



LUND UNIVERSITY
School of Economics and Management

One-Click Internationalisation through E-Commerce Marketplaces?

A qualitative study of the key capabilities for SMEs

by

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June 2020

Master's Programme in International Strategic Management

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Abstract

Purpose – While e-commerce marketplaces have changed the way SMEs operate across borders, literature connecting digital platforms with the internationalisation of firms is scarce. Although the Uppsala Model and the Born Global concept acknowledge the influence of digital technologies, they do not capture the phenomenon of e-commerce marketplaces as a new mode of entry. In light of the new opportunities and challenges for SMEs, the purpose of this paper is to increase the understanding of how such firms can successfully internationalise through e-commerce marketplaces by deploying a specific set of capabilities.

Methodology – To address the research purpose, a qualitative research approach was adopted in the form of a single case study. Empirical data was gathered from nine in-depth interviews with employees of a Swedish SME and six interviews with e-commerce marketplace professionals to study obstacles and enabling drivers for international success of SMEs.

Findings – To succeed internationally on e-commerce marketplaces, SMEs need to develop a set of four interrelated capabilities, including the managerial-, networking-, technological-, and marketing capability. While the managerial capability serves as an overarching component determining the other three capabilities, a strong networking capability can offset weaknesses in technological and/or marketing skills.

Contribution – This study contributes to the field of International Business by providing a holistic view on critical capabilities for SMEs that internationalise through e-commerce marketplaces. The proposed framework serves as a management tool for firms to develop strategies for international success on digital platforms.

Keywords: SMEs, digital platforms, e-commerce marketplace, internationalisation, capabilities

Acknowledgements

First of all, we would like to thank our company supervisor Jan for the support and the trust he placed on us. While the world was jumbled by Covid-19, you kept your word and supported us throughout the entire process. Furthermore, special thanks go to Thomas Kalling, who did not only show us new ways of thinking but also helped us to stay loyal to our own approach. After every meeting we left with a big smile on our faces. Moreover, we must say that this research topic would never have emerged if it was not for Javier Cenamor's encouragement and enthusiasm that reinforced us to immerse into the scarcely studied phenomenon of digital platforms as a means for internationalisation. Thank you for the energy that you transmitted to us. Moreover, we would like to thank our families and friends that provided us with hugs, brain food, positivity and strength.

Last but not least, we would like to thank each other. We both could not have imagined a better thesis partner - the perfect combination of discipline, humour, criticism, mutual understanding and trust. All in all, our entire process can be described most appropriately by the following quote of Samuel Taylor Coleridge: "No mind is thoroughly well organized that is deficient in a sense of humour."

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List of Abbreviations

API	Application Programming Interface
AT	Austria
BENELUX	Belgium, the Netherlands, Luxembourg
CEO	Chief Executive Officer
CES	Content Enrichment System
CH	Switzerland
CZ	Czech Republic
DE	Germany
DK	Denmark
DTC	Direct-to-Consumer
EDI	Electronic Data Interchange
EE	Estonia
ERP	Enterprise Resource Planning
FI	Finland
IB	International Business
IBC	International Business Competence
ICT	Information Communication Technology
INV	International New Venture
IS	Iceland
KPI	Key Performance Indicator
LT	Lithuania
LV	Latvia
MBE	Multinational Business Enterprise
MNE	Multinational Enterprise
NO	Norway
PL	Poland
RU	Russia
SME	Small and Medium Enterprise
SEO	Search Engine Optimization
TPP	Third-Party Provider
UK	United Kingdom

VAT

Value Added Tax

WMS

Warehouse Management System

1 Introduction

The following introduction into the research topic is divided into three sections. First, background information that covers the problematisation of this research will be elaborated. Subsequently, the purpose of this study will be presented, followed by a preview of the thesis that will provide for further guidance.

1.1 Background

For decades, international business was characterised by tangible flows of goods and services, limited access to open resources, monetised transactions across borders, and enterprises competing in an environment full of physical barriers (Nambisan, Zahra & Luo, 2019). However, within the last years, increasing globalisation through and in addition to technological advances has eased business operations worldwide (Knight & Cavusgil, 2004; OECD, 2019a; Manyika, Lund & Bughin, 2016; Nambisan, Zahra & Luo, 2019). Not only diminishing effects of national borders, increasing interdependence among countries and regional trade agreements spawned a foundation for smoother internationalisation of companies (Fatehi & Choi, 2019), but also digital technologies reduced transaction costs (Javalgi & Ramsey, 2001; Joshi & Klein, 2018), reshaped firm boundaries (Chen & Kamal, 2016), and challenged fundamental notions of global production (Laplume, Petersen & Pearce, 2016).

A relatively new phenomenon constitutes the emergence of digital platforms, which afford new ways of internationalisation and change the market scope from local to global (Joshi & Klein, 2018; Nambisan, Zahra & Luo, 2019). Particularly, transaction platforms which cover global e-commerce marketplaces such as Amazon or Alibaba bring new opportunities for value creation abroad (Nambisan, Zahra & Luo, 2019). Transaction platforms can be defined as intermediaries matching sellers and buyers digitally in a business-to-consumer (B2C) or business-to-business (B2B) setting (Cusumano, Gawer & Yoffie, 2019). In 2018, sales through online marketplaces accounted for 80 percent of the global online gross merchandise volume

of the top 20 e-commerce companies worldwide (Statista, 2019a), which indicates the importance of online platforms for firms nowadays.

Various researchers argue that the introduction of such online marketplaces challenges several theories in the field of International Business (IB) (Casson, Porter & Wadeson, 2016; Knight & Liesch, 2016; Nambisan, Zahra, & Luo, 2019; Tallman, Luo & Buckley, 2018). For example, Nambisan, Zahra and Luo (2019, p. 1464) focus on digital platforms as a promising “venue for multifaceted innovation and as a multisided marketplace” for Multinational Enterprises (MNEs), enabling new ways for global expansion, development of knowledge and relationships, and for value creation to international customers. While their study specifically analyses MNEs, the authors acknowledge that digital platforms offer potential for all sizes of business, embracing numerous micro-MNEs that engage in international competition. Miscellaneous other researchers similarly point to the power of e-commerce marketplaces to allow Small and Medium Enterprises (SMEs) to pursue foreign market expansion (Jin & Hurd, 2018; Manyika, Lund, & Bughin, 2016; Marinova, Larimo & Nummela, 2016; OECD, 2019a; Ryan, 2014).

SMEs, consisting of 50 to 249 employees (European Commission, 2020), account for a significant proportion of productive activities in countries and therefore for economic growth, technological developments, innovation, and employment. They are not only imperative for domestic economies but also for international markets (Fernandez & Nieto, 2006). In contrast to large companies, SMEs often face unique obstacles when performing cross-border operations. These include structural, management and property constraints, limitations in financial and human resources (Marinova, Larimo & Nummela, 2016; Paul, Parthasarathy & Gupta, 2017; Roolah, 2017), as well as a lack of knowledge and skills in defining internationalisation strategies (Peng, Wang & Jiang, 2008). However, compared to conventional retail sales channels, digital platforms enable firms to internationally offer their products and services to a larger number of customers at relatively low cost (Tan, Chong, Lin & Eze, 2008) and provide the convenience to do this instantly and rapidly (Kotha, Rindova & Rothaermel, 2001; Yamin & Sinkovics, 2006).

Many economists focus on macro-level and transaction cost economics to explain international expansion trajectories, considering rational and strategic decision-making criteria such as investments, costs, risk, and control (Buckley & Casson, 1976; Dunning, 1980). However, these studies do not examine which micro-level factors promise success in foreign markets (Vahlne

& Johanson, 2020). A prominent research stream within IB literature that studies the rapid internationalisation of technology-affine SMEs constitutes the 'Born Global' concept. The Born Global concept argues that restricted financial, human and tangible resources pressure SMEs to adopt idiosyncratic organisational structures in which their knowledge-based capabilities represent the key resources to successfully compete in foreign countries (e.g. Knight & Cavusgil, 2004; Knight & Kim, 2009). This research field originally emerged as a contrasting response to the gradualist internationalisation approach led by Johanson and Vahlne (1977). Johanson and Vahlne (1977) argue that firms gradually follow incremental steps when expanding their cross-border operations through acquiring experiential knowledge. The authors conceptualized their findings within the 'Uppsala Model', which has continuously been refined by them (Johanson & Vahlne, 2003, 2009, 2017; Vahlne & Johanson, 2013). Both theories take a resource-based view, however, their purposes differ slightly: While the Uppsala Model focuses on constraints that firms face within their internationalisation process, the Born Global concept concentrates on enabling drivers (Autio, 2005). To explain the internationalisation of the firm on a micro-level, much research has relied on either one or the other approach. This one-sided view of research signals the need to establish a more holistic and integrated theoretical construct (Cavusgil & Knight, 2015; Jones & Coviello, 2005) and thus, constitutes a theoretical problem to address.

Both the Uppsala Model and the Born Global concept recognize the influence of technological developments on the required capabilities for foreign market expansion of SMEs (Cavusgil & Knight, 2015; Vahlne & Johanson, 2020). However, they do not specifically consider e-commerce marketplaces as a new mode of entry and hence, do not examine whether their main assumptions still apply in this newly emerging reality. Thus, while research on the apparent influence of digital platforms on internationalisation is scarce (Casson, Porter & Wadeson, 2016; Coviello, Kano & Liesch, 2017; Knight & Liesch, 2016; Manyika, Lund & Bughin, 2016; Nambisan, Zahra & Luo, 2019; Tallman, Luo & Buckley, 2018), research on specific capabilities for international success on e-commerce marketplaces is almost non-existent (Jin & Hurd, 2018). This lack of research on specific capabilities for e-commerce marketplaces in international markets adds to the theoretical problem mentioned above.

Furthermore, contemporary business practices outlay several empirical problems. First, while e-commerce marketplaces claim to create equal chances for all sellers (Al-Saleh, 2020), it is intriguing to examine whether the unique obstacles of SMEs with regard to internationalisation

effectively become irrelevant for internationalisation on platforms. Second, even though e-commerce marketplaces help SMEs to globalise without having to establish a manufacturing plant or physical stores in foreign countries themselves (Manyika, Lund & Bughin, 2016; Nambisan, Zahra & Luo, 2019), the authors Parker, Van Alstyne and Choudary (2016, p. 287) argue that firms lack expertise in operating on online marketplaces and that “the adaption is often lengthy, confusing, and painful”. Yet, many companies battle the complexity of the underlying mechanisms of digital platforms, which might hinder them to successfully exploit the advantages that digital platforms have to offer for internationalisation. Third, the rivalry on e-commerce marketplaces is very high (Lim, Jin & Srari, 2018), while the cross-border behaviour of customers mostly relies on a definite idea of the brands they would like to purchase (Statista, 2019b). Therefore, there is a need for a thought-through strategy to stand out from competitors and to be seen by consumers within the flood of sellers on such online platforms. Summarizing, since e-commerce marketplaces seem to convey the possibility of a ‘one-click internationalisation’, a substantive investigation whether this semblance fits real-life business is overdue.

1.2 Research Purpose

Both theoretical and empirical problems have been identified. On the one hand, the theoretical problems are associated with the dichotomy of IB research streams and their inability to capture the realm of e-commerce marketplaces as a new mode of entry for SMEs. Both research streams have not identified the critical capabilities for international success that might differ in the context of digital platforms. On the other hand, the empirical problem refers to the high complexity and rivalry on e-commerce marketplaces, which indicates that international success appears not to be unconditionally guaranteed.

Consequently, the purpose of this study is to increase the understanding of how SMEs can successfully internationalise through e-commerce marketplaces by deploying a set of specific capabilities. We do this by combining the capabilities determined by the two most prevalent IB theories analysing internationalisation on a micro-level, the Uppsala Model and the Born Global concept, with the scarce literature that is existent on e-commerce marketplaces in relation to IB. Thereby, we aim at identifying the key capabilities that SMEs must inhibit in

order to successfully internationalise on e-commerce marketplaces, which will be conceptualised in a theoretical framework.

First, the contribution of this study is to investigate overlaps and complementarities of the Uppsala Model and the Born Global concept as well as to establish a theoretical connection between the research field of IB and the relatively new technology of digital platforms. Second, it elucidates specific capabilities necessary for foreign market expansion of SMEs through e-commerce marketplaces. Finally, it sheds light on the apparent complexities of utilizing these platforms in order to provide a better understanding of their underlying mechanisms and to create a foundation for firms to develop a well-conceived strategy for international success.

1.3 Outline of the Thesis

Having outlined the introduction into this research, the second chapter provides a theoretical foundation including a description and review of the Uppsala Model and the Born Global concept to explain the proposed challenges and enabling drivers for international success. Moreover, the role of e-commerce marketplaces as well as their value creation for firms, their basic mechanisms and their apparent influence on firm internationalisation will be elaborated on. The theoretical constructs are set into relation and summarised within a framework, which serves as the basis for this research. Following, the third chapter describes the utilised research methods to conduct the study. The fourth chapter highlights empirical findings as gathered through a qualitative case study. Here, the internalisation strategy of the case company will be presented, followed by empirical data on each capability as suggested in the theoretical framework and extra-framework findings. The fifth chapter comprises the analysis and discussion, while the final chapter completes the research covering final explanations about the purpose fulfilment, validity assessment, and suggestions for future research.

2 Literature Review

In the following chapter, a thorough review of the Uppsala Model and the Born Global concept with a focus on key success factors for internationalisation will be provided. Thereafter, e-commerce marketplaces will be defined, followed by a description of their value creation, their basic processes and their impact on the internationalisation of firms. The literature review will serve as a theoretical foundation to identify critical parameters for SMEs that aim at internationalising through e-commerce marketplaces, which will be concluded in a theoretical framework.

2.1 The Uppsala Model

First, the initial Uppsala Model developed by Johanson and Vahlne in 1977 will be described in order to understand its main mechanisms. Thereinafter, the focus will be put on factors that have been identified to significantly determine the performance of firms in international markets, including psychic distance and liability of foreignness, networking and liability of outsidership, as well as entrepreneurial capability.

2.1.1 The Original Uppsala Model: The Internationalisation Process of the Firm

The Uppsala Model is regarded as one of the best tools to describe the internationalisation processes of firms in general (Welch, Nummela & Liesch, 2016; Welch & Paavilainen-Mäntymäki, 2014) and of SMEs in particular (Coviello & McAuley, 1999; Eduardsen & Ivang, 2017; Ruzzier, Hisrich & Antoncic, 2006). Johanson and Vahlne (1977) carried out an inductive study of four Swedish multinational companies and put emphasis on the gradual acquisition, integration and use of knowledge about international markets and operations as well as on incremental commitments to expansion. Their model illustrates the basic mechanisms to explain the internationalisation steps of a firm, in which the result of one decision becomes the

input for the next one. According to the authors, the underlying determinants for the decision-making of the firm compose long-term profit maximisation and uncertainty avoidance in foreign markets. Figure 1 illustrates the major components that dynamically influence each other.

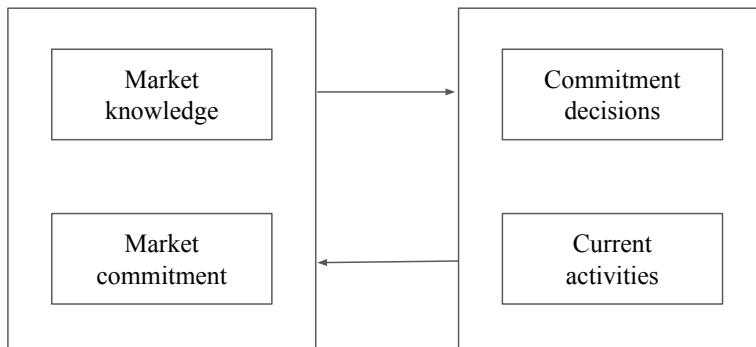


Figure 1: The Uppsala Model (adapted from Johanson & Vahlne, 1977)

According to Johanson and Vahlne (1977), *market knowledge* refers to the knowledge of opportunities and challenges related to foreign market expansion, including information about, for example, demand and supply, competition, or distribution channels. The authors find that this knowledge constitutes the ground for *commitment decisions*: The better the knowledge of a certain market, the stronger the commitment of the firm. Here, Johanson and Vahlne (1977) differentiate between an economic and an uncertainty effect of each commitment. Whereas the economic effect concerns the rise in scale of foreign operations with the aim of profit maximisation, the uncertainty effect applies to the decision-makers' inability to assess the present and future market. They argue that market uncertainty can be shrunk by increasingly gaining experience in the foreign country. Here, *current business activities* describe how firms engage within the market, constituting the source for experience through an ongoing learning process and incorporating the allocation of resources (*market commitment*). Eventually, the authors identified that firms follow incremental stages within their cross-border expansion, also referred to as the establishment chain: from no internationalisation to exports through agents, overseas sales subsidiaries, and finally to overseas production manufacturing.

2.1.2 Psychic Distance and Liability of Foreignness

In 1990, Johanson and Vahlne specified that the pace and pattern of internationalisation is influenced by absent knowledge of foreign markets, called liability of foreignness. They argue that the root for this information deficit lies in psychic distance, which involves factors impeding the understanding of international environments, including differences in culture, language, politics, education, or industrial development. Psychic distance is positively correlated with geographic distance: the more geographically remote a market, the higher the psychic distance (Johanson & Wiedersheim-Paul, 1975). Thus, companies first choose entry modes associated with the lowest risks; then, they gradually intensify their resource commitments upon acquiring experiential knowledge (Johanson & Vahlne, 1977, 1990). Since cultural differences are commonly connected to business practices (Zaheer, 1995), an understanding of dissimilarities is eventually essential to minimise psychic distance and improve cross-border activities (Hofstede, 1994). Consequently, market knowledge and commitment as well as experiential learning can be seen as enabling factors for international success.

2.1.3 Networking and Liability of Outsidership

While Johanson and Vahlne firstly acknowledged in 1990 that the internationalisation of the firm is likely to be a consequence of interactions with other businesses, their study of 2003 eventually put emphasis on the networking perspective. Furthermore, the then-bourgeoning Born Global research stream remarked criticism by arguing that many companies leapfrogged the incremental internationalisation stages, that the process had accelerated, and that psychic distance had become irrelevant (Oviatt & McDougall, 1994; Rennie, 1993).

As a response, Johanson and Vahlne (2003) took an international entrepreneurship approach and conducted a case study of an international new venture (INV). Within the study, Johanson and Vahlne (2003) establish a similar experiential learning-commitment process concentrating on network relationships. The authors find that entry problems are subject to the establishment and development of relationships to network partners. They argue that when a focal firm and another company mutually commit to future business, they do not only learn from each other, but also unfold new knowledge and business opportunities in foreign markets. If the partner is also engaged in other relationships, the focal firm will get implicitly connected to a wider

network that was not accessible beforehand. Furthermore, they identify that opportunity development instead of uncertainty avoidance constitutes the underlying factor for decision-making. Thus, the authors argue that networking and an entrepreneurial opportunity recognition are decisive for the success in internationalisation.

2.1.3.1 Success through Insidership

The world having become a web of global business relationships, Johanson and Vahlne (2009) eventually moved away from viewing the business environment as a neoclassical market with several independent suppliers and customers. Based on Penrose (1966) and Barney (1986), the authors consider complex relationships as being a heterogeneous resource of firms, leading to value creation in foreign markets. Instead of liability of foreignness, Johanson and Vahlne (2009) strengthen that outsidership in terms of lacking networks represents the major liability. Correspondingly, the authors emphasize insidership or a good network position to be a key success factor for internationalisation. Hence, in addition to market- and business knowledge, they specify that relationship-specific knowledge of involved partners is a fundamental prerequisite for international success, including learning about each other's resources and capabilities, the creation of mutual business opportunities, and the establishment of bilateral trust. Furthermore, in response to the Born Global stream, Johanson and Vahlne (2009) argue that international new ventures do not contradict the implications of the Uppsala Model since most of such companies were founded by individuals with already existent international experience and networks.

2.1.3.2 The Concept of Entry Nodes

Based on the network perspective, Johanson and Vahlne (2009) also emphasise the role of middlemen in order to counterbalance liabilities of outsidership. This is in accordance with Arenius (2005) who finds that trustful business relationships with a middleman can fill in for lacking market knowledge. Johanson and Value (2009) argue that once the firm has developed a web of relationships, it potentially bypasses the middleman and takes over itself entirely.

Putting this in the context of resource-constrained SMEs, Vedel and Servais (2017) take the Uppsala Model as a base to focus on the role of middlemen in relation to different entry modes.

The authors introduce the concept of entry nodes (Hilmersson & Jansson, 2012; Jansson & Sandberg, 2008; Sandberg, 2013) to describe how a firm connects itself into a foreign business network. According to Vedel and Servais (2017), entry nodes can either be dyadic, incorporating direct sales from a subsidiary in the host country and/or direct export from the home market, or triadic, including an intermediary either in the home or host country. Even though Vedel and Servais (2017) find that insidership is best achieved through a collection of dyadic entry nodes, the selection of triadic entry nodes does not hinder the company from acquiring experiential knowledge in foreign markets.

In summary, internationalisation of SMEs is enhanced by activities of the company to improve its network position, to recognize and develop opportunities and to acquire experiential knowledge. Hence, driving factors for internationalisation are the ability of firms to network with relevant business partners and to employ efficient knowledge development processes.

2.1.4 Entrepreneurial Capability and the Multinational Business Enterprise

Besides the importance of networking, Vahlne and Johanson (2013) acknowledge the ability of firms to cultivate business under uncertain circumstances and strengthen the role of entrepreneurial opportunity development even more. Within their study, Vahlne and Johanson (2013) establish a modified model of the evolution of the Multinational Business Enterprise (MBE). The MBE is “a business enterprise with a capability to build, develop, and coordinate value-creating multinational business network structures, involving both internal and external actors” (Vahlne & Johanson, 2013, p. 205). In this context, entrepreneurial capability is contemplated being important to deal with uncertain market conditions and innovative market competitors. Accordingly, the authors identify that the key to success comprises the networking capability of the firm to build and coordinate relationships as well as its entrepreneurial capability to develop new skills and business opportunities to compete in international markets.

In 2017, Johanson and Vahlne tailored the Uppsala Model in a fashion that it could not only be used for internationalisation but for the evolution of international firms in general (Johanson & Vahlne, 2017). They particularly point to the importance of networking capabilities for cooperation with business partners to make use of technological developments. Just this year, Vahlne and Johanson (2020) agreed with the study of Coviello, Kano and Liesch (2017), which points out that the introduction of modern digital economy tools has influenced the way

companies enter foreign markets. Vahlne and Johanson (2020) specify that digital entry modes even have the potential to substitute the entrepreneurial capabilities of firms and the organic learning that would usually occur within networks.

2.1.5 Chapter Summary

Recapitulating the review of the Uppsala Model, firms need to acquire sufficient business-, market-, and relationship-specific knowledge through an ongoing learning process in order to successfully enter new markets. Furthermore, the necessity to build and coordinate relationships has become apparent as those networks unfold novel business opportunities abroad and help acquire the requisite market knowledge. Additionally, entrepreneurial capabilities of firms are essential. However, as recent studies advocate that digital technologies potentially replicate entrepreneurial opportunity development and associated learning processes of firms, there is a need to understand which role this capability takes in technology-driven internationalisation strategies.

2.2 The Born Global Concept

Aside from the gradual internationalisation perspective of the Uppsala Model, another paradigm about the emergence of INVs or Born Globals originated. The following chapter will firstly define Born Globals, then present capabilities for rapid internationalisation and finally, provide a synthesis thereof.

2.2.1 The Definition of Born Globals

Within the 1980s, researchers acknowledged the existence of a new typology of firms. It was based on the phenomenon of smaller companies being able to compete internationally from their early years of inception despite psychic distance (Knight & Cavusgil, 1996; Oviatt & McDougall, 1994). The research stream combined IB with entrepreneurship and was primarily led by Oviatt and McDougall (1994), who studied INVs in multiple countries. Similarly, Rennie (1993) shaped the research field by conceptualising Australian ventures that internationalised

at high speed. Born Globals' competitiveness is characterised by their possession of knowledge-based capabilities which are argued to have a decreasing impact on their liability of foreignness in international markets (Oviatt & McDougall, 1994). The Born Global research stream argues that the traditional gradual internationalisation process model is unable to explain overseas trajectories of such young, entrepreneurial firms, whose distinguishing characteristic is the "observable and significant commitment of resources in more than one nation" instead of gradually moving onto other markets (Oviatt & McDougall, 1994, p. 49). However, studies comparing the two distinctive streams conclude that they hold strong similarities regarding network and entrepreneurship perspectives (Jones & Coviello, 2005; Paul & Rosado-Serrano, 2019). Numerous studies have researched the multiple strategies that Born Globals utilise to rapidly internationalise in spite of their small size, short existence, lacking experience, and resource limitations, which will be explained in the following chapter.

2.2.2 Capabilities for Rapid Internationalisation

Within this chapter, fundamental studies within the Born Global research stream that analyse enabling drivers of SMEs for foreign market expansion will be elaborated on. This will provide a ground for understanding the capabilities as suggested by literature.

2.2.2.1 The Networking Perspective

Similar to the Uppsala Model, Born Global advocates chose a networking perspective to explain the success of Born Globals. Coviello and Munro (1995) were one of the first to discover a strong impact of network relationships on Born Globals' internationalisation strategies, market choices, entry modes, and marketing-related activities. The authors stipulate that the foreign market selection and entry modes of high technology Born Globals emanate from opportunities created through networks instead of solely from strategic decision-making within the firm. Moreover, they uncover that managers tend to sacrifice market control for market access in their third-party relationships. The authors postulate that the firm's "ability to establish new relationships should be managed as a key competitive capability" (p.60). A later study by Coviello and Munro (1997) sets this in relation to the traditional gradual internationalisation process model, in which incremental internationalisation stages are found to be catalysed by networks. On the one hand, the authors find that firm leaders continuously learn and develop

competences while the firms expand their market scope and entry modes. On the other hand, external networks facilitate access to market knowledge and potential entry modes to countries around the world. Both perspectives provide a rich understanding of the impact of network relationships on internationalisation within resource-constrained firms. A more recent study of Paul and Rosado-Serrano (2019) compares the gradual internationalisation with Born Global studies and confirms that both streams underline the strong influence of networks. The authors argue that network relationships and alliances allow firms to recognise new opportunities in entering foreign markets.

2.2.2.2 International Entrepreneurial Orientation and International Marketing Orientation

The study of Knight and Cavusgil (2004) can be considered the first attempt to conceptualise the Born Global phenomenon from the knowledge-based capabilities perspective, focusing on the innovative culture of firms. The authors indicate that the organisational culture consisting of *international entrepreneurial orientation* and *international marketing orientation* is the main facilitator to pursue overseas operations. Thereby, the firms do not consider their home markets as a starting base; instead, they directly begin with a global perspective and commit resources to accomplish internationalisation objectives. Both orientations are part of the organisational culture and lay the foundation for subsequent business strategies, leading to success in foreign markets.

First, Knight and Cavusgil (2004) discover that smaller firms with a *global technological competence* utilise technology for low-cost, small scale manufacturing to efficiently serve niche markets worldwide. Other studies also validate technology competence as a crucial success factor (Knight et al. 2004; Knight & Kim, 2009; Rialp, Rialp & Knight, 2005). Knight and Cavusgil (2004) detect that Born Globals target niche markets overseas by offering differentiated products to maximise market share. This strategy is summarised as *unique products development*. Third, the authors reveal that firms with strong international marketing orientation tend to promote a *quality focus*. This is supported by the findings of Knight, Madsen and Servais (2004) who focus on marketing strategies of Born Globals in the US and Denmark. The authors uncover that superior performance was shaped by their international and customer-centric marketing orientation, executed by strategies of product quality, marketing competence, and product differentiation. The importance of marketing strategies is similarly emphasised by several other studies (Abimbola & Kocak, 2007; Gabrielsson & Gabrielsson, 2003;

Gabrielsson, 2005; Luostarinen & Gabrielsson, 2006). The final business strategy that Knight and Cavusgil (2004) acknowledge is *leveraging foreign distributor competences*. According to the authors, resource-restricted firms pursue exporting as the main entry mode due to the high degree of flexibility, which is critical for evolving in foreign markets. Most firms rely on strong relationships with intermediaries that have substantial market knowledge and certain competences which facilitate foreign market complexities. This is supported by Bowersox and Cooper (1992) and Rosson and Ford (1982) who argue that risk, uncertainty and challenges can be overcome by localised market knowledge and competences of foreign agents. Thus, foreign distributors do not only assist in downstream activities but can also provide market intelligence, links to foreign contacts, and new customer segments (Knight & Cavusgil, 2004). Not only foreign distributors, but also MNEs, customer or partner networks, and the internet are capitalised on to acquire international resources and knowledge (Gabrielsson & Kirpalani, 2004).

2.2.2.3 International Business Competence

To drive this way of thinking forward, Knight and Kim (2009) analysed the role of intangible organisational capabilities that enable global success for SMEs by combining 16 case studies with a survey method. The authors identify the international business competence (IBC) as an overarching resource for international success. It entails four distinctive capabilities, namely international orientation, international marketing skills, international innovativeness, and international market orientation. First, *international orientation* refers to an entrepreneurial approach to international markets, managerial proactiveness to achieve company goals on a global scale, and the active exploration of new business opportunities abroad. Second, *international marketing skills* describe the differentiation of products and the creation of superior value overseas through marketing activities such as segmentation and targeting. According to Kim and Knight (2009, p. 260), “they [SMEs] are less likely to reach foreign customers effectively without strong marketing skills”. Third, the authors explain that *international innovativeness* concerns the capacity of firms to develop and introduce new processes, products or services to international markets, while the fourth capability comprises an *international market orientation* that refers to learning and understanding the uniqueness of each foreign country. The authors display that smaller firms with a high level of IBC perform

better in terms of international market share, international sales growth, international profitability, and export intensity.

2.2.2.4 International Experience and Innovative Culture

A more recent study of Escandon-Barbosa, Rialp-Criado, Fuerst, Rodríguez-Orejuela and Castro-Aristizabal (2019) bases their research on the before-mentioned study of Knight and Cavusgil (2004) and yields similar results. The authors emphasise that international orientation referring to the founders' international vision and the assignment of resources to international activities is imperative for success. In this context, several Born Global researchers agree that the founders' experience and background is highly valuable (Loane, Bell & McNaughton, 2007; Madsen & Servais, 1997; McDougall, Shane & Oviatt, 1994). Furthermore, Escandon-Barbosa et al. (2019) highlight that innovative capacity constitutes an enabling factor for export performance. Innovative capacity refers to the "ability to produce a new process, product or idea within an organisation by involving different agents in the organisation through a process of cultural change" (Escandon-Barbosa et al. 2019, p. 3).

2.2.2.5 Organisational Learning

Several authors discussed the importance of knowledge management and learning within the Born Global context (Autio, Sapienza & Almeida, 2000; Weerawardena, Mort, Liesch & Knight, 2007; Zahra, Ireland & Hitt, 2000). Weerawardena et al. (2007) recognise the role of organisational learning, which implies the integration of knowledge and skills of individuals into functioning organisational processes (Bingham, Eisenhardt & Furr, 2007; Grant, 1996). The authors take a view of dynamic capabilities in which these reflect managers' ability to renew existing competences in order to comply with the ever-changing business environment. As suggested by the authors, sources of key learning capabilities are the market, the network of relationships of the firm, and processes of learning within the firm. A more recent study of Weerawardena, Mort and Liesch (2019) proposes a three-phase process, including the acquisition, transformation, and deployment of knowledge resources.

2.2.2.6 Synthesis of Most Common Born Global Competences

Since studies on success-generating capabilities of Born Globals are numerous, the studies of Moen and Rialp (2019) and Rialp, Rialp and Knight (2005) systematically review 38 and 18 research papers respectively. The authors construct overarching key success factors for Born Globals. Both concur with (1) proactivity in international markets, (2) international entrepreneurial orientation, (3) differentiation based on quality and technological leadership, (4) unique intangible assets through knowledge management, and (5) strong use of networks. While Rialp, Rialp and Knight (2005) additionally point to managerial global vision, market knowledge, market commitment, management commitment, strong customer orientation, and international experience, Moen and Rialp (2019) solely point to Born Globals' strong commitment to exploring potentials of Information Communication Technology (ICT).

2.2.3 Chapter Summary

Aggregating all above-mentioned studies about organisational competences of Born Globals, their success can be accredited to their entrepreneurial culture including a strong proactiveness in pursuing foreign market expansion and the ability to innovate, their international marketing capability comprising key elements such as a quality focus and product differentiation, their technological capabilities, internalised knowledge development or learning processes, and their strong use of network relationships to unveil business opportunities in foreign countries.

2.3 Internationalisation through E-Commerce Marketplaces

Having laid the foundation of the most prevalent micro-level IB theories, the role of e-commerce marketplaces as an additional mode of entry into foreign markets needs to be considered. Therefore, e-commerce marketplaces will firstly be defined, followed by a description of their value creation to firms and their basic processes. Eventually, the connection between e-commerce marketplaces and internationalisation will be elaborated on.

2.3.1 Definition of E-Commerce Marketplaces

Before immersing into e-commerce marketplaces, the umbrella term of digital platforms needs to be determined. According to Cusumano, Gawer and Yoffie (2019), digital platforms are defined as a shared set of technologies, components, services, architecture, and relationships that serve as a common foundation for a diverse set of actors. The authors differentiate between two types of platforms, namely transaction and innovation platforms. While the latter entails a common technological foundation that is shared by platform sponsors and ecosystem partners to build new complementary products and services, transaction platforms are predominantly intermediaries between, for example, buyers and sellers. According to Yablonsky (2018), transaction platforms are by far the most common type of digital platforms, facilitating various types for online buying and selling and thus, cover e-commerce marketplaces.

E-commerce marketplaces enable people and companies to share information to purchase, sell, or access an array of goods and services, and hence, serve as a means for cross-border exporting (OECD, 2019a). In the past decade, the number of e-commerce marketplaces worth more than \$1 billion has increased to more than a dozen (Haigu & Rothman, 2016). Most of the platform sellers are SMEs that offer their products on B2C marketplaces (Wang, Cavusoglu & Deng, 2016). Quite often, supplying firms can choose between two options: The intermediary can act as a reseller of the supplier's products, or, it enables the supplier to operate on the e-commerce platform itself (Tian, Vakharia, Tan & Xu, 2018).

2.3.2 Value Creation of E-Commerce Marketplaces

Despite their main value of connecting two or more market actors that would otherwise not interact or easily connect (Parker, Van Alstyne & Choudary, 2016), e-commerce marketplaces yield several additional benefits. Those range from network effects to the creation of more efficient markets and facilitations for operations of resource-constrained firms. According to Cennamo and Santalo (2013), the central ground of digital platforms constitutes network effects which emerge when an additional user has an effect on the value of the platform to others. Applying this to e-commerce marketplaces, additional sellers lead to an increased value to buyers in terms of variety and selection, which in turn results in more buyers being active on the platform and potentially higher sales for the seller-side (Evans, 2003; McIntyre & Srinivasan, 2017; Rochet & Tirole, 2006).

Another major characteristic of digital platforms is the creation of more efficient markets (Parker, Van Alstyne & Choudary, 2016). Looking at e-commerce marketplaces, OECD (2019b) states that they exchange non-scalable and inefficient intermediaries by unifying their services in digital, often automated systems that allow for new levels of efficiency and scalability. Because of that, transaction costs for the exchange of reliable information about business partners, products and services, as well as for monitoring transactions are significantly lowered.

Furthermore, the business models of most e-commerce marketplaces offer supplementary services besides acting as an intermediary. Fatehi and Choi (2019) mention that especially resource-constrained firms can receive high value from utilising these solutions. In the study of Brunn, Jensen and Skoovgaard (2002) that singles out how companies can generate a winning e-commerce platform strategy, the main concepts of online marketplaces and services are illustrated, including for example logistics or finance solutions (Figure 2). Comparing those to current services of major e-commerce marketplaces, it can be observed that the categories still apply today, however, marketing tools are now also provided (Amazon, 2020; AliExpress, 2020; Rakuten, 2020). Hence, e-commerce marketplaces feature low entry barriers for SMEs, involving only little cost (Wang, Cavusoglu & Deng, 2016; Xu, 2018).

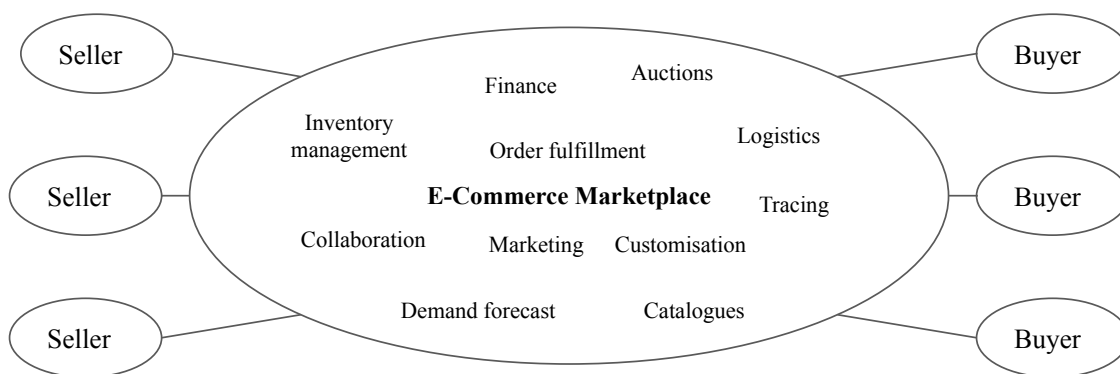


Figure 2: E-Commerce Marketplace Model (adapted from Brunn, Jensen & Skoovgaard, 2002)

2.3.3 Basic Processes of E-Commerce Marketplaces

Considering the fundamental processes that firms need to face when selling on e-commerce marketplaces, the technical integration as well as the transaction procedures need to be

considered. According to Murtaza, Gupta and Carroll (2004), firms require a technical integration in order to be able to sell on e-commerce marketplaces. More specifically, the authors state that firms need to automate internal processes in terms of order- and inventory management, catalogue applications, purchasing, and accounting to enable smooth data flows of transactions. Thus, firms need to integrate back-end planning processes through the implementation of planning and scheduling systems, such as Enterprise Resource Planning (ERP). The rest of the procurement process is handled either manually or semi-automatically by the companies, utilising Electronic Data Interchange (EDI). According to the authors, this technological setup is essential for selling on e-commerce marketplaces.

Once the integration has taken place, the e-commerce marketplace charges a commission on each transaction (Hagiu & Wright, 2015) and may require a participation and/or annual fee from buyers and sellers affiliated to the platform (Hong, 2015). Another major expenditure for sellers constitutes advertising costs (Cusumano, Gawer & Yoffie, 2019; Lee, Fang, Kim, Li & Palmatier, 2018). Transaction data is automatically handled by the platforms, while operations to execute the order (e.g. logistics or invoicing) are either managed by the firms themselves or outsourced to the e-commerce marketplace (Kestenbaum, 2017).

2.3.4 Impact on Internationalisation

E-commerce marketplaces offer huge opportunities for the internationalisation of firms, which are reflected in the contemporary buying behaviour of consumers. Nowadays, every seventh online order is international, while many of those transactions take place on digital marketplaces (Statista, 2019b). Digital platforms such as Amazon or Alibaba offset restrictions to participation in the global economy through the internet (Joshi & Klein, 2018), offer small firms “plug-and-play infrastructures” (Manyika, Lund & Bughin, 2016, p. 42), and provide the chance to reach more customers domestically and globally (Jiang, Zhan & Shu, 2017; OECD, 2019a). Thus, the dominance of online purchases has strongly been expedited by the multiplying number of SMEs operating globally. While the studies of Coviello, Kano and Liesch (2017) and Nambisan, Zahra and Luo (2019) expose the power of digital platforms to facilitate foreign market expansion, Jin and Hurd (2018) are the only researchers that point to necessary competences for international success on e-commerce marketplaces.

By analysing four New Zealand SMEs that entered the Chinese market through the online marketplace Alibaba, Jin and Hurd (2018) find that digital platforms help SMEs to overcome their resource scarcities and to enable access to international networks. This eased access to international business partners through digital platforms is supported by the study of Nambisan, Zahra and Luo (2019) who conclude that online platforms have become the central player enabling collaborative interactions among market participants worldwide. According to Jin and Hurd (2018), firms do not encounter liabilities of foreignness in terms of brand reputation, however, in terms of absent market knowledge. The authors outline that digital platforms offer limited help to cope with human resource constraints and thus, firms still require local personnel with specific market knowledge. This finding is in line with Reuber and Fischer (2011) as well as with Yamin and Sinkovics (2006) who argue that companies often mistakenly assume that learning about target markets is not required when using virtual measures, leading to rushed internationalisation.

2.3.5 Chapter Summary

Aggregating literature about e-commerce marketplaces, it can be summarized that they offer potential for resource-constrained firms to enter foreign markets at relatively low cost. The online marketplaces generate access to new networks, which makes it imperative to analyse which role the networking capability takes in using e-commerce marketplaces for entering new markets. Besides, the ability of firms to learn about the target market and to commit resources to local personnel has become apparent.

2.4 Theoretical Framework

Based on the synthesis of existing literature on key success factors of internationalisation, the following framework (Table 1) was developed in order to improve the understanding of how SMEs can successfully internationalise on e-commerce marketplaces. Certain intangible resources are depicted to generate success in foreign markets as suggested by the Uppsala Model and the Born Global concept. By combining theoretical constructs of the most prominent IB fields, we aim to identify tentative key capabilities of SMEs that engender a superior performance on e-commerce marketplaces in foreign countries. Hence, five major capabilities

were determined to be examined in a qualitative case study. Namely, they are summarised as entrepreneurial-, networking-, technological-, learning-, and marketing capability.

First, the entrepreneurial capability covers the entrepreneurial company culture of SMEs, in which foreign market expansion is envisioned, communicated internally and proactively pursued (Johanson & Vahlne, 2017; Knight & Cavusgil, 2004; Knight & Kim, 2009; Vahlne & Johanson, 2013). Hence, the mission to succeed in international markets is assumed to lead to the assignment of resources to international activities (Johanson & Vahlne, 2017; Rialp, Rialp & Knight, 2005). Furthermore, as argued by several researchers, the international experience and background is included within the entrepreneurial capability (e.g. Escandon-Barbosa et al. 2019; Loane, Bell & McNaughton, 2007; Madsen & Servais, 1997). Finally, as an overarching factor, the ability of SMEs to discover and create new opportunities abroad is expected to be decisive for success (Johanson & Vahlne, 2003, 2009, 2017; Knight & Cavusgil, 2004; Knight & Kim, 2009; Vahlne & Johanson, 2013).

Second, networking is defined as the capability of SMEs to build, develop and coordinate a web of network relationships to fruitfully expand to other country markets (Coviello & Munro, 1995, 1997; Johanson & Vahlne, 2003, 2009, 2017; Knight & Cavusgil, 2004). This also includes how a firm links itself into a foreign business network as either through dyadic or triadic entry nodes (Vedel & Servais, 2017). Accordingly, networking describes how firms connect themselves to, for example, foreign agents, distributors, or to e-commerce marketplaces (Coviello & Munro, 1995, 1997; Jin & Hurd, 2018; Knight & Cavusgil, 2004; Moen & Rialp, 2019). Those networks are assumed to be imperative to receive facilitations in foreign market entry, in the acquisition of market knowledge, and in local operations. Eventually, such networks should be advanced by developing and utilizing relationship-specific knowledge (e.g. Johanson & Vahlne, 2009; Knight & Cavusgil, 2004; Vedel & Servais, 2017).

Third, the technology capability focuses on the SME's strong use of ICTs (Moen & Rialp, 2019), which relates to the usage of e-commerce marketplaces in this research. Technological capability includes the adjustments of internal operations to be able to enter foreign markets through e-commerce marketplaces, which comprises the technical integration into the platform and operations systems that are facilitated by ERP and EDI (Murtaza, Gupta & Carroll, 2004). In this context, it is assumed that SMEs need to possess a superior innovative capacity in order to be able to adapt their processes, products, and services for market entry and operations on e-

commerce platforms in foreign countries (Escandon-Barbosa et al. 2019; Knight & Cavusgil, 2004).

Fourth, the learning capability can be defined as the development of knowledge through ongoing inter- and intra-organisational learning processes (Johanson & Vahlne, 2009; Weerawardena et al. 2007; Weerawardena, Mort & Liesch, 2019). This includes the acquisition of business- and market knowledge (Jin & Hurd, 2018; Johanson & Vahlne, 2009). While business knowledge implies the understanding of operational processes of the respective countries or in this research, of e-commerce marketplaces, market knowledge includes country-specific information about, for example, customer behaviour, competition, or distribution channels. Eventually, conclusions made from acquired knowledge need to be deployed within the company (Weerawardena, Mort & Liesch, 2019).

Finally, the marketing capability can be defined as the value creation for foreign customers via key marketing activities (Knight & Cavusgil, 2004; Knight & Kim, 2009; Moen & Rialp, 2019). Strong marketing skills comprise the adaptation and differentiation for products and services for customers in foreign countries (Knight & Cavusgil, 2004; Moen & Rialp, 2019; Rialp, Rialp & Knight, 2005). Furthermore, the marketing capability includes the ability of SMEs to offer quality-enhanced solutions for international customers to stand out from competition (Knight & Cavusgil, 2004; Moen & Rialp, 2019; Rialp, Rialp & Knight, 2005).

Finally, Table 1 summarises the theoretical framework of this research. The operationalisation of the framework into study questions can be found in Appendix A.

Table 1 Theoretical Framework

Capability	Theory	Description*	References
Entrepreneurial	Uppsala Model Born Global	(1) Entrepreneurial opportunity recognition (2) Proactiveness in the pursuit of international markets (3) Management's communication of mission to succeed in international markets (4) Management's assignment of resources for achieving goals in international markets (5) Experience and background in international business	Escandon-Barbosa et al. 2019; Jin & Hurd, 2018; Johanson & Vahlne, 2017; Kim & Knight, 2009; Knight & Cavusgil, 2004; Loane, Bell & McNaughton, 2007; Madsen & Servais, 1997; McDougall, Shane & Oviatt, 1994; Rialp & Moen, 2019; Rialp, Rialp & Knight, 2005; Vahlne & Johanson, 2013
Networking	Uppsala Model Born Global	(1) Building, development, and coordination of relationships (2) Connection to intermediaries and partner networks with localised market knowledge and competences (3) Acquisition of relationship-specific knowledge	Coviello & Munro, 1995, 1997; Jin & Hurd, 2018; Johanson & Vahlne, 1990, 2003, 2017; Knight & Cavusgil, 2004; Gabrielsson & Kirpalani, 2004; Paul & Rosado-Serrano, 2019; Rialp & Moen, 2019; Rialp, Rialp & Knight, 2005; Vahlne & Johanson, 2013
Technological	Born Global	(1) Strong use of ICTs (2) Technical integration of operational systems for e-commerce marketplaces (3) Innovative capacity to adapt processes, products, or services	Escandon-Barbosa et al. 2019; Kim & Knight, 2009; Knight & Cavusgil, 2004; Knight et al. 2004; Rialp & Moen, 2019; Rialp, Rialp & Knight, 2005; Murtaza, Gupta & Carroll, 2004

Learning	Uppsala Model Born Global	(1) Inter- and intra-organisational learning through knowledge development processes (2) Acquisition of business- and market knowledge (3) Knowledge deployment	Autio, Sapienza & Almeida, 2000; Jin & Hurd, 2018; Johanson & Vahlne, 1977, 2017, 2020; Kim & Knight, 2009; Rialp & Moen, 2019; Rialp, Rialp & Knight, 2005; Vahlne & Johanson, 2013, 2020; Weerawardena et al. 2007; Weerawardena, Mort & Liesch, 2019; Zahra, Ireland & Hitt, 2000
Marketing	Born Global	(1) Key marketing activities for international markets (2) Differentiation/adaptation of products/services for international markets (3) Offering quality-enhanced products/services	Abimbola & Kocak, 2007; Kim & Knight, 2009; Knight & Cavusgil, 2004; Knight, Madsen & Servais, 2004; Gabrielsson, 2005; Gabrielsson & Gabrielsson, 2003; Luostarinen & Gabrielsson, 2006; Rialp & Moen, 2019; Rialp, Rialp & Knight, 2005

*The numerical order does not represent a ranking of importance

3 Methodology

This chapter presents the reasoning of the research approach and design as well as the data collection and analysis methods which facilitated in addressing the research purpose. The chapter ceases with a critical reflection on the validity, reliability, as well as ethical considerations of the study.

3.1 Research Approach

This research aims to improve the understanding of how SMEs can successfully internationalise through e-commerce marketplaces by deploying a specific set of capabilities. Given the early stage of research on internationalisation via digital platforms, this study was of exploratory and descriptive nature. To acquire rich details for theory building, a case methodology was considered most appropriate (Yin, 2014). Previous studies within the phenomenological field of IB title a qualitative method as the most suitable research approach as it seeks to establish the meaning of rare occurrences (Coviello, Kano & Liesch, 2017). Weick (1996) further argues that a qualitative approach allows the researcher to obtain more holistic and comprehensive data to gain an understanding of emerging and complex situations. In order to examine the key capabilities of SMEs for their internationalisation through e-commerce marketplaces, questions of ‘why’ and ‘how’ were considered most appropriate.

Within this study, the main source of primary data consisted of in-depth interviews that enhanced the understanding of the relatively new phenomenon of digital platforms within the internationalisation context. According to Creswell and Creswell (2018), in-depth interviews are especially useful when participants cannot be observed directly. Moreover, the authors postulate that it is common for qualitative studies that theory is modified based on experiences and recommendations of case study participants. We compared and contrasted our findings with literature on firm-level capabilities for internationalisation and e-commerce marketplaces, iterating between deduction and induction. To build a research foundation, first literature on

internationalisation and e-commerce marketplaces was conceptualised and assumptions about key capabilities for successful internationalisation through e-commerce marketplaces were drawn within a preliminary theoretical framework. This deductive approach was complemented by an inductive process since existing theory was modified through primary data collection. As the goal of this research was to rely as much as possible on participants' views of capabilities deciding about international success on e-commerce marketplaces, a constructivist worldview was taken. Thus, the study could capture the complexity of views instead of narrowing meanings into a few ideas and categories (Creswell & Creswell, 2018).

3.2 Research Design

The research design serves as a means to move from the problematization to contributing to the research purpose (Yin, 2014). Based on our quest to study the key capabilities that SMEs leverage on e-commerce marketplaces in foreign markets, our approach was to tell the truthful story of one particular attempt to do so. To achieve considerable depth of investigation necessary to improve the understanding of theoretical insights, a single case study was evaluated as the most suitable design (Ghauri, 2004).

A case study is a design of inquiry found in many fields in which the researcher develops an in-depth analysis of a specific case, often a programme, event, activity, process, or one or more individuals (Creswell and Creswell, 2018). Previously cited studies show that the case methodology is most prominent to study key success factors of firms (Coviello & Munro, 1995; Jin & Hurd, 2018; Johanson & Vahlne, 1997, 2003; Knight & Kim, 2009; Weerawardena, Mort & Liesch, 2019). The main advantage of the case study compared to other research methods is that it allows for exploring organisational phenomena from a unique perspective (Easterby-Smith, Thorpe & Jackson, 2015). This single case study allowed us to obtain profound insights into a unique context (Farquhar, 2012) and enabled us to retain a realistic, real-world perspective (Yin, 2014). To deepen this view, Siggelkow (2007) states that one case study is sufficient to provide a convincing test of theory.

Looking into common assessments of case studies, Eisenhard (1989) argues that although case studies are often criticised for their narrow and idiosyncratic nature, they allow to create novel theory which is testable and creates results that are likely to be empirically valid. As Yin (2014,

p.76) states, the goal of a case study is “to expand and generalise theories (analytical generalisations) and not to extrapolate probabilities (statistical generalisations)”. Within this research, an in-depth narrative enabled us to unfold complex events such as the internationalisation through digital platforms. In line with this reasoning, we studied the experiences of professionals within an SME, which conducted internationalisation through several e-commerce marketplaces, as well as with external digital platform representatives who supervise SMEs. Thereby, we elucidated whether capabilities identified by the Uppsala Model and the Born Global concept apply to the context of e-commerce marketplaces.

3.3 Data Collection Method

This subchapter outlines the secondary and primary data collection by highlighting the case selection, participant selection, and data collection process.

3.3.1 Secondary Data

Marketing, entrepreneurship and IB are three disciplines that often overlap when analysing the internationalisation process of a firm (Paul & Rosado-Serrano, 2019). Since researchers published articles in all three disciplines, journals in these specific areas were selected to establish the theoretical ground of this study. We searched journal databases such as EBSCO and online search sites such as Google Scholar for keywords, including the terms ‘internationalisation’, ‘Born Global’, ‘digital platforms’, ‘e-commerce marketplaces’, ‘capability’ and ‘SME’. Besides the primary data collection through in-depth interviews, which will be explained in the following section, the theoretical framework was modified through secondary data including archival documents of the case company.

3.3.2 Case Selection

In order to select an appropriate case, a theoretical sampling strategy was applied by purposefully selecting organisations which allowed us to make observations that can extend emergent theory. This purposive sampling is particularly useful when the sample is small and

the focus is on the extensiveness of the specific case (Saunders, Lewis & Thornhill, 2016). For this study, SMEs with 50 to 249 employees as defined by the European Commission (2020) were considered by their international turnover from product sales on digital platforms. Similar to Weerawardena, Mort and Liesch (2019) as well as Knight and Cavusgil (2004), we considered firms that had footholds in multiple international markets and gained revenue from exporting. Moreover, inspired by Coviello and Munro (1995), we chose a case company that experienced successful and unsuccessful market developments in order to acquire a comprehensive understanding of both key success and failure factors on e-commerce marketplaces. Within this research, success is defined by the company and contextualised within internet-based internationalisation. We selected a company that is situated within the wholesale industry and does not daily deal with B2C operations, which allowed us to observe a range of different factors that highly experienced firms potentially would not have considered relevant for this topic. Besides that, a firm that is relatively new to the usage of e-commerce marketplaces was considered beneficial since interviewees were assumed to be able to elaborate on very recent insights of their e-commerce marketplace journey. Eventually, the case selected constituted a Swedish fashion wholesaler with 92 employees and an experience of two years in foreign market expansion on e-commerce marketplaces.

3.3.3 Participant Selection

In order to attain first insights into the platform business operations of the case company, a preliminary unstructured interview was conducted with its European Sales Director. Thereafter, primary data was obtained through semi-structured interviews of which nine were carried out with employees of the case company while six were done with contextual professionals who were involved within the platform internationalisation of SMEs. Saunders, Lewis and Thornhill (2016) state that semi-structured interviews allow for a list of themes and questions where the order of questions can vary, and additional questions may be asked. Moreover, Bryman and Bell (2015) argue that this interview structure allows a greater focus on the research questions and reduces information asymmetries by establishing a guideline.

The interviews followed a non-probabilistic sampling strategy. Interviewees were selected by their engagement in the internationalisation process, platform experience as well as involvement in decision-making of the company as suggested by Myers (2013). Thus,

interviews within the firm were conducted with both strategic and operational professionals. While decision-makers comprised the Chief Executive Officer (CEO), Country Managers and the Head of Direct-to-Consumer (DTC) department, operational staff covered logistics, sales, and IT. For the external interviews, it was crucial that participants were employed at an e-commerce marketplace and supervised SMEs in their internationalisation process. One exemption was a Third-Party Provider (TPP), who supported the case company with the platform approach. The external interviewees assisted in understanding how platform internationalisation was unfolded by firms and helped to identify typical barriers and drivers of SMEs in relation to this research topic. As a preparation for the data collection, a pilot interview was conducted which helped to refine the questions and to avoid any communication difficulties for the interviewees (Saunders, Lewis & Thornhill, 2016). An overview of the research participants and their positions can be found in Table 2. The code ‘I’ comprises case company employees, whereas subjects with an ‘E’ represent external interviewees.

Table 2: Interviewee Details

Code	Occupation	Origin	Method/ Time	Date	Language
I-STR1	CEO	Swedish	Phone-Call/ 57:42min	06.04.2020	English
I-STR2	European Sales Director, Country Manager DACH	German	Video-Call/ 35:42min	07.04.2020	English
I-STR3	Country Manager UK and Ireland	British	Phone-Call/ 31:26min	07.04.2020	English
I-STR4	Head of Direct-To-Consumer (DTC) Business	Swedish	Video-Call/ 47:45min	09.04.2020	English
I-SAL1	Sales Operation Manager/ EDI Expert	Swedish	Video-Call/ 46:10min	07.04.2020	English
I-SAL2	Key Account Manager Online Retailer	German	Video-Call/ 48:52min	07.04.2020	English/ German
I-SAL3	Sales Operations Manager Germany	German	Video-Call/ 41:04min	08.04.2020	English
I-IT	Chief Digital Officer (CDO), Head of IT	Swedish	Phone-Call/ 51:17min	14.04.2020	English
I-LOG	Head of Supply Chain	Swedish	Phone Call/ 42:26min	15.04.2020	English
E-P1	Senior Associate Category Manager at Wayfair	German	Video-Call/ 47:20min	06.04.2020	English

E-P2	Senior Partner Manager at Facebook	German	Video-Call/ 41:53min	09.04.2020	English
E-P3	Key Account Manager Europe at Amazon Business	German	Video-Call/ 1:08:18min	09.04.2020	English
E-P4	International Key Account Manager France/Germany at Rakuten	French	Video-Call/ 1:17:22min	24.04.2020	German
E-P5	Junior Integration Manager at Fashion Online Marketplace	German	Video-Call/ 57:45min	25.04.2020	German
E-TPP	Sales Director at Third-Party Provider	German	Video-Call/ 45:14min	08.04.2020	German

3.3.4 Data Collection Process

To provide transparency within this case study, different data collection steps are outlined in Figure 3. First, we either sent a direct email to the firm representatives or forwarded a LinkedIn message to platform representatives. Second, once the interview was confirmed, a video-call invitation was sent via email. Third, we shared an interview outline with all participants two days before the interview. Finally, after having conducted the interviews, transcripts were transmitted to the participants for final approval.

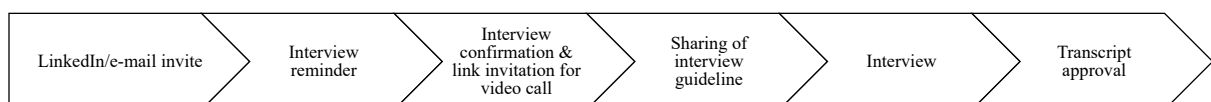


Figure 3: Data Collection Process

The interviews lasted approximately from 40 minutes to one hour each and were conducted via video-call. One of us led the interview based on the developed interview guide, while the other one took notes and asked follow-up questions. All questions were derived from the theoretical framework (Chapter 2.4). Despite the interview guideline, all interviews were tailored to the interviewees' background. During the interviews, the interview guideline was shared as a PowerPoint presentation that included translations of the given questions in German, Swedish, and English to support the interviewees' understanding. All interviews were protocolled and audiotaped.

We focused on the interviewees' experiences of critical incidents that shaped their internationalisation through e-commerce marketplaces with regard to how decisions were made, actions influenced, and how difficulties were overcome. All interview questions can be found in Appendix A. The first questions followed an open structure and allowed for a high degree of exploration. Then, we gradually moved on to more specific, closed questions, which improved our understanding of whether capabilities suggested by literature were imperative for the case company to internationalise through e-commerce marketplaces. Our overall ambition was to gather empirical data which contradicts, verifies, or extends the theory in order to establish a more differentiated theoretical framework.

3.4 Data Analysis

In order to prepare the data analysis, all interviews were transcribed, and relevant archival documents were collected. After acquiring a general sense, the empirical data was sorted into different themes as contemplated in the theoretical framework. To improve the extraction of information and prevent mistakes and single-minded interpretations, we analysed each transcription both separately and together (Larsson, 1993).

First, a coding software facilitated the process of open coding. According to Gray (2014), open coding is undertaken in order to streamline data into units. Second, the author suggests reviewing open codes and developing these into overarching codes, which constitutes the so-called 'focused coding'. Within this process, some codes were merged to avoid overlaps, modified to better suit meanings or deleted if they were irrelevant to the research purpose. This also allowed us to build overarching coding groups such as 'marketing capability' and lower level categories such as 'campaigns with platforms'. Third, all codes were reviewed to determine their connection. Eventually, overarching code groups were labelled by each capability as well as by the terms 'internationalisation strategy' and 'platform characteristics'. To further analyse the data, pattern matching according to Yin (2014) was applied in which findings are compared with assumptions of the theoretical framework. By pattern matching, unexpected findings were given new categories, which will be elaborated on as 'extra-framework findings' in Chapter 4.7. Finally, the analysis and discussion of the data resulted in

a revised theoretical framework that presents a set of capabilities which most likely determine the success on e-commerce marketplaces in foreign markets.

3.5 Research Quality

Validity and reliability are especially relevant in qualitative studies where researchers' subjectivity can affect the interpretation of data (Brink, 1993). Within this subchapter, efforts undertaken to strengthen the reliability and validity of this research will be outlined.

3.5.1 Reliability

According to Riege (2003), reliability is based on trustworthy research operations. Firstly, to achieve reliability, cross-checking was applied by sending back data to the research participants. As recommended by Larsson (1993), each of us conducted a pilot coding of one transcript to become familiar with the coding scheme and thus, compared codes for calibration purposes, increasing reliability in the coding approach. Secondly, we both interpreted each account individually, which enhanced inter-rater reliability. Thirdly, we sought to capture in-depth details from internal and external sources by interviewing internal and external subjects. Next to these bilateral perspectives, secondary data sources such as organisational documents provided by the case firm allowed for triangulation. Finally, the establishment of a clear data collection procedure and interview guideline enabled us to replicate the same procedure for all interviews.

3.5.2 Validity

Validity can be defined by the three components of integration, explanatory power, and relevance as outlined by Glaser (1978). Each of them will be explained in more detail in the following subsections, while the explanatory power and relevance will further be elaborated on within the conclusion (Chapter 6.2).

3.5.2.1 Integration

When the founders of Grounded Theory named Glaser and Strauss (1967) parted ways, each of them focussed on either inductive or deductive studies. Glaser (1978), whose work represents the ground for this research, concentrated on inductive frameworks. The author defines integration of the framework as the coherence of theoretical models, for instance, the extent to which theoretical components are interrelated. Glaser's (1978) understanding of integration can be associated with the concepts of construct validity and internal validity of Yin (2014). Applying this to our research, we took a resource-based view in order to identify a set of resources or capabilities, which is typically done to understand how firms can achieve a competitive advantage under certain circumstances (Barney, 1991). This view was grounded on the interrelated IB concepts of the Uppsala Model and the Born Global approach, which were synthesised and complemented with literature on e-commerce marketplaces to establish a theoretical framework. Due to this strong theoretical foundation, we argue that coherence of theoretical models was achieved.

3.5.2.2 Explanatory Power

Referring to Glaser (1978), explanatory power is determined by the relative ability of the theoretical framework to explain the empirical situation. By taking a strong theory-based approach, we aim to provide a holistic and integrated framework to elucidate the internationalisation of SMEs through e-commerce marketplaces. The theoretical framework was tested with empirical data and hence, the explanatory power will be covered in the validity assessment of this research (Chapter 6.2).

3.5.2.3 Relevance

Relevance refers to the extent to which the results of the research give constructs and ideas that are useful in either the theoretical or the empirical context (Glaser, 1978). Since a qualitative study is based on deep investigations in specific contexts, the generalisability of the results was limited. A different context may generate different results. Nonetheless, we argue that in praxis, identified capabilities in the modified framework can potentially serve as guidance for SMEs

in similar settings. Moreover, our findings serve as a foundation for future research. A more detailed assessment of the findings can be found in Chapter 6.2.

3.6 Ethical Considerations

Taking ethical considerations into account, it was guaranteed that no data shared in this research harmed any of the participants or displayed them in a negative manner (Creswell & Creswell, 2018). With regard to the interview procedure, it was ensured that interviewees agreed with the recording. Moreover, the participants were informed that their names and, if required, the name of the company would not appear in this study. Hence, the interviewees' right to remain anonymous or to deny recording was respected.

3.7 Chapter Summary

This study was based on a qualitative single case study to investigate how SMEs can successfully internationalise through e-commerce marketplaces. Iterating between inductive and deductive processes enabled us to develop and expand existing theories on the topic. By collecting the experiences and recommendations of nine employees of a Swedish fashion SME which has already conducted a platform internationalisation, the views of six external platform experts, and relevant archival documents, this study established multiple perspectives on required firm-level capabilities for SMEs. Through open coding and pattern matching, empirical findings could be compared with the theoretical framework, which demonstrated room for modification. The research quality was considered by validity in terms of integration, explanatory power and relevance as well as reliability, while ethical considerations enabled a respectful research completion for all participants.

4 Empirical Findings

The following chapter presents relevant empirical findings gathered through 15 interviews and supplemented by applicable secondary data. To directly put the empirical findings into context, interviewees were categorised and coded based on their occupation. Here, we differentiated between internal (I) and external (E) interviewees. Categories are as follows: External platform representatives (E-P), third-party provider (E-TPP), internal strategic decision-makers (I-STR), sales representatives (I-SAL), logistics expert (I-LOG), and IT expert (I-IT). Documents were assigned to the code I-DOC. First, the internationalisation strategy of the case company will be described. Thereafter, the structure of this chapter will follow the classification into the different capabilities of the theoretical framework and ceases with extra-framework findings.

4.1 The Internationalisation Strategy of the Case Company

The case company started expansion into foreign countries in 1990 and has entered 17 countries so far (Table 3), of which three include sales on e-commerce marketplaces (Germany, the Netherlands, Austria). Due to resource scarcities, the CEO explained that the firm followed a gradual internationalisation approach: “We don't have all the resources that we may need in the future, but we are doing it [internationalisation] step by step and one of the success models for our company is that we kind of build it one by one” (I-STR1). Grounded on cultural differences between nations, the firm mostly counted on location-based offices in the countries they expanded to (I-STR1; I-STR2; I-STR3; I-STR4). The strategy of the firm entailed entering markets with similar characteristics first, as they then would have “less different people and different cultures to address” (I-STR1), whereas Asia, for example, was considered as highly difficult to enter (I-SAL2).

Table 3: The Internationalisation Path of the Case Company

1990	1999	2000	2005	2010	2011	2013	2014	2015	2018	2020
NO	FI	DK	RU	LT	DE	UK	CH	CZ	AT	PL
IS				EE	BE- NEL- UX					
				LV						

Despite the incremental steps of the company in foreign market expansion, platforms provided a new source for rapid internationalisation. The platform business is handled by its German office, which initiated a cooperation with a TPP (or ‘marketplace enabler’) that manages the operations on eleven e-commerce platforms. In 2018, the firm started selling on e-commerce marketplaces and directly expanded to Austria and the Netherlands. The case company defined success by its profit which was achieved in 2019. Notably, the company made no loss from day one. It argued that e-commerce marketplaces speeded up the internationalisation process to a few weeks (I-SAL2; I-SAL3). The decision to employ an external agency was related to the resource constraints of the company (I-STR1; I-STR2; I-STR3; I-STR4), which will be explained and analysed based on the capabilities as suggested in the theoretical framework in the following sections.

4.2 Entrepreneurial Capability

Concerning the entrepreneurial capability of the case company, it was found that it adopted an entrepreneurial company culture, in which platforms were seen as a valuable opportunity requiring sufficient financial and human resources and an international vision, whereas international experience appeared less important.

4.2.1 Entrepreneurial Company Culture

Due to limitations in assets and knowledge, the SME explained to count on an entrepreneurial organisational culture to compete in international markets. As the CEO (I-STR1) put it: “Since we cannot, at least not in the foreseeable future, be the biggest [company] we need to be focusing on being the fastest [one] to adapt”. In order to do so, the firm counts on

“centralisation” of operations and “straight communication internally” (I-STR1). Due to the close setup of departments and communication channels, it is able to rapidly react to external stimuli and “to quickly reallocate a lot of resources” concerning e-commerce marketplaces (I-STR1). This entrepreneurial mindset as an enabling factor for engaging in digital platforms has been supported by Amazon (E-P3) as well: “This is the first thing - culture, they [management] need to be ready”. Other interviewees also argued that SMEs should adopt a mindset and openness to online channels instead of seeing them as a threat to offline operations (I-SAL2; EP-2; E-TPP).

In this context, opportunity recognition was named as a crucial factor (I-STR1; I-STR-2; I-STR3; I-STR4; I-SAL3; EP-3; E-P5), in which “commitment from senior leadership” was specifically important (E-P3). All interviewees argued that management needed to recognise platforms as an opportunity and thus, to allocate sufficient human and financial resources accordingly. While the CEO summarised this as “building something new inside with the resources of the company” (I-STR1), the European Sales Director argued that the first step towards success was to “really focus on platforms” and to “not think about countries but about a new business opportunity” (I-STR2). Thus, SMEs should see digital platforms as a “must-have in the future” (I-SAL3) and as an opportunity to try new things (I-STR3).

Here, the international vision of the SME for success in foreign markets came into play (I-STR1; I-STR2; I-STR3; I-STR4; I-SAL3; I-IT). The CEO of the company explained that he sees the firm as an already quite successfully internationalised company, constituting the base for future expansion with the goal of conveying the brand image to foreign markets (I-STR1). As the Sales Operations Manager (I-SAL3) mentioned: “to be known as the Swedish jacket brand on the market is the next step within the platform context”. Accordingly, the company established a five-year plan for their “global journey” in which platforms play a central role (I-STR1), and which entails participation, weekly meetings (I-SAL3) and “strong communication” from top management (I-STR1).

4.2.2 Resource Commitment

Touching upon commitment decisions by management with regard to internationalisation, the allocation of financial and human resources was strengthened. Especially the latter was repeatedly emphasised by all interviewees with regard to fully concentrating on e-commerce

marketplaces as an additional sales channel and a new mode of entry. Accordingly, the case company separated all platform operations from their major wholesale business and assigned them to their evolving “direct-to-consumer” department (I-STR1; I-STR4). Here, the European Sales Director emphasised that “platforms should not be seen as a side job” (I-STR2). The CEO of the company (I-STR1) argued that “the investment in people and processes was the most successful thing [they] had done ... because even if you didn’t get the plan right, you at least had the brains and systems to adapt and change as you go along”.

Further, it was differentiated between manpower for handling the e-commerce marketplace operations in general as well as for internationalisation in particular. Nine out of 15 interviews argued that SMEs would need to hire at least one person per e-commerce marketplace (I-STR2; I-STR3; I-STR4; I-SAL3; I-LOG; E-P1; E-P2; E-P3; E-TPP). “The most important thing is that the SME has a full-time dedicated person that deals with each platform. This is something that is neglected very often and that leads to failure”, explained the Amazon representative (E-P3). This was also recognised internally: “It is actually so demanding. ... You need to have someone watching over the different platforms everyday all the time. It's like a full-time job” (I-STR4). Mentioned reasons for the necessity to hire additional staff per platform were the different tools of each marketplace (I-STR2; I-STR3), better cooperation with the platforms (E-P1; E-P3; E-TPP), enhanced internal coordination (I-LOG), advanced e-commerce knowledge (E-P3), and the ability to deal with customer complaints and reviews of each platform (E-P3; E-P4).

While all interviewees related the necessity to employ additional manpower for e-commerce marketplaces to its nature as an additional sales channel, five internal decision-makers specifically emphasised this step as a requirement for internationalisation (I-STR1; I-STR2; I-STR3; I-STR4; I-LOG). All internal interviewees considered the establishment of local offices in the respective countries necessary to initiate and coordinate the platform business. In contrast, all external interview partners argued that additional staff was indeed needed for each e-commerce marketplace but not necessarily required for going international.

Besides human resources, huge financial investments were solely required for the platform integration, while the international expansion did not entail any high expenses. “It could cost up to 20,000 euro just to have the implementation ready. It's a lot of money and risk in the beginning”, explained the Head of DTC (I-STR4). Thus, SMEs were argued to face a substantial upfront investment for the setup into the e-commerce marketplace (I-STR1; I-STR2; I-STR4; I-SAL3; I-IT; E-P1; E-P2; E-P5; E-TPP). As the Wayfair representative explained:

The platform business only takes off for those “that kind of either started in e-commerce only or really changed the whole focus with financial resources” (E-P1). Also, the Head of IT (I-IT) pointed out that one has “to accept to pay a higher price to deal with platforms with regards to the potential of it”. Besides upfront investments, e-commerce marketplaces only entailed little fixed (e.g. inventory costs) and mainly variable costs (commission fees) (I-STR4; I-SAL2; E-P3; E-P4). Costs related to internationalisation were found to be only marginal (I-STR2; I-SAL2; E-P3; E-TPP). For example, the Online Retail Key Account Manager (I-SAL2) stated: “If Zalando now has DE, NL and SE, you pay a small basic fee three times a month. After that, you pay per item sold. There's no problem expanding into 50 countries”.

4.2.3 International Experience

Whereas an entrepreneurial company culture appeared to play a major role for international success on e-commerce marketplaces, international experience was discovered to be of little importance (I-STR2; I-STR3; E-P1; E-P2; E-P3; E-P5; E-TPP). Interviewees explained that it is more about the SMEs’ “willingness to learn and to adapt” and to “not be too risk averse” (E-P3), its “international mindset” (I-STR2), “learning” (E-P1) or “to acquire platform knowledge” (E-P5). The Facebook Senior Partner Manager (E-P2) argued that international experience could even lead to harming path dependencies: “Sometimes it's also not as beneficial because in the digital world, everything turns so fast. If you have some experience and you have an old-minded CEO that thinks that his or her knowledge of five years ago is still up today, that's usually not the case”. However, as an opposition, it was also argued that experience in international operations helped the integration of SMEs in other markets: “The more experience they have, the easier and the less risky it is to take a partner live in these countries” (E-P5).

4.3 Networking Capability

Networking was found to be important for the setup of e-commerce marketplaces and the associated daily operations, including the TPP, the platforms, as well as other business relationships. Each individual network relationship, including the relationship-specific knowledge, will be elaborated on in the following.

4.3.1 Third-Party Provider

As explained before, the case company chose to hire a third-party provider which functions as an intermediary between SMEs and the platforms. The TPP provided each department of the company with a login to the Content Enrichment System (CES), through which the firm could directly integrate all relevant data (Figure 4). Thus, the CES enabled a one-time data integration that made the connection to platforms possible. Whereas the workflow management across departments was facilitated by the system, pricing and margins on all platforms were still handled by the company (I-DOC1).

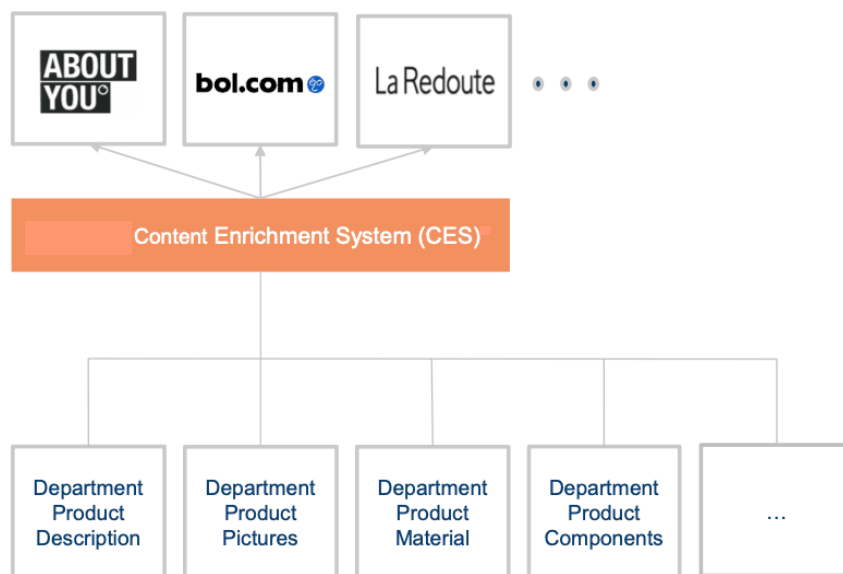


Figure 4: Third-Party Provider (adapted from I-DOC1)

With regard to the cooperation with the TPP, the CEO argued: “We would not be able to do this in a good way by ourselves where we are right now” (I-STR1). Reasons for that were multiple. First, the technical integration into each platform constituted a major role (I-STR1; I-STR2; I-STR3; I-STR4; I-SAL1; I-SAL2; I-SAL3; I-IT), which was connected to logistics solutions (I-STR1; I-STR2; I-STR4; I-LOG; I-SAL2; I-IT). The CEO (I-STR1) specified:

We are buying knowledge in how to set up logistics services, how to connect between the companies in terms of IT structure and making sure that we can deliver on all the requests and value-added services that they request.

Second, the intermediary allowed for flexibility regarding sales volumes and a variable pricing structure (I-STR1; I-STR4; E-P5). Other frequently mentioned reasons for the cooperation were

knowledge of unique platform mechanisms and manpower (I-STR1; I-SAL3; E-P3; E-TPP), facilitated access to market knowledge (I-STR2; I-STR4; I-SAL2; E-P1; E-P2; E-P4), and support with tax issues (I-SAL2; E-P2; E-P3; E-P4; E-TPP). Moreover, the opportunity to “jump on an existing network” (I-STR1) and to have a “broader reach” (I-STR4) in terms of domestic and international network partners were considered to be highly valuable (I-STR2; I-STR4; I-SAL3; E-P3; E-P5; E-TPP). Furthermore, working with a TPP was seen as a low-risk means to benefit from a steep learning curve to eventually integrate the platform business internally (I-STR1; I-STR2). In this context, strategic personnel mentioned that the relationship was also continuously evaluated in order to react whenever an internal integration or a switch to another provider became appropriate (I-STR1; I-STR2). The only mentioned disadvantage constitutes the curtailed margin (I-STR1; I-STR2; I-STR4; I-IT; I-LOG; E-P3). Considering the end-to-end margin with the TPP, the Head of IT (I-IT) argued: “We should not do business with them”. However, when considering other Key Performance Indicators (KPI) such as brand reach, he argued that the decision would be different (I-IT).

External platform experts also highlighted that they endorse SMEs to work with TPPs in order to sell and internationalise on e-commerce marketplaces (E-P2; E-P3; E-P4; E-P5). Amazon explained that “this is actually a good strategy if you know you have a limited knowledge in-house” (E-P3), while Facebook elucidated that their “solutions still need quite some technical knowledge. [Marketplace enablers] can provide the service for cheaper than if you internalize all this knowledge” (E-P2). They also explained that some platforms even require TPPs as they “cannot integrate very small firms” (E-P5) or “even pay for the client to get into one of the Facebook marketing partners to set this up properly” (E-P2). The TPP (E-TPP), which cooperated with the case company, specifically pointed to the resource constraints of SMEs that MNEs usually do not suffer from.

4.3.2 Relationship to the Platform Provider

Considering the relationship to the platform provider, a substantial discrepancy of opinions between internal and external interviewees could be observed. Whereas platform representatives argued that a good relationship to the digital platform was “super important” (E-P3), “really crucial for succeeding in the market” (E-P2), “beneficial” (E-P5), and “sufficient for success” (E-P4), employees explained that “you do not need to talk to a [platform] person

at all” because “everything is automatic” (I-SAL2), that “there is not so much personal contact actually” (I-STR2), and that it is not important because “the numbers and the systems never lie in this situation” (I-STR3). Nonetheless, a major finding concerned the differences in support in relation to the resources invested into e-commerce marketplace (E-P1; E-P2; E-P3; E-P5; E-TPP). Five out of six platform representatives mentioned that only companies with certain resources and growth potential would get in contact with a personal key account manager. The Facebook representative admitted that “the support is very scaled” and that companies with more resources benefit from increased customer support. A strong collaboration helps to get “more insight than what the normal Support Help Centre Official is able to give” (E-P2), “education” (E-P3), “e-commerce consulting” (E-P1), and mutual identification of “international opportunities” (E-P5).

4.3.3 Other Networks

Next to the relationships with intermediaries or platforms, connecting with other sellers was strongly advised, especially for exchanging information about best practices of SMEs (I-STR2; I-STR4; E-P3; E-P4; E-P5; E-TPP). Furthermore, e-commerce coaches or experts and Facebook or LinkedIn groups were recommended in order to be up to date about feature updates across marketplaces, trends, and technological solutions (E-P3; E-P4; E-P5; E-TPP). Moreover, the necessity to work together with IT experts (I-SAL2; I-SAL3) and local agencies or consultancies to acquire market knowledge (I-STR2; I-STR4; E-P3) was highlighted. However, the only network essentially required for the distinctive step of internationalisation constituted logistics partners in foreign countries, unless the platform would not provide that service (I-LOG; E-P1; E-P2; E-P4; E-P5).

4.4 Technological Capability

The technological capability was found to relate to IT processes within the case firm and to the support of the TPP in connection to the platform integration. Furthermore, handling product images and details on e-commerce marketplaces was found to be a major part of the technological capability. Finally, the need to innovatively adjust to e-commerce marketplace operations was found to be important if the platform operations would not be outsourced.

4.4.1 IT Processes

All interviewees agreed that selling on an e-commerce marketplace required technological skills. The focal point was exceptionally put on the innovative capacity of the firm in regard to processes (I-STR1; I-STR2; I-STR4; I-SAL2; I-SAL3; I-IT; E-P2; E-P3; E-P4; E-P5). As the UK country manager (I-STR3) argued: “This is the fastest moving part of the business. If you're not innovating there, you're not going to be anywhere”. Innovations in processes were supposed to lead to a competitive advantage on e-commerce marketplaces (I-SAL2; E-P2; E-P3; E-P4). In this context, it was mostly referred to technological process automations (I-SAL2; E-P2; E-P3; E-P4). As Amazon (E-P3) explained:

Online platforms offer a common playground, so everyone is treated equally. ...It's all about their setup and with innovations, SMEs can generate a quick win, a competitive advantage compared to the enterprise sellers, because they are usually slower in their decision-making and development.

External interviewees explained that the technical integration to e-commerce marketplaces is a major challenge for SMEs (E-P1; E-P2; E-P3). Also, the CEO (I-STR1) emphasized: “Technical requests are very often quite high. And they are very inflexible”. Technological skills were found to be crucial to comply with platform requirements (E-P1; E-P2; E-P3; E-P4; E-P5), to save time and to be competitive (I-SAL2; I-IT), and to ensure zero friction to avoid cancelling customer orders (E-P2). For sales on a platform, an EDI was needed which includes the entire sales journey from receiving an order to sending an electronic invoice (I-STR4; I-SAL1; I-IT; EP-1; E-TPP). Accordingly, one closed platform representative (E-P5) pointed out that “the more digitised, the more data, the easier it is to work with [the companies]”. Having such an EDI process in place, companies could save much manual work (I-STR4; I-LOG; E-P1). The cooperation with a TPP in order to overcome technical barriers (I-STR1; I-STR2; I-SAL3) and to achieve a “quick integration and go live” (I-DOC1) was also recommended by platform representatives (E-P2; E-P3; E-P4). The TPP provided several IT services: Application Programming Interface (API) and middleware, order management and ERP, warehousing and associated Warehouse Management Systems (WMSs), delivery and shipping solutions, as well as billing and payment solutions (I-DOC1).

Even though the platform setup and operations bore several difficulties for the company, the actual step of entering a new market was only a question of ‘box-ticking’ (I-SAL2; E-P1; E-

P2; E-P3; E-TPP). Once the platform business was set up, “you [could] scale your business into other countries more easily than it ever has been before”, explained the Facebook representative. The Key Account Manager (I-SAL2) stated: “I start with Zalando and then they ask me: Okay, what about Spain? What about Russia? What about the other countries?”, which is done within “a couple of clicks” and which “has nothing to do with management or a strategic decision”.

4.4.2 Product Details and Images

Next to accurate data flows, a focus on product details and images was found to be crucial (I-SAL2; I-SAL3; E-P1; E-P3; E-P4; E-P5; E-TPP). “The platform is the pedestrian zone of the future. If I have bad pictures, nobody will enter my shop”, argued the Key Account Manager for Online Retail (I-SAL2). Amazon (E-P3) agreed: “Good content is the foundation of e-commerce”, pointing to the importance of high-quality product pictures. Interviewees confirmed that product descriptions and images had a huge impact on platform sales since they were the only communication channel to customers (I-SAL1; I-SAL2; E-P1; E-P4; E-P5; E-TPP). Despite their importance, the Key Account Manager (I-SAL2) argued that getting all information and pictures to comply with the standards to go live on a platform constituted the biggest challenge. Since the required type and shape of data differed per platform, it was important to pay attention to each guideline (I-SAL2; E-P3; E-P4). One specific part of the platform guideline constituted the picture requirements, as the example in Appendix B shows (I-DOC3). One platform integration manager (E-P5) did not only mention that they conducted regular image checks on the resolution, the format and models, but also pointed to the importance of product data and descriptions. Interviewees argued that it was crucial to have accurate Search Engine Optimisation (SEO) keywords within the title and descriptions (I-SAL2; E-P3; E-TPP) and that by solely complying to the minimum requirements of each platform, a lot of potential could be missed out on (E-TPP). The TPP (E-TPP) explained that this becomes especially important since each marketplace offers channel-specific tools with different attributes and components such as material, cut, colour, and look and thus, requires effortful, accurate mapping.

4.5 Learning Capability

Within the learning capability, business knowledge about e-commerce marketplace operations was found to be essential although the firm had not implemented any knowledge development processes so far since it relied on the TPP. Market knowledge was also found to be decisive for success, in which particularly multilingual skills and taxation were discovered to be vital competences.

4.5.1 Business Knowledge

Business knowledge in terms of understanding the underlying mechanisms including rules and regulations of each unique platform was acknowledged as crucial by all interviewees. As the Amazon representatives (E-P3) stated, “a resource for success is the ‘know-how’ [about platforms], no matter if internal or external.” The knowledge about requirements for product images (I-STR2; I-SAL2), product descriptions (I-STR2; I-STR4; I-SAL2; I-SAL3), marketing activities such as SEO (I-STR2, E-P4), differences between platforms (I-SAL2; E-P1; E-TPP), platform business tools and relevant KPIs (E-TPP) were mentioned to be relevant. Therefore, the TPP (E-TPP) also suggested “a certain amount of training to use these tools”.

Considering the different platforms, they were often categorized in open and closed platforms (I-STR2; I-SAL2; E-P3; E-P4; E-P5; E-TPP). The TPP (E-TPP) explained that open marketplaces such as Amazon and Rakuten allow anyone with a business license to upload products manually, whereas closed platforms like Zalando and AboutYou grant permission to certain partners through an interface. Each type has its own advantages and disadvantages. Whereas open platforms are more price-oriented and driven by volume and sales, closed ones rather focus on brand building (I-STR1; I-STR2; E-P4). Once it is decided on which platforms to sell, specific business knowledge regarding the initial platform integration is needed (I-STR2; I-STR4; I-SAL1; I-SAL3; E-P2; E-TPP,).

Taking the perspective of the case company, management saw a need to implement continuous internal learning processes to educate existing employees in the platform business, especially with regard to the dynamic and fast-moving nature of the platform industry (I-STR1; I-STR2; I-STR3). However, as the intermediary was mainly responsible for the daily operations of

platforms, no specific knowledge development processes had been implemented by the case firm so far (I-STR4). The platform representatives also reported that the majority of learning sources were external, including webinars of the respective platform, events, online tutorials, e-commerce influencers, or forums (E-P2; E-P3; E-P5; E-TPP).

4.5.2 Market Knowledge

When touching upon the importance of market-related factors, interviewees pointed to different aspects. For instance, Brexit (E-P1), cross-border shipment regulations (I-SAL3; E-P1; E-P3), data protection rights (E-P4) or economic developments such as inflation rates in relation to pricing (E-P3) and consumer cash flows (I-STR3) were emphasised. Furthermore, industry competitiveness (I-SAL2; E-P1; E-P3), the technological affinity of customers in the respective country (I-STR3; E-P5), logistics infrastructure (E-P3; E-P4; E-P5; E-TPP), ethics and sustainability in e-commerce, and customer behaviour (I-STR4; I-SAL2; E-P1; E-P3; E-TPP) were argued to be factors that internationalising companies needed to acquire knowledge about. SMEs need to answer several questions related to the distinctiveness of the market (I-STR4; I-SAL3; E-TPP), for instance, “what does the customer want to know? What does the customer need to know? Which platforms do we want to get on?” (I-SAL3). Hence, understanding the customer was identified as an important task (I-STR1; I-STR2; I-STR4; I-SAL3; E-P3; E-TPP). Hereby, market knowledge was found to be especially relevant prior the market entry (I-STR2; I-SAL1; E-P4) and related to rather distanced areas such as Asia (I-STR4; I-SAL2). The Key Account Manager for Online Retail (I-SAL2) argued: “When you take such a big step, you need market knowledge.” Notably, the local market knowledge was perceived as a key success factor for the case company. As the Head of DTC summarised: “I think it is because we have our country managers and sales support in Germany. I think that is part of the success, to have the local knowledge.” However, all platform representatives also discussed that market specific knowledge in-house was no prerequisite for SMEs anymore, since the platform provided the firms with overall trends, recommendations, and customer data (E-P1; E-P2; E-P3; E-P4; E-P5). Nonetheless, specific market knowledge in terms of languages and taxation was found to be essential.

The most important market-specific knowledge was connected to multilingual competences as mentioned by eleven interviewees (I-STR1; I-STR2; I-STR4; I-SAL2; I-IT; E-P1; E-P2; E-P3;

E-P4; E-P5; E-TPP). In this regard, not only translation of long text descriptions but also culturally adjusted tonality was required on e-commerce marketplaces (I-STR2). Furthermore, the Rakuten representative argued: “The most important factor is an international and multilingual customer service”, as otherwise, buyers have a bad shopping experience or cancel their orders. This key failure factor was also recognised internally: “You can't sell anywhere where you don't have anyone who can answer customer enquiries” (I-SAL2).

Another knowledge area that was found to be essential for internationalising on online marketplaces was taxation unless SMEs did not outsource that service to, for example, tax consultants or TPPs (E-P1; E-P2; E-P3; E-P4; E-P5; E-TPP). For internationalisation, firms need to register for VAT numbers in the respective countries prior to their market entry (E-P1; E-P2; E-P3; E-P4). The TPP (E-TPP) of the case company argued, “this is a very, very big tax issue and it is very complex. Many brands are afraid of it”. While the administrative work becomes redundant when working with an intermediary (the SME officially sells their goods to the TPP), SMEs that conduct this task internally face high administrative efforts to apply for VAT numbers (E-P1; E-P2; E-P3; E-TPP).

4.6 Marketing Capability

The marketing capability mainly concerned the importance of establishing brand awareness on e-commerce marketplaces through marketing skills for product ranking as well as in foreign markets through a multi-channel approach. This multi-channel approach also referred to the communication of the brand image of the firm. Finally, product differentiation and a quality focus for selling on international e-commerce marketplaces was found to be less relevant.

4.6.1 Brand Awareness

All interviewees underlined brand awareness as a crucial factor for success on e-commerce marketplaces, which was differentiated in visibility on e-commerce marketplaces and brand awareness in foreign countries. While the former was related to marketing campaigns for product ranking on platforms, international brand awareness was argued to be established by a multi-channel marketing approach.

4.6.1.1 Product Ranking

Due to the high competition and selection of products on e-commerce marketplaces, investing in marketing campaigns for product rankings was considered highly essential by all interviewees. “There is a flood of brands on the platforms. If no one is specifically looking for you, then you just rot there”, said the Online Retail Key Account Manager (I-SAL2). Product rankings are pushed by algorithms based on the amount of sales and clicks (I-SAL2; E-TPP) and can be influenced by investing in marketing solutions provided by e-commerce platforms (E-P2; E-P3; E-P4; E-P5). Thus, visibility on e-commerce marketplaces was found to be decisive for success:

Only with marketing you can achieve a certain visibility on the platform. Through visibility you generate sales, through sales you generate a ranking, and the ranking in turn enables more visibility, more sales. (E-TPP)

Marketing solutions offered by online platforms covered, for example, investments in digital marketing tools such as SEO, Google Shopping (E-P3; E-P4), sales campaigns (e.g. Black Friday Newsletters) (I-STR1; I-STR4; I-SAL2; E-P1; E-P4; E-P5; E-TPP), brand campaigns (I-STR4; E-P2; E-P5; E-TPP), or sponsored product campaigns (E-TPP). Here, all external platform representatives argued that SMEs did not require internal marketing capabilities since this could be taken over by platforms. However, the investment size of companies mattered for success (E-P2; E-P3; E-P4; E-P5).

4.6.1.2 Multi-Channel Approach

Lacking brand awareness in foreign markets was regarded as a hindering factor for success in foreign countries on online platforms (I-STR1; I-STR2; I-STR4; I-SAL1; I-SAL3). All interviewees of the case company claimed that entering a market solely through e-commerce marketplaces was difficult when foreign customers were not aware of the brand. “To get into a market with platforms, you first need to heavily invest in marketing for brand awareness” (I-STR2). The case company decided to create an own e-commerce shop next to the platform business in the respective country they enter in order to “control the communication in a smaller and easier to grasp environment” (I-STR1). Furthermore, the company chose to work with different strategies for its own web shop and the platforms: While the web shop was supposed

to inform international customers about the brand and thus, the firm about the market, platforms were supposed to represent the main medium for sales and discounts (I-STR1; I-STR4; I-SAL1). Such a multi-channel approach for international success was also recommended by four external platform experts (E-P1; E-P2; E-P3; E-TPP). All of them also set this in relation to selling on as many platforms as possible as the “customer decides where he or she buys what and when” (E-TPP). For example, platform representatives recommended to “start selling on all European marketplaces right from the beginning” and to not “be too afraid and too cautious in the approach” (E-TPP) in order to get the platform business running and to achieve a steep learning curve. Thus, they advised selling on numerous online marketplaces and in several country markets (E-P1; E-P2; E-P3; E-P4; E-P5).

4.6.2 Brand Image

Another finding that is in line with the previous section is the importance of building and communicating the brand image to foreign customers on e-commerce marketplaces. Within this case study, brand image constituted a very important factor whose transmission on platforms was considered challenging for the firm (I-STR1, I-STR4, I-STR3, I-SAL1), while external interviewees claimed that conveying the brand image is possible (E-P2; E-P3; E-P4; E-P5; E-TPP). The CEO (I-STR1) stated: “For purchasing and searching for a good price, the customers look on e-commerce platforms. And then, we need to do the brand building outside the platform.” The employees argued that brand awareness went hand in hand with the brand image. “You have to tell the customers why you are so special. That's the hardest thing there is” (I-SAL1). However, management also acknowledged that companies had the opportunity to develop their brand image on closed platforms at which brand building campaigns could be booked (I-STR2; I-SAL3; E-P3; E-P5). On those closed platforms, conveying brand values through marketing is part of their value proposition. Accordingly, if the goal entails developing the brand among consumers, closed platforms were advocated to be the better choice (E-P3; E-P4; E-P5; E-TPP). Nonetheless, it was also explained that SMEs often do not possess the resources to invest in such extensive brand campaigns (E-P4; E-P5; E-TPP).

4.6.3 Product Differentiation

Although product differentiation was argued to be relevant for certain countries (I-STR1; I-STR4; I-SAL1; E-P5), the platform type (I-STR1; I-SAL2), or for online vs. offline display (I-STR1; I-SAL2), all platform representatives recommended to place a wide range of products on e-commerce marketplaces in order to identify which products were mostly demanded according to data (E-P1; E-P2; E-P3; E-P4; E-P5; E-TPP). Yet, the case company stated that they currently offer a limited number of products on platforms due to the costs involved (I-SAL1; I-LOG), which is often done by other SMEs as well (E-P3). Notably, the company mentioned to experience particular difficulties with communicating its technologically innovative products on e-commerce marketplaces (I-STR1; I-SAL1). Both internal (I-STR1; I-SAL3) and all external platform experts argued that it was important to identify “best-sellers” for platforms and markets instead of solely focussing on high-quality products. For example, Wayfair (E-P1) said that “you can definitely start with one general selection and then just see what's going well... but it's not a necessity to have an e-com global selection from the beginning”, while the TPP (E-TPP) also argued that “taking everything live first and then, based on actual facts and figures, drawing conclusions internally” was the best option. Furthermore, it was argued that a wider product range would benefit visibility on platforms (E-P4) and was easily scalable (E-P3).

Moreover, it was discovered that e-commerce platforms produce a substantial amount of data-based insights for sellers. The Facebook representative (E-P2) argued that “analytical knowledge is the main knowledge you should have” and that companies should use the data as “their source of truth”. Therefore, the platform integration has to be set up properly as then, companies can analyse which products work well on which platform and in which market (I-SAL2; E-P2). Furthermore, customer insights on target groups become visible (I-STR3; E-P1; E-P2; E-P5; E-TPP). More specifically, SMEs were recommended to combine all data of the respective platforms when expanding into foreign countries to acquire a holistic overview (E-P2; E-P3; E-TPP). While the platforms provide the SME with the respective data, the analysis, drawing conclusions, and the subsequent actions need to be executed by the firm itself (E-P1; E-P2; E-P5; E-TPP).

4.7 Extra-Framework Findings

This chapter presents empirical data that could not be assigned to the theoretical framework as demonstrated in the literature review, which covers the high logistical efforts as emphasised by thirteen interviewees (I-STR1; I-STR2; I-STR3; I-STR4; I-SAL2; I-LOG; I-IT; E-P1; E-P3; E-P4; E-P5; E-TPP). “Many brands have had their necks broken, trying to expand to the United States. The logistics involved were underestimated”, stated the Online Retail Key Account Manager (I-SAL2). The logistical barriers constituted one of the major reasons why the case company chose to work with the TPP (I-STR1; I-STR4; I-SAL2; I-LOG; I-IT) and why the firm is currently not able to integrate the platform business model in the UK (I-STR3). Typical pain points for the SME constituted expensive shipping rates for international B2C orders (I-DOC1), significant resources required for WMSs (I-STR1; E-P1), return management (I-DOC1; I-STR1; I-IT; I-LOG; E-P3), different platform regulations (I-DOC1), and cross-border as well as cross-platform packaging requirements (I-DOC1; I-SAL2; I-LOG). Yet, e-commerce customers expect to be able to track their deliveries, to receive them within a couple of days and for little or no costs, and to directly communicate with the company in case of any issues (I-STR1; I-LOG; E-P1; E-TPP).

Even though the case company just implemented a new logistical solution which technically enabled it to insource the logistics (I-STR4; I-LOG), the transition from heavy bulk shipments of its wholesale business to drop shipment was very demanding (I-STR1; I-STR4). Wayfair (E-P1) also confirmed that “it’s really the [logistics] steps that are complicated” and that “cross-border shipments are quite challenging”, pointing to the implementation of logistics software, warehousing, drop shipment, and international carriers. The logistical operations did not only carry very high set up costs (I-STR2; I-STR3) but were also time-consuming (I-STR3). Therefore, the TPP worked with an own logistics carrier for goods receipt, storage, order picking, and dispatch, which allowed for fast B2C deliveries and return management, improved international shipping rates, as well as simplified bulk deliveries for SMEs (I-DOC2). Despite reduced complexity, the case company reported that it still faced issues with in-stock management (I-STR1; I-STR4; I-SAL2; I-LOG).

Importantly, all external platform representatives mentioned that well-functioning and innovative logistics were imperative for success on e-commerce marketplaces. By providing

superior logistics solutions to customers, SMEs could differentiate themselves from competitors (I-SAL3; E-P3; E-P5). Especially, short lead times (I-STR4; I-LOG; E-P3; E-P4; E-P5) and return management were found to be crucial (I-STR1; I-IT). If firms were not able to internalise the logistical operations, the platform representatives recommended working with the services of the platform. In foreign markets, SMEs could store their products in platform warehouses that would allocate deliveries across the countries, which would also provide for more convenience for customers (I-STR4; I-SAL2; E-P1; E-P3; E-P4). Amazon (E-P3) reported: “For SMEs, that's often the case, because they don't have the stock or inventories on their own. Or a good supply chain or good conditions also with DHL.” However, not all e-commerce marketplaces offered such services. Here, an “international logistics network setup is a prerequisite for internationalisation” (E-P5).

5 Analysis and Discussion

This chapter analyses and discusses the empirical findings by comparing them to previously presented literature. Accordingly, a synthesis of the data will be provided based on overarching capabilities as suggested in the theoretical framework, in which we integrated extra-framework findings where applicable. All five previously suggested capabilities proved to be imperative for internationalisation through e-commerce marketplaces. However, we identified substantial overlaps between the entrepreneurial and learning capability, which were consolidated into one major capability called ‘managerial capability’. Furthermore, the description of each capability required adjustments with regard to this emerging digital technology. Notably, it was discovered that the technological capability became irrelevant when firms made use of their networking capability and worked with an intermediary. Thus, the discussion will demonstrate new insights that occurred during the research process. Finally, a proposition of a modified framework will be presented that allows for more differentiated insights into the key capabilities and their interrelatedness for SMEs expanding into foreign markets through e-commerce marketplaces.

5.1 Synthesis of Research Findings

In the following sub-chapters, the internationalisation process of the case company will be analysed by considering both the Uppsala Model and the Born Global concept. Thereafter, the focus will lie on each capability, namely managerial, networking, technological and marketing, where the empirical findings will be compared with theoretical constructs of the literature review.

5.1.1 Internationalisation Approach

First of all, the internationalisation of the case company was driven by resource constraints. On the one hand, the firm followed a gradualist internationalisation approach as suggested by the Uppsala Model in which it incrementally expanded its business operations into foreign markets (Johanson & Vahlne, 1977). The SME's incremental steps were driven by psychic distance since the firm entered markets with similar cultures and characteristics first and then gradually extended its market commitments geographically. Considering the perceived difficulties of the company with entering Asia, this finding confirms the assumption of Johanson and Wiedersheim-Paul (1975) that psychic distance appears to enlarge with geographical distance. Thus, the internationalisation approach of the firm corresponds with Johanson and Vahlne's (1977) emphasis on uncertainty avoidance as an underlying factor for decision-making.

On the other hand, the implementation of a platform approach into the strategy of the company changed the scope of potential market entries. Through e-commerce marketplaces, the case firm was suddenly able to expand to distant markets such as Austria or the Netherlands at relatively low risk. This fact confirms the findings of Coviello, Kano and Liesch (2017), who argue that contemporary digital tools strongly influence the way firms enter new markets. Therefore, the applicability of both the Uppsala Model and the Born Global concept shows complementation instead of antagonism of the research streams. This has been confirmed by various researchers (Bai, Johanson & Martin, 2017; Casillas, Moreno, Acedo, Gallego & Ramos, 2009; Casillas, Barbero & Sapienza, 2015; Johanson & Martín, 2015; Jones & Coviello, 2005; Prashantham, 2005; Zhou, Wu & Luo, 2007).

5.1.2 Managerial Capability

As explained before, this case study did not only demonstrate the relevance of both the entrepreneurial and the learning capability but also showed strong overlaps between them. Within this chapter, we will analyse the competences of both capabilities and put a major emphasis on their commonalities, which leads to their consolidation into the managerial capability.

The entrepreneurial capability was proven to be essential for SMEs in order to acknowledge the potential of e-commerce marketplaces as a venue for international value creation in the first

place. This finding corresponds with the importance of entrepreneurial opportunity recognition within the Uppsala Model (Johanson & Vahlne, 2003, 2009, 2017). Top management proactively encouraged internationalisation as a major strategic goal, which could be catalysed by the engagement of the firm in selling on e-commerce marketplaces. Here, the openness of the company to follow emerging trends and to exploit digital platforms as a new mode of entry can be seen as an entrepreneurial approach to international markets, which is summarised as international orientation by Knight and Kim (2009). Similarly, Knight and Cavusgil (2004) found international entrepreneurial orientation to be decisive for SMEs developing strong capabilities that realise international success. Accordingly, the case company focused on communicating its international mission among employees. Through the agile setup and close communication channels of the case company, it was able to react to external changes within the environment, which was also argued to be necessary by the study of Knight and Cavusgil (2015).

The managerial prioritisation of the international mission of the firm was also reflected by the resource allocation of the top management to the integration of digital platforms into the business model. This refers both to market commitment as stated in the Uppsala Model of Johanson and Vahlne (2009) and to management commitment as summarised by the Born Global researchers Rialp, Rialp and Knight (2005). Nonetheless, the resource commitments to technically integrate and daily manage e-commerce platform operations internally was assessed as not being bearable by the firm due to its financial and technological limitations as well as its lack of platform knowledge. Especially, human resources were proven to be crucial as operations of each e-commerce marketplace demanded a full-time dedicated expert. Thus, the asset parsimony forced the company to allocate resources to an intermediary. Bearing this fact in mind, it can be argued that the resources required for internationalisation have been underestimated by literature, which pointed to SMEs being the winning company type to benefit from marketplaces (Jin & Hurd, 2018; Manyika, Lund & Bughin, 2016; OECD, 2019a). Furthermore, it supports the necessity of SMEs to develop strong capabilities to offset their asset limitations (Knight & Cavusgil, 2004).

Moreover, the empirical findings indicated that managerial resource commitment was necessary for all capabilities even though it was previously assigned to the entrepreneurial category only. First, the marketing and technological capability required resource investments into networking with a TPP. Second, knowledge about the underlying mechanisms of e-

commerce marketplaces and the distinctive markets needed to be developed through human resources. In this context, experiential learning for selling on e-commerce marketplaces was considered crucial while already existent international experience was not. This stands in opposition to various researchers (Loane, Bell & McNaughton, 2007; Madsen & Servais, 1997, McDougall, Shane & Oviatt, 1994; Johanson & Vahlne, 1977). Hence, it can be argued that international experience as part of the entrepreneurial capability can be substituted with learning, which demonstrates a substantial overlap between them. Similar to resource commitments, learning also needs to take place within each capability and requires knowledge development processes established by management. Particularly, Johanson and Vahlne (2009) as well as Weerawardena et al. (2007) point to learning in terms of acquiring business- and market knowledge. Both of them were proven to be imperative for success on e-commerce platforms in foreign markets.

Commencing with business knowledge, empirical findings showed that e-commerce expertise and a deep understanding of the uniqueness of each platform were required which allowed for strategic decision-making. A major decision concerns the choice whether to internalise or outsource the platform operations and which countries to choose based on e-commerce knowledge. Furthermore, the choice between open and closed platforms needs to be made as well. Each platform type brings different characteristics and their choice should be aligned with the overall strategy of the firm, taking into consideration whether it follows a product- or sales-driven strategy.

For the case company, business knowledge constituted the highest barrier to insource the platform operations, which confirms the study of Eriksson, Johanson, Majkgård and Sharma (1997) who argue that lacking business knowledge requires time to be overcome and impacts the costs of internationalisation. In this context, the SME did not incorporate any knowledge development processes internally and fully relied on external knowledge sources. Applying the learning processes of Weerawardena, Mort and Liesch (2019), the acquisition of knowledge was facilitated by the TPP that provided insights into the e-commerce marketplace operations, which were partly transformed and deployed internally (e.g. product strategy). Consequently, this finding contradicts the assumption of Vahlne and Johanson (2020) that digital entry modes are able to replace the learning of firms that emerges in their relationships. Finally, the inversion of this argument is that SMEs need strong knowledge management processes if they decide to insource the platform operations.

Moreover, this research strengthens the importance of market knowledge for internationalisation on e-commerce marketplaces, which is coherent with literature. Knight and Kim (2009) highlight the capability of international market orientation of Born Globals, which includes the understanding of the uniqueness of each foreign market. Since market knowledge provided by the e-commerce marketplaces was proven to not be industry- or firm-specific, this research confirms Jin and Hurd (2018) that localised market knowledge cannot be overtaken by platforms and has to be acquired by SMEs themselves. As suggested by the authors, we can conclude that SMEs subsequently face liability of foreignness in terms of lacking market knowledge when selling on e-commerce marketplaces. To counterbalance this weakness, the case company established a local office in Germany, which initiated the internationalisation to its close-by countries. The step to invest in localised market knowledge was considered one of the most important success factors by the SME and can be confirmed by Hofstede (1994), who argues that an understanding of cross-border differences is essential to improve international business operations. Furthermore, the employment of local personnel of the firm is in line with the recommendation of Jin and Hurd (2018) to commit to human resources.

Even though the specific knowledge areas of multilingual competences and taxation can be assigned to the overarching category of market knowledge (Johanson & Vahlne, 1977), their imperative nature with regard to e-commerce marketplaces is new. Thus, in line with Reuber and Fischer (2011) as well as Yamin and Sinkovics (2006), learning about the target market should not be neglected by firms using e-commerce marketplaces to enter foreign markets. Nonetheless, in consideration of the resource limitations of SMEs, we argue that these specific knowledge competences can be outsourced and therefore should fall under the networking capability, which will be explained in Chapter 5.1.3.

Summarising the discussion about the entrepreneurial- and the learning capability, we can conclude that they imbricate, interrelate and are primarily performed by the top management of SMEs, which leads to their consolidation into the managerial capability. All discussed competences are summarised in Table 4.

Table 4: Managerial Capability

Capability	Theory	Description*
Managerial	Uppsala Model Born Global	(1) Entrepreneurial opportunity recognition (2) Proactiveness in the pursuit of international markets (3) Assignment of resources for achieving goals in international markets (4) Communication of mission to succeed in international markets (5) Development of inter- and intra-organisational learning of business- and market knowledge and for international experience (6) Knowledge deployment in terms of platform strategy

*The numerical order does not represent a ranking of importance

5.1.3 Networking Capability

In conformity with the Born Global concept and the Uppsala Model, the networking capability turned out to be the most essential one for the resource-constrained SME. As Johanson and Vahlne (2003) point out, successful internationalisation is dependent on the ability of the firm to build, develop and coordinate relationships. In this case, the company showed a strong network capability that allowed it to sell on e-commerce marketplaces in international markets despite its resource limitations. As suggested by literature, the company was able to engage in one close relationship with the TPP and consequently got implicitly connected to a wider network that had not been accessible beforehand (Johanson & Vahlne, 2009). Here, the TPP did not only open up a global network for international operations but also enabled cooperation with eleven different e-commerce marketplaces. Applying this to the entry node concept of Vedel and Servais (2017), the SME made use of a triadic entry node. In consequence, this connection helped reduce the liability of outsidership in other markets (Johanson & Vahlne, 2009). Interestingly, two intermediaries were interposed between the SME and the end consumer to enter the foreign market, namely the TPP and the platform itself. Thus, as suggested by Coviello and Munro (1995, 1997), the case company was willing to sacrifice market control for market access. As delineated in the empirical findings, the internationalisation path was not necessarily steered by strategic management decisions but by the development of the e-commerce marketplaces and the integration of the TPP to international platforms. If they expanded to a new country, the company would simply follow. Thus, the internationalisation of the firm becomes a consequence of its business partner's actions as

suggested by the networking perspective of both the Born Global concept (Coviello & Munro, 1995, 1997) and the Uppsala Model (Johanson & Vahlne, 2009, 2017).

Even though the empirical data proved the relevance of all suggested capabilities, the networking capability has shown its potential to offset the technological capability to a large extent, which will further be explained in Chapter 5.1.4. The cooperation with a middleman to counterbalance certain knowledge scarcities of SMEs was also acknowledged by literature (Arenius, 2005; Johanson & Vahlne, 2009; Knight & Cavusgil, 2004). As the authors Knight and Cavusgil (2004) point out, leveraging foreign distributors represents a success-generating strategy of Born Globals. However, the case company mentioned that it continuously evaluates the business relationship and the performance of the TPP, which can be related to the relationship-specific knowledge that the Uppsala Model suggests (Johanson & Vahlne, 2009). Applying this, the case company exploits the relationship with the TPP for knowledge in order to eventually bypass the intermediary and take on the platform operations. In the same context, the empirical data showed that SMEs should understand that the success on e-commerce marketplaces can be facilitated by a strong collaboration with the respective platforms. However, it also proved that the platform support was highly dependent on large-scale investments of firms, which SMEs potentially cannot make. Notably, internal employees arguing that the engagement with platforms is limited to contacts with automatic solutions like bots confirms the difficulty for SMEs to receive platform support. In this case, cooperating with a marketplace enabler with strong relationships to the platforms can be considered helpful for SMEs and becomes indispensable when they do not meet all platform requirements for a direct integration. Finally, the knowledge development of the SME could even be catalysed by connections to other SMEs and industry partners, while the specific knowledge areas of taxation and multilingual competences can easily be performed by network partners.

In summary, the networking capability represents a key capability for SMEs that internationalise through e-commerce marketplaces, which consists of different competences aligned to platforms. Table 5 provides an overall overview.

Table 5: Networking Capability

Capability	Theory	Description*
Networking	Uppsala Model Born Global	(1) Building, development, and coordination of relationship with marketplace enabler (2) Connection to partner networks with localised market knowledge (e.g. multilingual customer service and taxation) and e-commerce competences (3) Acquisition of relationship-specific knowledge

*The numerical order does not represent a ranking of importance

5.1.4 Technological Capability

As indicated by literature (Kim & Knight, 2009; Knight & Cavusgil, 2004; Knight et al. 2004; Moen & Rialp, 2019; Rialp, Rialp & Knight, 2005), the necessity of the technological capability for successful international expansion was confirmed by this research. This capability constituted the most challenging factor for the SME and thus, required a cooperation with a TPP. As suggested by Murtaza, Gupta and Carroll (2004), a technical integration to each e-commerce marketplace is necessary in order to be able to sell on them. By establishing only one EDI transfer with the TPP, the SME did not need to pay close attention to the different technical requirements of each platform. Here, the TPP established integrations to each of their offered platform providers. Furthermore, it dealt with the unique platform characteristics that substantially differ with regard to picture guidelines or keyword mapping. However, even though the TPP had taken over the majority of the platform integration, the SME still needed to deal with individualisation of images and content for each platform. Thus, even though networking with a TPP can fill in for the lack of technological skills, a certain extent of a technological capability is still required. Even though literature points to the necessity of a technological integration (Murtaza, Gupta and Carroll, 2004), it is to question why the diverse technical demands of each respective e-commerce marketplace have not been highlighted yet.

Furthermore, the extra-framework finding of logistical efforts was identified to fit the technological capability since it mainly concerned technical solutions. Although literature pointed to the possibility of firms to make use of platform support with regard to logistics (Brunn, Jensen & Skoovgaard, 2002), this research also demonstrated two other ways of dealing with logistical requirements: Firms can either possess strong technological logistics capabilities

themselves or cooperate with a marketplace enabler. Nonetheless, the empirical data also demonstrated the tremendous logistical efforts required for selling on e-commerce marketplaces, which shows that the technological capability of SMEs is crucial for success if they internalise their logistics competence. As explained by Murtaza, Gupta and Carroll (2004), firms are required to automate their entire logistical processes such as order- and inventory management, catalogue applications, and planning and scheduling systems through ERP. However, since the case company especially faced problems to restructure its internal logistics flows from wholesale to retail shipments, retail firms might experience fewer logistical difficulties.

The technological capability becomes especially important when considering the fact that companies can gain a competitive advantage by offering superior customer convenience in terms of short lead times, free shipping and order tracking (Lim, Jin & Srari, 2018). Therefore, it is important to understand the high logistical demands that come with the platform internationalisation, and hence, to decide wisely whether to in- or outsource this competence. While theories on e-commerce marketplaces point to required logistical processes (Brunn, Jensen & Skoovgaard, 2002; Murtaza, Gupta & Carroll, 2004), the Uppsala Model and the Born Global concept lack thereof. Even though this may be reasoned by the fact that most IB research has been conducted by scholars within the marketing or entrepreneurship field, and not from scholars with an engineering background, it is surprising that logistics have not received much emphasis yet.

Eventually, innovative capacity with regard to processes is key for internationalisation as suggested by the Born Global researchers (Escandon-Barbosa et al. 2019; Kim & Knight, 2009). Thus, SMEs that decide to internalise the technological competence need to possess a strong innovative capacity in order to restructure internal operations and to meet the e-commerce marketplace requirements. Otherwise, if the company does not possess technological skills and specifically little innovative capacity, a cooperation with an external industry partner will become decisive for success.

Conflating the explanations, the technological capability is highly important in order to be able to sell on e-commerce marketplaces and to stand out from competition in terms of logistics. However, it is not requisite for SMEs to deploy the technological competences internally. Finally, all components included in the technological capability are summarised in Table 6.

Table 6: Technological Capability

Capability	Theory	Description*
Technological	Born Global	(1) Strong use of ICTs (e-commerce marketplaces) (2) Technical integration and automation of operational systems for e-commerce marketplaces (3) innovative capacity to adapt processes (4) Keyword mapping and photo imaging competences (5) Competences in logistics

*The numerical order does not represent a ranking of importance

5.1.5 Marketing Capability

The marketing capability was evidenced to be decisive for international success of SMEs on e-commerce marketplaces as suggested by literature (Abimbola & Kocak, 2007; Gabrielsson & Gabrielsson 2003; Gabrielsson, 2005; Luostarinen & Gabrielsson, 2006). However, comparing empirical data with theoretical descriptions of this capability, its definition needs to be adjusted with regard to e-commerce platforms.

While Kim and Knight (2009) as well as Knight and Cavusgil (2004) highlight that an international marketing capability includes the value creation for foreign customers through key marketing activities like pricing or promotion, such tasks need to be specified for this research topic. Due to the high competition on e-commerce platforms, investing in the product ranking is key in order to be recognised by customers on e-commerce marketplace. While SMEs can primarily influence their product ranking by investing in the marketing activities of the platform, in-house online marketing skills are also essential for creating SEO-proven content.

Furthermore, this research contrasts the study of Jin and Hurd (2018), in which the studied New Zealand SMEs did not encounter liabilities of foreignness in terms of brand reputation in China. The empirical data demonstrated that non-existent brand awareness and -reputation can constitute major obstacles for the internationalisation of SMEs through e-commerce marketplaces. What literature did not find, but empirical data clearly evidenced, is that entering a market without a multi-channel approach is fairly difficult. Thus, in order to prevent this liability of foreignness, a multi-channel approach for entering foreign countries through online marketplaces is decisive for success. Otherwise, customers not being aware of the brand will either not specifically look for it or might be hesitant to buy from an unknown company.

In this context, the multi-channel approach can also be exploited in order to counterbalance the difficulties of SMEs to communicate their brand values and, as in this case study, to educate customers about the quality and technological innovativeness of their products. Contrasting various Born Global researchers (Cavusgil & Knight, 2015; Knight & Cavusgil, 2004; Knight & Kim, 2009; Knight, Madsen & Servais, 2004), this research evidenced that the strategy of focusing on quality-enhanced products can even hamper the internationalisation of SMEs on e-commerce marketplaces. As the case firm mentioned, communicating the brand image and the value of its superior products was considered impossible on e-commerce marketplaces and therefore required the introduction of a company website in the respective country market. In contrast to literature (Cavusgil & Knight, 2015; Knight & Cavusgil, 2004; Knight & Kim, 2009), the firm even focussed on providing discounted products instead of its superior ones. Yet, we cannot guarantee that a quality focus is irrelevant per se, which is why it cannot be excluded completely. Notably, the perceptions about the possibility to convey a brand image of the SME strongly differed between external and internal interview partners. However, even though platform representatives strengthened brand building on e-commerce marketplaces, they also admitted the substantive costs that were potentially not bearable for resource-constrained firms. Yet, closed platforms that only focus on certain product categories, for instance on fashion, potentially provide more low-cost opportunities for brand building on e-commerce marketplaces.

Finally, literature points to product differentiation as a leading strategy of the marketing capability for international success (Knight & Cavusgil, 2004; Kim & Knight, 2009; Moen & Rialp, 2019; Rialp, Rialp & Knight, 2005). However, empirical findings contradict this suggestion by demonstrating the importance of offering a broad and extensive product portfolio on e-commerce marketplaces. Here, SMEs were recommended to develop their product strategy based on data generated through the platforms, which helps them to acquire customer insights with regard to product and pricing preferences in the respective country market. Thereby, firms also become able to increase their visibility on e-commerce marketplaces at relatively low cost. Furthermore, instead of offering unique and differentiated products, the focus was found to lie on the re-production of bestsellers. Accordingly, analytical skills showed to be imperative to adjust prices and products to foreign markets after acquiring data-based insights. Thus, empirical findings do not only contradict theoretical constructs but also point to the importance of data-based marketing which has not been identified by literature so far.

Recapitulating, the marketing capability is inevitable for SMEs that internationalise via e-commerce marketplaces. The specific competences were adjusted for digital platforms and are summarised in Table 7.

Table 7: Marketing Capability

Capability	Theory	Description*
Marketing	Born Global	(1) Competences in digital marketing (SEO) (2) Data-based differentiation/adaptation of products for international markets (3) Multi-channel approach (4) Offering quality-enhanced products/services

*The numerical order does not represent a ranking of importance

5.2 Revised Framework

In the previous chapter, it was elaborated which theoretical grounds have been complemented, contrasted or confirmed by empirical findings. Within this chapter, we propose a new theoretical framework that provides a differentiated understanding of how SMEs can successfully internationalise through e-commerce marketplaces by deploying a specific set of capabilities. The framework was derived from the synthesis of the Uppsala Model, the Born Global concept and literature on e-commerce marketplaces as summarised in the preliminary framework, which has been adapted according to the findings of this qualitative case study. Subsequently, we will explain the revised framework and the interrelatedness of the managerial-, networking-, technological-, and marketing capability, which provide a profound guidance for SMEs on how to succeed on e-commerce marketplaces in foreign country-markets. Since each capability was described extensively in the previous chapter, we will here focus on the interconnectedness between them.

First, even though all four capabilities are imperative for international success on e-commerce marketplaces, the managerial capability constitutes the overarching one deciding about the other three capabilities. Once management has decided to utilise e-commerce marketplaces as a new opportunity for foreign market expansion, their proactiveness and international vision is demanded so that sufficient time and resources are invested into the integration of the platforms

into the business model. Here, management needs to invest into the networking, technological and marketing capabilities, while the amount of resources assigned to each capability is based on their interdependent importance. Furthermore, management has to establish effective knowledge development processes. Predominantly, knowledge in platform idiosyncrasies and markets has to be acquired either internally or externally. Thereby, international experience can be developed.

Second, the networking capability becomes crucial for SMEs that lack technological knowledge. In this circumstance, the SME has to invest in networking with external business partners in order to yield success on e-commerce marketplaces. The coordination with a TPP is particularly beneficial to access a larger network and to enjoy enhanced platform support. The marketplace enabler can serve as a source of knowledge that needs to be acquired, integrated and deployed continuously by the SME. Thereby, the firm receives the opportunity to bypass the TPP and eventually take on the market control in foreign countries. Accordingly, the SME needs to acquire relationship-specific knowledge about the capabilities and the performance of the intermediary to continuously evaluate the cooperation. Oppositely, if the SME is technology-affine, the networking capability will be of less priority since it is able to deal with technological requirements without additional support. Here, the technological capability involves the innovative capacity of the SME to adapt internal processes to fulfil the requirements of e-commerce marketplaces and the consequent internationalisation in foreign markets since little transparency and conformance between platforms exist.

Third, as soon as management has prioritised internationalisation through e-commerce marketplaces, management has to allocate resources to the pursuit of a multi-channel approach to foreign markets, competences in digital marketing and a data-based product differentiation. While the multi-channel approach and the data-based product differentiation cannot completely be outsourced, digital marketing skills can be complemented with support of external business partners or by platform solutions. Next to their influence on the technological- and marketing capability, the networking capability is also crucial for relationships to business partners that support specific knowledge areas that SMEs do not necessarily need to possess in-house, including taxation experts and customer service centres that are able to deal with multiple languages worldwide. Furthermore, since the e-commerce landscape is changing so quickly, connections to other industry actors are essential to exchange information on e-commerce developments, trends, and best practices for internationalisation through the platforms.

Most importantly, management needs to have an entrepreneurial approach to international markets and entry modes, in which the proactiveness and international vision lead to resource commitment and knowledge acquisition for successful foreign market expansion through e-commerce marketplaces. Even though management can use the networking capability to leverage the resource limitations in other capabilities, it has to be noted that a certain degree of both technological and marketing capability is always required. No capability can completely be outsourced since the performance depends on the mutual relationship and the respective tasks of each counterpart. Thus, all capabilities are indispensable for success on e-commerce marketplaces in international markets while the managerial capability is decisive for the others. Finally, to enhance the understanding of the capabilities' interrelatedness, the following Figure 5 summarises the revised framework.

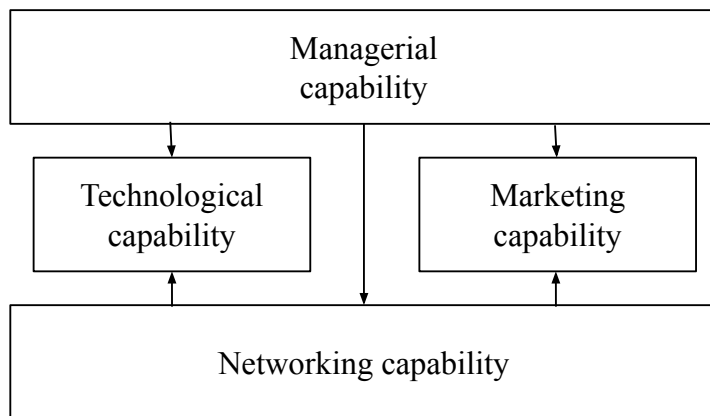


Figure 5: Revised Framework

6 Conclusion

The following chapter will summarise the answer to the research purpose and assess the validity of this research. Herein, we will predominantly highlight the limitations and hence, propose avenues for future research.

6.1 Purpose Fulfilment

The purpose of this paper was to increase the understanding of how SMEs can successfully internationalise through e-commerce marketplaces by deploying a specific set of capabilities. To provide a final answer to the questions inherent in the purpose of this study, we intend to summarise the conclusions made with regard to the theoretical and empirical problem.

First, we established a holistic theoretical framework of the complementary and partly imbricating Uppsala Model and Born Global concept, which laid the foundation to identify capabilities for successful internationalisation of SMEs on e-commerce marketplaces. Thereby, we identified that both approaches are not antagonistic, but that firms can behave according to both approaches at the same time.

Second, the capabilities identified based on literature, namely entrepreneurial-, learning-, networking-, marketing- and technological capability proved to be relevant for international success. However, the specific competences were further adapted to the context of e-commerce marketplaces. As a result of this study, we developed a modified framework that highlights four major capabilities. First, the substantial overlaps between the entrepreneurial- and learning capability led to their consolidation into the managerial capability, which has an influence on the other ones. Second, the networking capability proved to be highly important and even vital for SMEs that have substantial resource limitations in marketing and/or technology. While the technological capability covers the integration to e-commerce marketplaces and the subsequent

technical and logistical operations, the marketing capability comprises the establishment of visibility on the platform, a multi-channel approach and a data-based product differentiation.

Third, the analysis and the subsequent discussion shed light on the empirical problem of this study and emphasised complexities and opportunities for SMEs that can serve as foundation for strategy formulation in this new era of digital platforms. Considering the extensiveness of skills involved in each capability, we argue that the phenomenon of a ‘one-click internationalisation’ does not apply for this research topic. In particular, the 15 in-depth interviews showed that SMEs still face unique obstacles with regard to their resource constraints, which indicates that the assumed potential of platforms to alleviate barriers in internationalisation seems to be pretentious. Existing impediments constitute for instance the technical solutions needed for the complex integration to each platform, the required market knowledge that is not provided by the e-commerce marketplaces and difficulties in conveying the brand image of the SME. However, what could be observed is that the setup of the platform business appears to be more difficult than the expansion to further countries. Indeed, once the technical integration has been completed, internationalisation to additional countries implies little risk and low costs. This becomes especially visible when considering that e-commerce marketplaces do not only serve as a new mode of entry into foreign countries but also represent an additional sales channel in the domestic market.

To conclude, findings showed that the platform business cannot be handled as a side project and requires fundamental resources to achieve superior performance in foreign countries. What we have seen from our research, MNEs still appear to win the platform business due to their financial leeway to heavily invest in marketing and technology, which consequently goes in line with increased support from the platform provider. Therefore, SMEs are recommended to develop idiosyncratic organisational structures and knowledge-based capabilities as suggested in this research.

6.2 Validity Assessment

In this section, it will be discussed how this study has actually added to the research purpose. In order to present the contributions of this study, two questions with regard to explanatory power and relevance have to be answered. Thus, the contribution can be regarded as a

discussion of validity. The integration of the theoretical framework, constituting the third criterion of validity (Glaser, 1978), has been elaborated on in the methodological chapter and will not be discussed further.

6.2.1 Explanatory Power

By the means of a strong theoretical foundation, this research highlights a framework that aims to enhance the understanding of key capabilities for SMEs that expand in foreign markets through e-commerce marketplaces. Our contribution is affiliated from combining the Uppsala Model and the Born Global concept and establishing a connection to e-commerce marketplace literature in order to explain the phenomenon of successful platform internationalisation. The comprehensive approach followed in this study offers several advantages over disaggregated approaches in literature. While gradual or rapid approaches to internationalisation rather take a one-sided approach, the integration of several IB theory components enabled a much more holistic perspective to the internationalisation of firms.

Derived from the findings and the discussion, we found that all overarching principles of the preliminary framework were applicable while solely particular competences of each capability had to be adjusted to suit the context of e-commerce marketplaces. Moreover, the entrepreneurial- and the learning capability were consolidated since they hosted considerable overlaps. All in all, we argue that the theoretical framework has a strong ability to explain the empirical situation.

6.2.2 Relevance

The following subchapter will present the practical relevance as well as the scientific relevance of this study.

6.2.2.1 Practical Relevance

The primary aim of this study was to shed light on the complexities of utilising e-commerce marketplaces to create a foundation for firms to develop strategies for international success. We

argue that the framework can serve as a management tool that benefits decision-makers of SMEs to formulate strategies for international success on e-commerce marketplaces.

In light of the framework presented, it firstly offers a means to understand the required capabilities and their underlying competences for SMEs contributing to a successful platform internationalisation. On the one hand, the framework suggests a way forward for managers of SMEs who are currently focused on the domestic market but who wish to expand abroad through e-commerce marketplaces. On the other hand, it presents an additional mode of entry to managers of already internationalised firms. Second, the framework provides decision-makers of resource-constrained firms with a concept to assess their competences on e-commerce marketplaces in international markets effectively. This also includes the evaluation of cooperating with a TPP. Third, the capabilities are additionally representative for SMEs in the B2C sector as e-commerce marketplaces requirements are uniform across sectors, and hence, demand the same composition of capabilities. Overall, the framework emphasises potential difficulties and managerial endeavours for success.

To what extent the proposed framework is an actual means for SMEs to generate international success on e-commerce marketplaces remains to be seen. This is a study of a particular case of the platform internationalisation phenomenon from a specific theoretical perspective. Therefore, the findings are drawn from one particular industry, one particular firm, and one particular organisational structure. Within the context of the case company, findings were presented and approved. The emphasis was especially put on the fact that each capability is interrelated and thus, influences each other's importance, while the managerial- and networking capability are mostly decisive for success.

6.2.2.2 Scientific Relevance

By combining the two most prevalent IB theories on internationalisation of firms on a micro-level, we established a holistic view on critical capabilities for success in foreign markets. Linking these theories to the scarce literature on e-commerce marketplaces, we attempted to capture the realm of e-commerce marketplaces as a new entry mode for SMEs. Finally, we contribute to the research on the internationalisation of SMEs with regard to digital technologies by providing a revised framework that includes a specific set of capabilities.

Based on the limitations of this study, general applications of the revised framework can be formulated. In line with Yin (2014), we created results that are analytically generalisable and hence, theory is applied to implicate situations in which similar events might occur. The single case study was conducted with a Swedish SME that sells on e-commerce marketplaces in Germany, the Netherlands, and Austria. Therefore, one can argue that findings are solely applicable to SMEs operating in similar contexts, namely well-developed countries with access to e-commerce marketplaces and a willingness of customers to pay. Thus, generalisability of results is limited since different contexts may generate different results.

6.3 Future Research

Theoretical and practical outcomes of this study should be considered with respect to its limitations which indicate six avenues for future research. First, our study was based on a qualitative approach to study the phenomenon of SMEs internationalising through e-commerce marketplaces, which is why a quantitative research method could be helpful to validate the revised framework based on a larger sample. Second, the theoretical framework was solely tested within a single case study. Thus, multiple cases would allow the identification of variations across industries, company types (SMEs vs. MNEs), and between over- and under-achievers in e-commerce marketplace internationalisation. Third, it would be interesting to conduct a similar study in approximately five years of time since the ever-changing nature of digital technologies requires continuous evaluation of findings. Next to the suggestions of new methods and additional contexts, we also propose to integrate three additional theory components for future research. Since we only took a general approach to e-commerce marketplaces and did not establish a strong differentiation between their open and closed nature, it is necessary to examine whether the platform type influences the set of capabilities required for internalisation on e-commerce marketplaces. Furthermore, as logistical efforts were underestimated by IB literature, it would be intriguing to explore and test this additional theory in the context of this study. Finally, a more differentiated investigation of each particular capability could provide more details on their included competences. All in all, we hope that this contribution to the IB field serves as an inspiration for other researchers to investigate the internationalisation of firms through digital platforms.

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Appendix A

Operationalisation of the Framework

Component/topic	Question	Aim
Success on e-commerce marketplaces	How do you measure success on e-commerce marketplaces?	Define the understanding of success of the case company
Open question about key success factors/capabilities	Which factors influence your international success on e-commerce marketplaces?	Study broad array of influences
	Which prerequisites need to be in place to successfully internationalise through e-commerce marketplaces?	Study broad array of influences
	Which capabilities are important for successful internationalisation through e-commerce marketplaces?	Study organisational capabilities
Networking capability	How important are networking skills for international success on e-commerce marketplaces?	Identify importance/relevance of networking capability
	How important is the relationship with the platform provider for international success?	Understand relationship between SME and platform
	Can you explain whether other relationships or networks are necessary?	Study the network of the SME
Technological capability	How important are technological skills for international success on e-commerce marketplaces?	Identify importance/relevance of technological capability
	To what extent do innovation skills influence international	Study the importance of innovation

	success on e-commerce marketplaces?	
	Which technological steps are necessary for successfully internationalising through e-commerce marketplaces?	Study the required technological operations
Marketing capability	How important are marketing activities for international success on e-commerce marketplaces?	Identify importance/relevance of marketing capabilities
	To what extent do you adapt or differentiate your products to sell them on e-commerce marketplaces and/or in foreign markets?	Understand importance of product differentiation and quality
	How does the vision of top management to become an internationally known brand influence your international success on e-commerce marketplaces?	Understand international marketing orientation
Entrepreneurial capability	How and to what extent is internationalisation encouraged by top management?	Understand international entrepreneurial orientation of SMEs and identify its importance/relevance
	Which resources are crucial to internationalise through e-commerce marketplaces?	Understand resource allocation
	How important is the experience and background in international business for success on e-commerce marketplaces?	Study the importance/relevance of international background and experience
Learning capability	How important is continuous learning for success on e-commerce marketplaces?	Identify importance/relevance of learning capabilities

	What kind of knowledge is important in order to successfully internationalise through e-commerce marketplaces?	Study which knowledge areas are important
	Does learning take place internally and/or in cooperation with other partners?	Study the learning process
Closing questions	Do you have any recommendations for other SMEs to successfully internationalise through e-commerce marketplaces?	Reflection of previous answers
	Is there anything you would like to add regarding your international platform strategy that differs from your traditional internationalisation strategy?	Study uniqueness of internationalisation through digital platforms

Appendix B

Image Requirements

Photoguide - Example for Media Files

	<ul style="list-style-type: none">• Background white• Hollowman
	<ul style="list-style-type: none">• Background white• Hollowman
	<ul style="list-style-type: none">• Background grey and white• Full body Front
	<ul style="list-style-type: none">• Background grey and white• highlighting main item (here: jacket)• Cropped Model Front View
	<ul style="list-style-type: none">• Background grey and white• highlighting main item (here: jacket)• Cropped Model Back View
	<ul style="list-style-type: none">• Detailed view• highlighting special features• Full screen

The pictures should be delivered in the following format:

Aspect ratio (W x H): 1 : 1.44 (portrait)
Size: 2000*2888 px and at least 95 dpi
The article should occupy about 80% of the picture.
Image views: channel specific (The image requirements of the channels can change permanently)

Type: JPEG
Colour: RGB
Image Size: < 2 MB