
190	digitalizing their services, bringing things like payments and online infotainment services to use in the vehicle.

191	challenges
192	you then see others that try and develop it all themselves and they're often late to market, they have huge development costs and the service that they have in the end is not as competitive.
193	It's a deviation from your traditional business
194	lead to changes in structure, absolutely, you will need different expertise that requires
195	hire brand new teams of IT software developers
196	there have been two approaches, one where they will try and fit these new kind of competencies into the existing structure
197	creating these standalone sort of daughter companies if you like that then sell or provide services into the existing company.
198	You face competition from your existing competitors who often trying to move in similar ways to you.
199	You see the level of competition, increasing, and therefore market entry becoming more difficult
200	marketing strategy
201	Standardize our products a lot more, digitalization helps with that
202	standardizing our products and solutions a lot more now than we would have done. 10, 20 years ago
203	Product or solution for each customer and for now it's the opposite approach. It is to create one solution that works for everyone, and yes, digitalization has absolutely helped with that.
204	There is this tendency towards standardization of products and solutions as well. And for sure, digitalization has supported that
205	there will always be different regulations in different countries that you have to adhere to and then it just becomes a question of How do you make sure that your products and solutions, fit all of those different regulatory requirements.
206	you have to be more adaptable in the solution you're building
207	The ability to be more flexible, the ability to move into new markets, to address, new customers with new solutions
208	Structural changes are often, very difficult, getting the right staff in place
209	but It would say it's easier to enter new markets than it used to be
210	If you're communicating in the right way
211	it's easier to enter new markets
212	you can grow your visibility, grow your awareness amongst consumers in different markets, more easily than you could for sure.
213	Some sort of Cultural differences is the pricing of your product, Because product pricing doesn't work the same everywhere, all of these different things, take into account.
214	digitalization is only gone so far to replace the value
215	acquisition
216	But Without a proper assessment and going with a head mentality, it becomes problem Yeah, so a proper emerging market assessment of the effectiveness.

217	Participant: you need to have a Stable electricity water supply in the basics, So that all there needs to be in place and very few countries are getting that right now.
218	Big Data is how well are you going to deal with all the data to generate in that marke
219	you need to employ our local people
220	I'm not sure this is a disadvantage, but it's for sure. A challenge of connectivity, and digitalisation go hand in hand and where we don't.
221	entering new markets, more difficult because there is just generally more competition.
222	You see the level of competition, increasing, and therefore market entry becoming more difficult.