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Factors That Influence a Jewelry Brand's Globalization Process

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This is to certify that the doctoral study by

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Abstract

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MBA, Babson College, 2002

MSF, Northeastern University, 1999

BS, Systems Analysis Engineering, George Washington University, 1992

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

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Abstract

Local retail jewelry leaders of Saudi Arabian (S.A.) small to medium enterprises (SMEs) have struggled to survive through declining profits and increasing business foreclosures, thus threatening the sustainability of the Saudi retail sector and the Saudi economy. A globalization strategy to enhance profitability for jewelry retail SMEs in S.A. is needed, given the limited options for improving profitability. Despite this acknowledged need, leaders in S.A. have refrained from such a strategy because they lack knowledge of economic attraction features to target in the globalization process. The purpose of this quantitative correlational study using discriminant analysis was to examine specific countries' economic attraction features in the historical globalization strategy of a leading U.S. global jewelry company that could facilitate the implementation of a successful globalization strategy for a local Saudi jewelry SME retail company. The study addressed the effects of 6 independent predictor variables of 25 target countries' economic attractions on the dependent grouping variable, which distinguished among 3 order-of-entry groups according to the U.S. company's date of entry in each country between 1972 and 2009. Results indicated that except for the Hofstede index, no other variable had a significant role in the classification of the target countries. Because there was a scarcity of research on this topic, the study is beneficial for its theoretical and academic value, and may be practical for the derivative benefits of catalyzing business growth by empowering leaders of local, successful luxury brands in S.A. to implement their own globalization expansion process and increase employment in the Middle East.

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Dedication

I would like to dedicate this study to the memory of my late mother-in-law Fatima, who passed away in the last stages of finishing this study in September 2014. She relentlessly prayed for me and encouraged me continuously to succeed in all of my life challenges. She would have been exuberant for my success in getting my Doctorate in Business Administration.

I would like to thank my wife, Maali, who has been the inspiration of my life. She pushed me to pursue my doctorate, provided me the emotional support, and endured with me the scarcity of financial means so that I could complete the study. I would not be at this stage today if it was not for her. I would like to also thank my mother, Thuraya, who instilled in me as a child the love and the value of the relentless pursuit of knowledge and continuous learning.

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I would like to thank Dr. Frederick Nwosu for his continuous support and words of encouragements in times of my at most needs during my journey. Without his support, I would never have been able complete this journey. I would also like to thank Dr. Diane Dusick for challenging the study, providing guidance, and instructing me on ways to improve the study. I would like to acknowledge Dr. Freda Turner, director of the Doctorate of Business Administration program at Walden University, for her uplifting spirit and guidance throughout my journey.

I would also like to acknowledge my sister Maha and her husband Adel Fakeih, who encouraged me to pursue my doctorate and supported me emotionally. I would also like to acknowledge the family of my late mother-in-law Fatima for all the love that I have witnessed during my journey. Finally, I would like to thank from the bottom of my heart my children, my father, my brothers Dr. Walid and Hassan, my nieces, my teachers, my colleagues at work, and all who have assisted me during my life to reach the echelon where I am today.

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Section 1: Foundation of the Study

Local jewelry retail leaders operating in Saudi Arabia (S.A.) have been struggling to revive their companies because their companies' profits decreased in the first and second decade of the 21st century (Assad, 2008; World Gold Council, 2012). Global brands have been capturing a larger share of the S.A. market; this is a strategy that has led to the foreclosure of many small to medium enterprise (SME) jewelry retail companies in S.A. (Assad, 2008; World Gold Council, 2012). In this study, I explored the significant differences among the grouping of countries according to the historical order-of-entry preference selection to each country by a U.S. company with the grouping of countries according to each country's attractiveness to global brands (The World Bank, 2012; Uniworld Publications, 2012). The U.S. company I selected is a leading global, publicly listed, U.S. jewelry company. I reviewed and selected all 25 countries that the U.S. company entered from 1972 until 2009 (United States Securities and Exchange Commission, 2012; Uniworld Publications, 2012). I selected a U.S. company due to (a) the scarcity of knowledge about the S.A. jewelry industry, and (b) more accessible data about a publicly listed company (United States Securities and Exchange Commission, 2012; Uniworld Publications, 2012).

The findings of this study have the potential to facilitate leadership strategy decisions that can help globalize local brands in S.A. and, as a result, enhance their profitability. I provided in the findings insight into the factors that facilitate successful globalization processes for SME jewelry brand managers. I provided in Section 1 the background of the problem, which highlighted the need for globalization in the midst of

the changing factors in the jewelry retail market in S.A. and around the world. I indicated in the problem statement the need for S.A. business leaders in the jewelry market to seek a globalization expansion strategy. Section 1 included an articulation of the research questions that guided the study and a discussion of the nature of the study. Moreover, I presented in this section relevant literature and the implications of the existing body of scholarly work in relation to the purpose of the study.

Background of the Problem

The global financial crisis of 2009 revealed the importance of establishing diverse geographic and business models to increase profitability in the retail industry (Ellaboudy, 2010; "Retail Prospects," 2009). The degrees of the economic decline varied across different countries. The Saudi jewelry market has been decreasing in the number of gold tones since 2008 (World Gold Council, 2012). Saudi jewelry retailers should consider the globalization strategy option for their jewelry brands to contest their challenges of small Saudi market size, lack of horizontal expansion, vertical integration, and aggressive entry of large global retail brands (Alanezi, 2012; Alharbi, 2014; Assad, 2008). The trend of global brands' acceptance by Saudi consumers is possible because of the increasing S.A. population of those citizens under age 40 (Baqadir, Patrick, & Burns, 2011).

Globalization is an option to support Saudi SME expansion; however, there has been a lack of knowledge and research about the factors and geographic locations that would optimize a successful globalization process (Mellahi, Demirbag, & Riddle, 2011; Sadi & Henderson, 2011). Major globalization theories have addressed Western countries' globalization processes in developing countries; however, these theories have

not addressed the globalization processes of developing countries' brands in Western countries (Pham, 2009; Sadi & Henderson, 2011). Researchers have utilized the Uppsala model as one of the most used models for internationalization to examine the impact of external factors under the concept of *psychic distance* (Johanson & Vahlne, 1977).

Psychic distance is the recognized differences between any brand's country of origin and the brand's target country for globalization (Sousa & Lages, 2011). Johanson and Vahlne (1977) used the Uppsala model to demonstrate that the speed of globalization for a brand relies on the gradual accumulated experience and knowledge of the brand in its target foreign markets and the capability of the brand's company. Few researchers have examined the facilitating factors for the success of the globalization process of jewelry brands in terms of the features that are associated with suitable target countries (Singh, 2011). Therefore, the focus of the study was to present the suitable attraction features in choosing target countries to facilitate the globalization process for SME jewelry brand managers in S.A.

Problem Statement

Local retail jewelry leaders of Saudi SMEs who sell original Saudi products have struggled to survive through declining profits and increasing business foreclosures since 2005 (Al-Asfour & Khan, 2014; Alharbi, 2014; Assad, 2008, "Retail Prospects," 2009). The struggle to maintain profitability amid declining profits and foreclosures threatens the sustainability of the Saudi retail sector and the Saudi economy, given that 93% of Saudi companies are SMEs (Assad, 2008; Sadi & Henderson, 2011; Saudi Arabian Central Department of Statistics and Information, 2014). The general business problem

was that a globalization strategy to enhance profitability for jewelry retail SMEs in S.A. is needed, given the limited options for improving profitability (Al-Asfour & Khan, 2014; Alanezi, 2012; Alharbi, 2014). The specific business problem was that leaders in S.A. have refrained from developing a globalization strategy because they lack knowledge of economic attraction features in the globalization process (Bouges, 2013; Mellahi et al., 2011). Managers of SMEs in the retail jewelry business should identify the economic attraction features of target countries to make effective globalization strategy decisions (Bouges, 2013; Eren-Erdogmus et al., 2010).

Purpose Statement

The purpose of this quantitative correlational study using discriminant analysis was to examine specific countries' economic attraction features in the historical globalization strategy of a leading U.S. global jewelry company. The examination of the economic attraction features could facilitate a successful globalization strategy for a Saudi jewelry SME retail company. Because there has been a lack of knowledge about how leaders of organizations make decisions on how to globalize in the jewelry market, I examined a global U.S. jewelry company's globalization process using the Uppsala model (Couto & Tiago, 2009; Singh, 2011). The Uppsala model of Johanson and Vahlne's (1977) research is a reliable quantitative model in the globalization process that researchers have used since the 1990s (Eren-Erdogmus et al., 2010; Singh, 2011). I applied the Uppsala model, with its stated limitations, to a U.S.-based global jewelry company. The purpose of this application was to examine the importance of influence of the target countries' attraction features on the globalization process.

I investigated the effects of six independent predictor variables of 25 target countries' economic attractions on the dependent grouping variable, which distinguished among three order-of-entry groups according to the U.S. company's date of entry in each country between 1972 until 2009. The findings of the quantitative study have the potential to facilitate positive change in the Saudi economy. Using these results, I might assist aspiring jewelry brand managers in S.A. to globalize their brands using the best globalization strategy practices, as identified from this research.

Nature of the Study

The quantitative correlational study was a positivist research study designed to examine the factors influencing the globalization process for a U.S. global jewelry company (Singh, 2011). Jewelry companies' managers from developing countries such as S.A. could use the results to enhance their companies' profitability. Saudi SME jewelry company leaders have the potential to transform their successful local jewelry product to a global brand by using certain well-defined qualifications and parameters identified during this study. I decided a quantitative approach was appropriate in order to overcome two main issues in the research topic. The issues were the scarcity of globalized jewelry brands in developing countries and the lack of existing quantitative research about the efforts of jewelry brands in developing countries to globalize (Eren-Erdogmus et al., 2010; Pham, 2009).

Moreover, there has been a lack of experience and knowledge among brand managers from developing countries on the factors that facilitate the globalization process (Mellahi et al., 2011; Pham, 2009). Furthermore, I did not choose other research

methods such as qualitative or mixed methods because I could not depend on past research and experiences of former research participants. Local jewelry retail Saudi SMEs might benefit from utilizing the findings of a quantitative study to contribute to an understanding of the positive and negative ramifications of key factors for developing their globalization strategy.

Research methods vary and relate to subjects of the investigation. Qualitative researchers require investigative resources such as research participants (Rosas & Kane, 2011). Geographical coverage may be narrower in qualitative studies than quantitative ones because qualitative researchers do not seek to select samples that are representative of populations (Rosas & Kane, 2011). The above two features are contrary to the characteristics of an investigation into globalization procedures.

Mixed methods might be applicable in some circumstances. However, in the case of this globalization procedure investigation, mixed methods research did not apply. A mixed method study was not necessary because the purpose of the study was to determine an individual country's level of preference and not to explain the preference with rich and textural data. The qualitative element in mixed methods research would be contrary to the innate feature of this globalization process study. Therefore, I chose to apply the quantitative method to this study instead of using qualitative or mixed method research.

Experimental designs, including applied behavioral analysis or single-subject experiments, would require diverse processes that may not apply to globalization procedures (Punch, 2013). Therefore, both experimental and quasiexperimental designs

would not have been appropriate for this study. However, causal-comparative research appeared to be applicable to this study.

I could have used a survey research design in this study if participants' responses were key to investigating the phenomena. It may not be possible to understand how a globalized company achieved its objective if qualitative interviews are the only way of collecting data because of the reliance of the research on the subjective views of the respondents (Alexander, 2014). In this study, a survey research design could not have met the requirements for investigating globalization procedures. In this study, I investigated economic attraction features that managers of a leading U.S. global jewelry company used to determine their applicability for facilitating the implementation of a successful globalization strategy for a local Saudi jewelry SME retail company.

Research Questions

The purpose of this quantitative correlational study using discriminant analysis was to examine the selected target countries' economic attraction features in the globalization process of a leading U.S. global jewelry company. The findings might support Saudi jewelry business leaders in developing a globalization expansion strategy for their local jewelry brands. Although a number of theories and studies could explain globalization process details and factors, there has been little empirical work on developing strategies for facilitating factors that support the globalization of jewelry brands from developing countries (Eren-Erdogmus et al., 2010; Pham, 2009). Consequently, there was one overarching research question for this study: Which target

countries' economic attraction features should be considered in the globalization strategy of S.A.’s jewelry brands?

Because of the limited disclosure of public data available from foreign jewelry companies, I limited this study to a single leading global, publicly traded U.S. jewelry company. Furthermore, I used a subordinate research question as a guide in the study and the conducted analyses: What linear combinations of the independent predictor variables representing six economic attraction feature measures for each country could be used to predict order-of-entry preference (first third, middle third, or last third)?

Hypotheses

This was a quantitative correlational study. I employed a correlational design and discriminant function analysis to address the following null and alternate hypotheses:

$H_0$1: The target countries' economic attraction features cannot be used to predict the historical country’s group order of preference (first, second, or third) in the globalization process of a U.S. jewelry company.

H_a1: The target countries' economic attraction features can be used to predict the historical country’s group order of preference (first, second, or third) in the globalization process of a U.S. jewelry company.

I did not select participants for interviews. Therefore, interview questions were not necessary for this study. I tested the above hypotheses using data available from public sources to gain the required economic data for addressing the specific business problem that gave rise to this study.

Theoretical Framework

I used a quantitative methodology for this study. Quantitative methodology is defined under the positivist theory (Alexander, 2014). Alexander (2014) defined the theory of positivism to be the search for causal relationships and regularities among the imperative parts of a subject. Alexander recognized that the positivist paradigm assumes that objective facts explain behavior by using the persuasion of instrumentation and experimentation to eliminate bias and error. The positivism concept, which is associated with the epistemological nature of the quantitative method, tests a deterministic philosophy in which causes determined outcomes (Alexander, 2014). Positivist researchers test data to determine causes, which produce the responses and their outcomes (Alexander, 2014).

Angrist and Pischke (2010) referred to the testing of hypotheses through the randomization of treatments to experimental units as an experiment, or a quasiexperiment, in which a randomized allocation of treatments to experimental units is not selected. According to Alexander (2014), researchers criticized positivists for their belief in the objectivity of the research, although many research decisions during the process might be subjective. The latter might be true because the reliability and validity of a quantitative study should rely on the study's limited assumptions (Alexander, 2014). Moreover, the reliability and validity should rely on the inclusion of a limited number of factors, though there are infinite other factors unaccounted and variables that are not accounted for in any model (Alexander, 2014).

I presented in Figure 1, the general theoretical framework of the study, which I designed to support examination of the globalization process of a jewelry brand and the factors that influenced its historical globalization process. Understanding the process of one company may offer the opportunity to duplicate the process for other brands interested in globalizing from other countries such as S.A. Factors such as size, profitability, and sales might be pertinent to understand the importance of both the historical decision and speed of globalization.

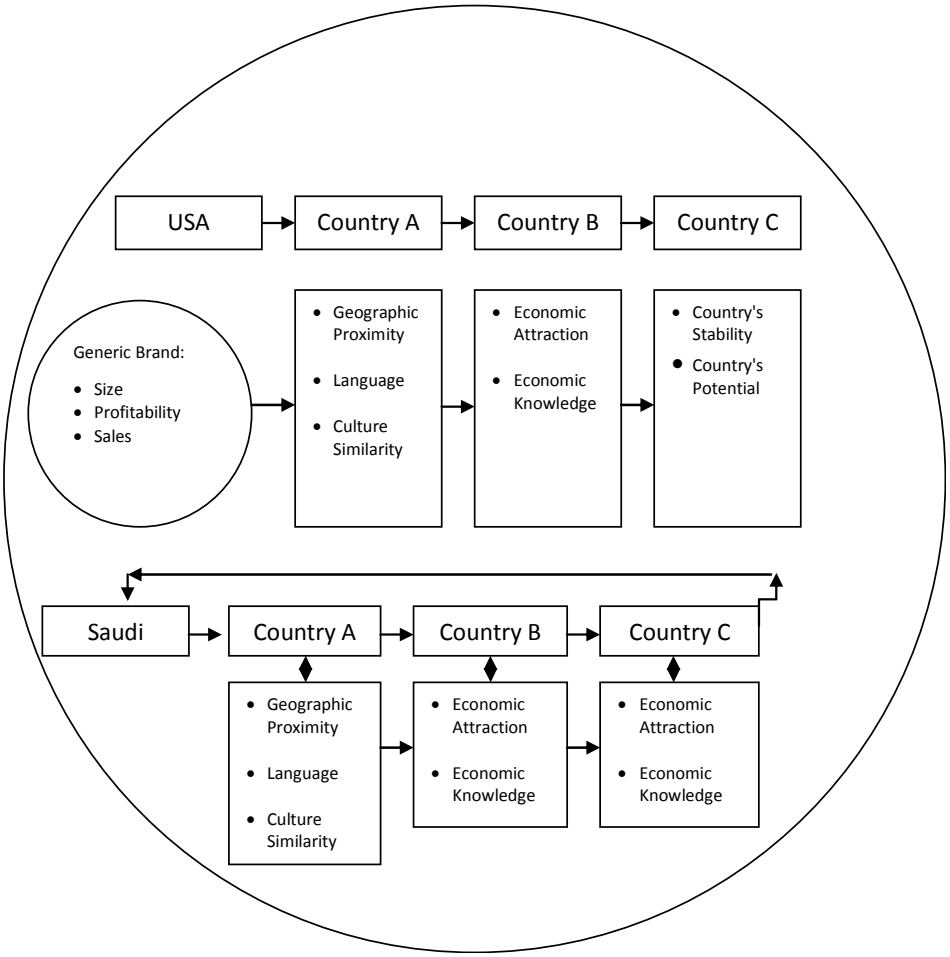

Figure 1. The general theoretical framework for the study.

I examined each target country's unique features that gave strength of receptiveness to foreign companies and the grouping order-of-entry of importance in the globalization process. Potential country factors for analyses were *geographic proximity, language and cultural similarity, economic attraction measures*, *management knowledge about the target country*, *country's stability,* and *country's future growth*. S.A. jewelry companies' leaders could use the results of this study to facilitate the development of globalization strategies for S.A. SME jewelers by gaining knowledge from historical experience, thus providing a knowledge base for successful internationalization results.

Researchers use qualitative and mixed methods methodologies in the empiricism and social constructivism concepts. Empiricism refers to reliance upon qualitative, empirical data and methods to ensure objective truth (Alexander, 2014; Punch, 2013). According to Alexander (2014) and Punch (2013), researchers use empiricism to stress the correspondence of the research participants' intersubjectivity with the researcher's inductively developed descriptions of the sample’s culture. Thus, empiricism contradicts the concept of positivism (Alexander, 2014; Punch, 2013).

Social constructivism requires that the sample be as large as possible to include all possible participants' intersubjectivity and to minimize the researcher’s role in interpretation and reliance on empiricism (Alexander, 2014; Punch, 2013). Social constructivists have argued that each individual holds a subjective view of the world (Alexander, 2014; Punch, 2013). Researchers should study and include each individual subjectivity view in the complexity of all divergent views, thus framing a profound and a comprehensive reflection that results in an objective view (Alexander, 2014). I selected

the quantitative methodology because of the lack of established knowledge and research on the topic (Eren-Erdogmus et al., 2010; Mellahi et al., 2011; Pham, 2009). Furthermore, there was a lack of the prerequisite condition of a large number of Saudi businessmen to serve as participants, which would be necessary in the empiricism and social constructivism concepts (A. Fakeih, personal communication, December 18, 2009).

Definition of Terms

The measured target countries' attraction features for the analyses were (a) the countries' dimension, (b) prosperity, (c) accessibility, (d) language knowledge, (e) geographic distance, and (f) cultural distance.

Accessibility (*Acc*): Acc is the population density in concentrated areas or cities (Couto & Tiago, 2009; Singh, 2011).

Cultural distance (CD): I used the Hofstede index to calculate CD from a formula that included four components: *individualism (IND), uncertainty avoidance (UA), power distance (PD), and masculinity (MAS)* (Couto & Tiago, 2009; Geert-Hofstede, 2012; Singh, 2011). I used Geert-Hofstede's (2012) website to find the value of the Hosfstede's country index. Hofstede developed comprehensive indices to evaluate cultures among countries (Couto & Tiago, 2009; Singh, 2011). Hofstede assigned measurements for each country's psychic distance, according to different criteria, which included the valuation of each measure of individualism, uncertainty avoidance, power distance, and masculinity. I discuss the use of the measurements in Section 2.

Dimension (*Dim*): Dim is the size of a country's economy; measured by gross domestic product (GDP; Couto & Tiago, 2009; Singh, 2011).

Geographic distance (*GD*): GD is the distance in kilometers between each brand's original country's capital and the target country's capital (Couto & Tiago, 2009; Singh, 2011).

Language knowledge (*LK*): If the managers of the U.S. company expanded the company in the past in a new foreign country, in which its citizens use the English language as their first language, the score of the LK measure would be equal to 0; otherwise the score would be equal to 1 (Couto & Tiago, 2009; Sousa & Lages, 2011).

Prosperity (*Pr*): Pr is the purchasing power of each country's citizens; measured by the GDP per capita (GDP PC; Couto & Tiago, 2009; Singh, 2011).

Assumptions, Limitations, and Delimitations

Assumptions

I used eight key assumptions to design the study. The first assumption was that the attraction features of the target market were accurate measurements of the level and speed of globalization for the selected U.S. company. The second assumption was that the publicly disclosed financial and marketing data by the U.S. company from 1972 to 2009 were accurate. The third assumption was that the results of the leading U.S. company's globalization process could be generalized for any company in the jewelry sector, which is a part of the luxury goods industry. The fourth assumption was that the leading U.S. company's globalization process could be considered ideal for generalizing

the results for any luxury goods company around the world, even from developing countries such as S.A.

Furthermore, the fifth assumption was that the managements' intellectual and innovative capabilities were equal among all luxury goods companies, including the company under study. The sixth assumption was that possible economic depressions and political turmoil in different countries that might influence financial performance success and the speed of globalization were ignored. The seventh assumption was that the desire and speed of the management and board of directors to globalize in each company was ignored. The eighth assumption was that the leading U.S. company was facing the same business and industry factors as all of the other jewelry companies.

Limitations

Limitations in the Uppsala model are evident because Johanson and Vahlne (1977) used the Uppsala model to apply to many countries simultaneously. As a result, limitations could arise from this quantitative study, including the inability to generalize the conclusion that the factors that affected a large U.S. global jewelry company would be the same for local jewelry SMEs or global jewelry brands in S.A. Furthermore, I ignored other political and economic issues in each region around the world. Moreover, I did not account for the introduction of new and innovative designs. Other interactions between variables might not have been captured within the study design. Although the study focused on one industry and one selective company, the study could be valuable as foundational research about globalization in the luxury goods market.

Delimitations

I employed this study for the jewelry industry only; thus, the results could not be generalized to other industries. Furthermore, because of the limited disclosed data of global jewelry companies, there were no participants in this study. I relied on secondary data about the selected U.S. company that was publicly traded on the New York Stock Exchange (United States Securities and Exchange Commission, 2012). This company represented one of the largest jewelry companies in the world (United States Securities and Exchange Commission, 2012). Though the inclusion of more companies would add more reliability and validity to the study, thus also supporting greater generalization to the results of the study, the study was limited to one company (Alexander, 2014, Punch, 2013). Furthermore, as the study was a correlational study, I did not address cause and effect implications resulting from the analyses.

Significance of the Study

Contributions to Business Practice

Given that SMEs comprise 93% of Saudi companies, the problem of local jewelry SME leaders refraining from establishing a globalization strategy has negatively influenced the Saudi business society, the Saudi GNP, and the sustainable survival of the Saudi retail sector with local and original Saudi products (Assad, 2008). Researchers focused on globalization studies covering global trends and success factors for implementation (Eren-Erdogmus et al., 2010; Pham, 2009). However, few researchers have focused on how luxury retail brands in developing countries enter western markets (Eren-Erdogmus et al., 2010; Pham, 2009).

There is a need to investigate the possibility of enhancing profitability for S.A. SMEs through globalization (Assad, 2008). This investigation cannot occur until the factors required for developing a successful globalization strategy could be identified (Eren-Erdogmus et al., 2010; Pham, 2009). Findings from this study provided a quantitative analysis of potential factors that S.A. jewelers should consider in developing their globalization strategies. This foundational study was expected to provide initial insights that did not previously exist in the literature due to a lack of existing research and the scarcity of information in S.A. (A. Fakeih, personal communication, December 18, 2009; Pham, 2009). From the study results, I gathered insights about the attraction features of target countries in a globalization strategy that S.A. business leaders could use as factors when selecting countries in their globalization strategies.

Implications for Social Change

In the last two decades, political leaders in S.A. have struggled to find solutions to high unemployment, terrorism, corruption, and lack of human rights (United Nations Development Program, 2010). Globalizing ethnic and local brands is one of the means Saudis could use to solve some of the human rights' problems and fully participate in the world community. Because there was little existing research on this topic, the study could be used to empower local, successful luxury brands in the Middle East to implement their own globalization expansion process. Furthermore, I plan to open an incubation/venture capital center to assist local SME brand managers in their quest to globalize their brands. Therefore, the study is beneficial for its theoretical and academic value and practical for

business implementation and the derivative benefits of catalyzing business growth and employment.

A Review of the Professional and Academic Literature

The purpose of this quantitative study using discriminant analysis was to examine the countries' economic attraction features in the globalization strategy of a leading United States global jewelry company that could facilitate the implementation of a successful globalization strategy for a local Saudi jewelry SME retail company. The references' section contains 100 references related to the research topic. Of these, 86 references are from 2010 or later and were peer-reviewed or dissertations, representing 86% of all references for this study. Authors of these resources emphasized the need for the development of managerial skills, company capabilities in technology development, human and financial resources, product features, and careful selection of target countries.

I used the literature review to pursue gradual steps from general to specific topics in researching the study. I gathered information in the Orientation section to understand the overall status, structure, players, forces, and challenges of the global retail brand. The challenges included barriers to entry and market risks among all other aspects of the branded retail industry and SMEs in the world and S.A. In the Significance and Motivation for Globalization section, I addressed the necessity for globalization and the consumption pattern of luxury goods in S.A. and emerging markets.

In the third section of the literature review, I presented counterarguments to globalization, with emphasis on the challenges and barriers to entry in target markets. I also presented the original research and supporting research to explain the Uppsala model

details and its limitations. In the Globalization Methodologies section, I explored the elements, concepts, techniques, and strategies of the globalization process by presenting, in chronological order, quantitative studies related to these topics. Furthermore, I presented, in chronological order, qualitative and mixed method case studies that had focused on the internationalization of luxury goods retail brands. Finally, I presented case studies that had focused on the globalization of specific Western brands and brands in emerging markets.

Orientation

I started the literature review by investigating the global brand phenomenon. I identified the trends affecting the luxury goods retail brands' industry. Furthermore, I identified the trends and features of the retail industry in S.A.

Global brand. The globalization of luxury goods' brands might not be an absolute necessity. However, corporations sometimes notice demand for their products by consumers in foreign markets. Under the latter circumstances, globalization might become one strategy option for a corporation to consider. Danziger (2005) dissected the global luxury market landscape and the trends emerging in the global consumer purchasing habits. Danziger explained the rising power of global brands in contrast to local brands and the influence of the instant gratification that characterizes the *millennium generation* and the price-sensitive *Generation X* on the world luxury market. Kim and Jang (2014) also found that *Generation Y* continued its appetite for global brands as substitutes for local brands.

Key drivers of retail globalization success from different regions around the world were discussed, including valuable analysis of current trends, forecasts of future globalization factors, and segmentation of the global retail market (Danziger, 2005). Using the discussed features in the globalization construct, the need that appeared to exist in the Saudi jewelry market was strengthened by the limited scholarly work discussing the process by which globalization occurs (Pham, 2009). According to Danziger (2005), researchers explored how the largest retailers around the world focused on factors that supported the success of sustainable globalization strategy and confirmed other findings that stressed the increasing powers of globalization and the need for retailers to globalize their brands.

Danziger (2005) confirmed the need, features, and diverse consumer demands across markets, as well as the importance of the process of luxury goods globalization. As a result, Saudi jewelry brands that witness demands from other countries might follow the steps of their predecessors in pursuing the globalization of other global brands. If the Saudi brands exhibit quality features that match other global luxury products, then local Saudi companies making branded products might make efforts to globalize their brands using strategies that have been successful for other brands.

Based on some of the assumptions underlying the research study, small jewelry firms operating within S.A. were incapable of going global given their current constraints. This assumption warranted a review by Dimitratos, Plakoyiannaki, Pitsoulaki, and Tüselmann’s (2010) stratification of small firms that were global in nature. Dimitratos et al.'s presentation warranted further understanding of how firms

could be global, while also being small. While S.A.'s jewelry industry is comprised of large and small companies, those companies that have filled international orders might, therefore, already be global in nature without an official strategy to operate in those foreign lands.

Dimitratos et al. (2010) distinguished the global smaller firm that is seeking to globalize in leading countries of its industry from newborn global ventures that are not present in leading countries in their industries. A researcher could use Dimitratos et al.'s study to organize small firms in S.A. that are interested in globalizing their brands by their respective abilities to tolerate risks. This specific distinction supports findings from 10 case studies conducted by Dimitratos et al. of Greek small gold and silversmith firms. Dimitratos et al. found that the global smaller firms possessed a stronger entrepreneurial course.

If the assumption of the entrepreneurial strength of the global small firm would be immediately tested, results could point in any direction. The results could show either that small Saudi jewelry makers and sellers possess the entrepreneurial prowess to match the Greek gold and silversmith small firms, or that the essential ingredients for successful globalization are lacking in those Saudi jewelry firms. Moreover, Dimitratos et al. (2010) verified their perception of the global smaller firm's needed strength in its entrepreneurship capabilities in terms of seeking international opportunities, approaching risk, and innovating, which Saudi jewelry firms have been assumed to lack. Dimitratos et al. also stressed that the global market selection and speed to globalize might be pertinent

to the globalization strategy and process. This also means that the global market selection and speed to globalize might not be pertinent to the strategy and process.

If Dimitratos et al.'s (2010) comments are valid, then Saudi jewelry firms that seek to globalize should ascertain their standing in the context of the two factors: market selection and speed, and globalization strategy and process. Under circumstances of ascertainment, Saudi jewelry firms could try to understand the characteristics of the Greek silver and goldsmith foreign markets' selection and globalization process speed to foreign markets, as well as their globalization strategy and process. I also needed an understanding of the Saudi retail market to distinguish its characteristics from other potential markets for globalization.

The retail trends and features of S.A. The globalization strategy decision for Saudi luxury goods retail brand leaders has been affected by Saudi market dynamics and challenges to increase profitability, and both warranted research about Saudi retail trends and features (Assad, 2008; Opoku, 2012). I researched the market trends and challenges to understand the future of the Saudi jewelry retail market.

The World Gold Council (2012) estimated that the world jewelry market was $98.633 billion United States Dollars (U.S.D.) in 2011, and the Saudi jewelry market was $2.783 billion U.S.D. Since 2011, the world jewelry market has been regaining its value, which had declined since 2008, though its growth was still negative. The world jewelry market's growth rate in gold demand in tons was -3% in 2011, compared to its growth rate of -6% in 2008 (World Gold Council, 2012). Furthermore, the Saudi jewelry market has been decreasing in size, with growth rates in gold demand in tons decreasing 17% in

2011, compared to a -11% decrease in 2008 (World Gold Council, 2012). The rise of consumerism and the power of the internationalized brand in developing countries have raised awareness for S.A. jewelers of all sizes and types to seek a globalization strategy to increase their local brand sales and profitability (Assad, 2008; Chan, Finnegan, & Sternquist, 2011; Danziger, 2005; Hertog, 2010; World Gold Council, 2012).

Saudi jewelers need to consider the globalization strategy option for their jewelry brands and overcome their small Saudi market size, lack of horizontal expansion, and vertical integration (Alanezi, 2012; Alharbi, 2014). Horizontal expansion in the Saudi market is not feasible because of the small market size, and the Saudization policy prevents brands from following a vertical integration strategy (Al-Asfour & Khan, 2014; Alanezi, 2012; Alharbi, 2014; Sadi & Henderson, 2010). A successful globalization strategy should address these challenges.

Saudization is a job localization program managed and mandated by the Saudi government; the program is required of all private sector Saudi industries, and has been subject to increasingly stringent laws since 1995 (Alanezi, 2012; Sadi, 2013; Sadi & Henderson, 2010). The S.A. government implemented this policy to reduce rising levels of unemployment in S.A. (Alanezi, 2012; Ramady, 2013; Sadi, 2013; Sadi & Henderson, 2010). Although official unemployment estimates among Saudi men stood at 12% in 2013, unemployment estimate for the population between 20 to 25 years old was as high as 40% (Saudi Arabian Central Department of Statistics and Information, 2014).

A lack of horizontal expansion options is present in S.A., along with a decrease in the markets of leading local jewelry brands around the world, including the Middle East

("Retail Prospects," 2009). The decline of the local market for jewelry brands in S.A. is a result of the aggressive entry of large global retail brands in the first and second decade of the 21st century in developing countries (Danziger, 2005). These large brands use their name recognition and large economies of scale and scope in their entry in developing countries (Danziger, 2005). As these larger brands gain market share, declining popularity of local brands is expected to intensify in the second decade of the 21st century (Danziger, 2005). This trend is possible because of the increasing S.A. population of those citizens under age 40, who constitute 78% of the population and tend to prefer global brands (Danziger, 2005; Baqadir, Patrick, & Burns, 2011).

Moreover, Opoku (2012) emphasized the rise of consumerism and influence of globalization in Saudi Arabia. Opoku conducted a quantitative survey of 200 university students in S.A. to examine the influence of peer-pressure on young men. Opoku found that peer-pressure was high and could be dictated by culture. I concluded from Opoku's findings the opportunity for international brands to succeed in targeting S.A. and influencing Saudi young consumers by strong marketing campaigns.

Syed (2012) used a mixed method design study on 177 micro and SME Saudi entrepreneurs to understand the difficulties they were facing in their businesses in Saudi Arabia. Syed found that the difficulties were in the lack of financial funding, bureaucracy, and unfavorable business environment, lack of government support, unexpected policy changes, and lack of training for labor. Although economic challenges are prevalent in all sectors of the Saudi market, the need to diversify and globalize certain sectors, such as the retail sector, was prioritized for the sustainability of the Saudi

economy (Assad, 2008). Assad (2008) and Opoku (2012) emphasized the need for S.A. business leaders to understand the threats of foreign and global brands, and the need to enhance profitability that would lead to the need to globalize. As a result, Saudi retail brand managers should use globalization to survive in the changing and competitive global retail brand industry.

Nevertheless, scarce research existed about the globalization decision-making process of Saudi SME retail brand leaders. Moreover, further research was needed to understand the significance and motives for SME retail brand leaders in other markets to pursue a globalization strategy in their efforts to enhance their brands' profits. I could also consider the need to understand the facilitating factors for globalization success when analyzing the decision-making process of Saudi jewelry brand leaders as they choose a globalization strategy.

Significance and Motives for Globalization

Hynes (2010) studied country preference process, motives, and challenges of internationalization. Hynes conducted interviews with 80 Irish SME managers. Hynes found that the notable internationalization motive was the absence of Irish market opportunities. Hynes also found that among the challenges of internationalization was a lack of knowledge about foreign markets and customer research. Hynes stressed the need to develop research on features of an SME company that is tied to the type and level of internationalization. Hynes also stressed the need for future research to include internationalization in SME core growth strategy.

Schweizer, Vahlne, and Johanson (2010) considered the strategy and entrepreneurship drive of a company and its management research. Schweizer et al. examined whether globalization should be considered as a result of an organization's effort to enhance its networks or as an entrepreneurial achievement. Schweizer et al. investigated three theories with a case study. As a result, Schweizer et al. proposed modifications to Johanson and Vahlne's (2009) internationalization process model and the Uppsala internationalization process model, by stressing the entrepreneurial feature of the globalization process.

Papadopoulos and Martín Martín (2011) reviewed literature about the decision to globalize highlighting the complex decisions of international market selection and segmentation. Papadopoulos and Martín Martín argued that the research subject is fragmented and could result in divergent streams of perspectives. Papadopoulos and Martín Martín categorized different directions for future research, including factors for the globalization decisions.

Aklamanu (2014) presented a framework to explore reasons for failure in globalization strategy. Aklamanu introduced the factors of the institutional environment of a foreign target country that could influence the success of a globalization strategy. The institutional environment factors were (a) regulative, (b) normative, (c) cognitive, and (d) constituents (Aklamanu, 2014).

Regulative factors were related to pressure of foreign governments' business laws and regulations (Aklamanu, 2014). Normative factors were related to consumer, supplier, competition, human resource, and public pressure (Aklamanu, 2014). Cognitive factors

were related to business ownership structure and retail showrooms structure (Aklamanu, 2014). Finally, constituents' factors were related to legitimacy pressure from constituents to serve them in all of the regulative, normative, and cognitive factors stated above (Aklamanu, 2014). Aklamanu concluded by the suggesting future researchers should test the factors with empirical studies. I concluded from Aklamanu's study the complexities of the factors that are involved in selecting countries for a globalization strategy and the need for researchers to study globalization strategy factors in detail.

With the acknowledged lack of research on globalization for SMEs in developing countries, researchers focused on motives and processes of globalization for SME entrepreneurs in developing countries. Sadi and Henderson (2011) investigated the reason and level of interest of Saudi SME leaders in franchising. Although I did not study franchising as a mode of globalization in this study, any research about Saudi retailer SMEs is considered valuable because there is a of lack of research on this subject (Sadi & Henderson, 2011).

Sadi and Henderson (2011) distributed a survey to 179 Saudi retailers and integrated secondary research to recognize attitudes toward franchising global brands in S.A. Sadi and Henderson found that retailers preferred adapting global franchises in S.A. based on the scarcity of management knowledge, capital, and human resources to expand or globalize local brands. I concluded from the study that the danger of the widespread acceptance of global brands by local retailers is that the acceptance might jeopardize the long-term existence of local Saudi SME brands. Knowledge, human, and capital

resources are essential for globalizing local brands for SME entrepreneurs (Sadi & Henderson, 2011).

Dahan and Peltekoglu (2011) argued that global brands had a negative impact on local SME brands and rapidly captured local market shares. Dahan and Peltekoglu examined the negative effect of the global brand Zara on 50 Turkish SMEs in the Turkish clothing market. According to Dahan and Peltekoglu, SME leaders should globalize their brands and elevate their brands' offerings to global standards if they wish to compete with the growing market share that is occupied by global brands. My conclusion about the benefits of globalization was supported by Elango, Talluri, and Hult (2013). Elango et al. examined 584 global operating service companies from the U.S. to see if their globalization processes reduced their risk of failure in their globalization strategies. Elango et al. found that careful globalization process with global diversification would reduce risk-adjusted performance for the companies in the study.

Nevertheless, Mollá-Descals, Frasquet-Deltoro, and Ruiz-Molina (2011) warned SME leaders from expected financial losses early in the globalization processes and increased global competition. Mollá-Descals et al. (2011) examined the performance of 64 small to large Spanish global retail chains and compared their globalization processes to their performances. Mollá-Descals et al. found that most companies suffered losses early in the globalization processes. However, the companies' increased economies of scope and scale facilitated success later in the globalization process. Mollá-Descals et al. emphasized the importance of a well-planed globalization strategy and culturally-knowledgeable company leaders.

Other important motives for globalization in developing countries were government financial support and networking capabilities in home countries such as the case in China (Liang, Lu, & Wang, 2011). Liang et al. examined 553 Chinese private companies to understand the influence of the factors of resource endowment, foreign investments in China, and organizing capability in China on the companies' globalization strategy. Liang et al. found the factors increase the likelihood of selecting high-risk globalization strategies.

Researchers such as Arndt, Buch, and Mattes, (2012) Korsakienơ and Tvaronaviþienơ (2012), and Sekliuckiene (2013) analyzed companies' internal and external motives and barriers to globalization. Arndt et al. (2102) examined German companies' exports and foreign direct investment decisions in light of companies' sizes, financial constraints, and German labor market restrictions. Arndt et al. found that companies' sizes and labor market restrictions were important factors and motives, respectively, for internationalization. However, financial constraints were not deterrent factor for internationalization.

Korsakienơ and Tvaronaviþienơ (2012) investigated quantitatively the globalization process of 300 Lithuanian and Norwegian SMEs to understand the motives and barriers of globalization. Korsakienơ and Tvaronaviþienơ found that limited local market size and increasing competition were the main external motives. Furthermore, internal motives were the need for mitigating risk and absence of skilled labor. Barriers for Lithuanian companies were lack of economies of scope and scale.

Korsakienơ and Tvaronaviþienơ (2012) emphasized the success of the globalization process of the Norwegian companies was based on the advanced entrepreneurship skills of the Norwegian leaders when compared to the Lithuanian leaders. Korsakienơ and Tvaronaviþienơ concluded that lack of international knowledge and entrepreneurship skills were important barriers to the success of the companies' globalization strategies. Korsakienơ and Tvaronaviþienơ's findings were related to this study because they emphasized the need for knowledge of foreign factors that would facilitate the success of a globalization strategy.

Sekliuckiene (2013) continued to analyze motives and barriers of internationalization by interviewing managers from 34 Lithuanian companies, which globalized in Brazil, Russia, India, and China (BRIC). Sekliuckiene argued that motives could vary from target market size, competition, product appeal, and other business-related motives. Moreover, Sekliuckiene found internal barriers could include a company's size and resources as well as managers lacking international experience. External barriers could include regulations within the target country, differences in culture and language, and geographic distance (Sekliuckiene, 2013). Sekliuckiene's study was important to accumulate all the different factors that would affect the globalization process.

Counter Positions

A few researchers have disagreed with the decision to globalize rapidly, including Dimitrova, Rosenbloom, and Andras (2014). Dimitrova et al. investigated the relationship between the degree of retail internationalization involvement and company performance

using an exploratory quantitative study. Dimitrova et al. measured the degree of retail internationalization involvement (DRII) by the measuring the number of regions around the world that each company entered.

Furthermore, Dimitrova et al. measured company performance by measuring sales per square meter in each store for each region. Dimitrova et al. found that, in general, DRII was negatively related to companies' sales because of different cultural and legal features in different markets. Companies' sales in fewer geographic areas exceeded companies in more geographic areas (Dimitrova et al., 2014). I concluded from Dimitrova et al.'s study that entering large number of countries in the globalization process could not compensate for selecting few suitable countries. As a result, I concluded from the findings the importance of country selection in the globalization strategy.

Although Dimitrova et al. concluded that the gradual expansion into geographically close markets increased company sales. However, leaders of companies also increased their companies' sales in the globalization process if they enter in a distant market first thus accumulate knowledge to enter a few geographically close markets (Dimitrova et al., 2014). Dimitrova et al. argued that expanding to a few important distant markets assisted leaders of companies in investing resources to increase sales, thus succeeding in the globalization process. I concluded that researchers agreed on the strategic benefits of globalization to retail companies but differed on the timely selection of countries.

Globalization Methodologies

I used secondary research to understand different business globalization strategies. I researched globalization strategies in terms of the expansion order of target countries and the marketing, organizational, and financial structures the brands need to succeed in their globalization processes. I researched the different methods of past studies to understand the factors affecting the globalization process.

Uppsala model. According to Singh (2011), one of the respected globalization models used has been the Uppsala model of Johanson and Vahlne (1977). Johanson and Vahlne (1977) introduced the Uppsala model to understand the internationalization process of Swedish companies in the 1970s. The model is based on the hypotheses that the internationalization process of any company should start with gradual expansion (Johanson & Vahlne, 1977). The gradual expansion should start in near markets, then move to distant markets through exports (Johanson & Vahlne, 1977). Further, as experience is gained about distant markets through the process, companies commit to more investments; as a result, they enter full operation without local equity partners (Johanson & Vahlne, 1977).

I perceived the attractiveness of markets to rely on geographic distance and psychic distance from a company that is globalizing in this market (Johanson & Vahlne, 1977). According to Johanson and Vahlne (1977), psychic distance is defined as the total of circumstances blocking the exchange of business transactions from and to a market. Examples of psychic distance can include dissimilarity in language, education, business norms, and culture. The less experience and knowledge a company has about a market,

the larger the psychic distance, and the greater the risk for the company to enter this market (Johanson & Vahlne, 1977).

A company may gain gradual and sequential globalization process knowledge based on the knowledge that is gained from the cumulative experience in past entries in near and distant markets (Johanson & Vahlne, 1977). The Uppsala model is based on two components: state factors related to market commitment and knowledge and change factors related to allocation of resources and current operations (Rubaeva, 2010). Johanson and Vahlne (1977) used Figure 2 to represent the essential apparatus of the globalization process with its two components, state and change factors.

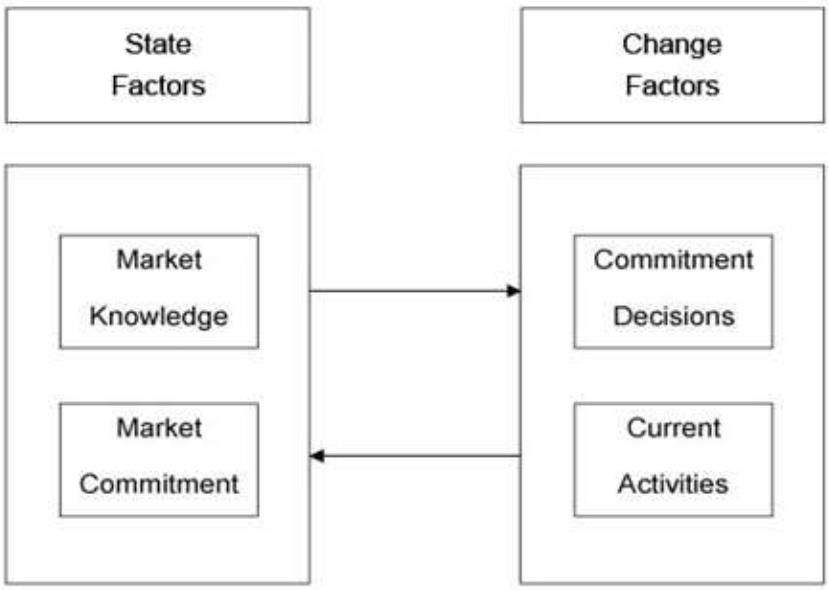

Figure 2. State and change factors (Johanson & Vahlne, 1977, p. 26).

The brand commitment component was further explored by Rubaeva (2010). Rubaeva claimed that a commitment of a brand to remain in a market relates to the level of risk associated with the market, and the amount of investment in marketing, human

resources, and other economic and political factors associated with this market. Rubaeva explained that market knowledge refers to the experimental gradual knowledge about a foreign country's culture and customers. Rubaeva elaborated that the allocation of resources in a market refers to the company's commitment decision to transfer resources to this market based on the accumulated gradual experience of operating in this market or foreign markets. Rubaeva also stressed that the company's activities depend on the company's capabilities and skills of its employees. In order to understand details of my study, I reviewed studies by researchers who explored the globalization of SME retail brands using quantitative, qualitative, and mixed method studies.

Existing quantitative studies. In this study, I used the results of prior quantitative research to identify the factors that influence the globalization process of a local brand from emerging markets. I also reviewed quantitative studies that have focused on the globalization of luxury goods brands. I conducted my review to understand the latest research and models that would have supported this study.

Johanson and Vahlne (2006) stressed that while learning and commitment building in the Uppsala model were imperative to reducing uncertainty; learning and commitment building could be viewed as opportunity development procedures. Johanson and Vahlne explained that the model might not be deterministic; that is, commitment might not be a direct consequence of experience. Johanson and Vahlne emphasized that the incremental internationalization process exploits opportunities based on experience gained. However, opportunity exploitation might be marginal to present internalization actions (Johanson & Vahlne, 2006). Couto and Tiago (2009) used the Uppsala model to

quantitatively test the effect of different factors against the decision to globalize. The factors were the knowledge of culture, geography, and language; the attractiveness of the target market; target market economy of scope and scale; and management internal capabilities (Couto & Tiago, 2009). Couto and Tiago, through their findings, accepted the positive effect of the factors mentioned above, except for the language factor, which did not prove significant in the internationalization process. Couto and Tiago also found that importance should be directed toward the forces of organizational culture, leadership, strategic direction, logistics knowledge, cost reduction, and the economy of scope as the significant factors in subsequent internationalization steps of the process.

Johanson and Vahlne (2009) revisited their research in their Uppsala model (Johanson & Vahlne, 1977) with a novel approach. Johanson and Vahlne contested the importance of the psychic distance as the cause of uncertainty in international business practices. Alternatively, Johanson and Vahlne proposed that outside networking, trust-building, and knowledge creation will be more powerful influences than psychic distance in years to come, especially for established international firms.

Between 2010 and 2014, researchers focused on factors that might influence globalization success, such as the Ninan and Puck's (2010) study. Ninan and Puck (2010) extended the Uppsala model by investigating the internationalization process of 109 Austrian companies in Central and Eastern Europe from 1989 to 2008. Ninan and Puck used a longitudinally-designed study to compare past and current internationalization processes. The study was used to highlight the importance of the collective learning perspective within and among firms in the Uppsala model, and introduced two different

strategy types of changing entry modes overtime as new dependent variables. Sanguanpiyapan and Jasper (2010) applied research to test motives for luxury goods purchases at retail jewelry shopping outlets. Moreover, Sanguanpiyapan and Jasper identified factors influencing shopping preferences, and found that jewelry shoppers were more affected by functional motives than nonfunctional motives.

One of the few studies focusing on globalization in the jewelry retail industry was the study by Simoni, Rabino, and Zanni, (2010). Simoni et al. quantitatively examined the success of the globalization process in the U.S. for four SME Italian and three SME Indian jewelry companies. Simoni et al. conducted intensive interviews with the managers of the Italian and Indian companies. Simoni et al. found that Indian companies were more successful in their globalization process because their products and marketing campaigns were more adaptive to U.S. culture needs.

Furthermore, Indian companies used outsourcing in manufacturing to limit cost and were more strategic than Italian firms (Simoni et al., 2010). However, managers of the Italian companies insisted in marketing their companies' Italian identity and their marketing campaigns were reactionary rather than strategic. I concluded from Simoni et al.'s article the need to adapt to the cultures of target foreign markets. Other researchers such as Cleveland, Papadopoulos, and Laroche (2011) continued focusing on the importance of culture in the globalization process.

Cleveland et al. (2011) examined the relationship between strong ethnic identity (EID) and globally-oriented disposition (cosmopolitanism: COS) to understand how stable the EID-COS relationship across cultures varied according to demographic

variables in each culture. Cleveland et al. surveyed 2800 graduate and undergraduate students from seven countries: Greece, Hungary, Sweden, Mexico, Chile, Canada, Korea, and India, and found that customers incorporated their EID preferences with their COS, and demographic and psychological variables were important factors across products and countries. The findings emphasized the importance of culture and demographics in the globalization process.

Jung and Shen (2011) emphasized the importance of Hofstede's four dimensions as factors in the globalization process. The dimensions were *collectivism*, *power distance*, *uncertainty avoidance*, and *status consumption*. Jung and Shen used a quantitative survey of 50 female college students in the U.S. and their counterparts in China to test the students' reactions to 10 global brands. Jung and Shen found cultural differences between the U.S. and the Chinese consumers in all of the four dimensions, except for brand equity. Jung and Shen recommended that researchers and business leaders should include other factors in the globalization process such as brand features, cultural differences, and demographic disparities, and test different age groups.

Among the studies focusing on factors for globalization was Chan et al.'s study (2011). Chan et al. investigated company and country level factors that influence retail companies' performance in the globalization process. Furthermore, Chan et al. used a regression analysis on 200 global retailers. Country factors consisted of each country's economic attractiveness features. Economic features consisted of public policy laws and practices, economic development, political risk factors, social and cultural environment, and retail market characteristics including size and growth prospects.

Chan et al. explored company factors using the International Market Portfolio Management (IMPM) and Retail Portfolio Management (RPM) capabilities and firm size. IMPM capabilities relate to the experience of management in selecting foreign markets and expansion strategies by incremental learning from each misstep in the globalization process. The RPM capability refers to international experience in each country and subsequent rate of expansion in other countries based on incremental learning.

Chan et al. found that the factors explained sales growth, but not return on investment (ROI). Sales growth had no relation with population and country risk factors. However, low level of development and high country income was associated with sales growth. While the factors had no significant relationship with ROI, retailers with higher sales growth are likely to select strategies that include limited retail outlets, few countries of operation, high income countries, and faster speed of expansion. Chan et al. emphasized the need for research to construct a framework to understand the detailed relationships between globalization strategies and countries' features.

The validity of the Uppsala model has been tested quantitatively by Singh (2011). Singh performed a quantitative reappraisal of the Uppsala model on U.S. companies in the manufacturing and service industries over three time periods between 1965 until 2009. Singh found the relevance of the Uppsala model has not diminished over time. Companies have relied on the model’s emphasis on psychic distance and its subsequent sequence of entry.

The importance of psychic distance between countries of origin between the manufacturer and the consumer in the globalization of a brand was also examined by

Carvalho, Samu, and Sivaramakrishnan (2011). Carvalho et al. conducted two quantitative studies on 39 undergraduate Canadian students to examine the different combinations of factors related to brands' countries of origin and products' features effect the success of brands' globalization. Carvalho et al. found in their first study that different combinations of country of origin and country of manufacturer lead to the successful brand globalization. Moreover, when information of product attributes was shared between managements in the brand's country of origin and county of manufacturer; the brand was more successful in the globalization process. Furthermore, when customers perceived countries of origin and manufacturer positively; the brand was successful in the globalization process. The findings highlighted the importance of psychic distance between countries, and the need to classify countries' attractiveness features in the globalization process.

Nevertheless, Cuervo-Cazurra (2011) argued that management knowledge and success in local markets, industry, and foreign businesses alliances were important factors in internationalization. Cuervo-Cazurra examined the internationalization process of 602 Moroccan companies. Cuervo-Cazurra found the Moroccan companies started their internationalization process in countries other than the Middle East or France because management possessed industry knowledge, business competitiveness' capabilities, and alliances with foreign companies. Cuervo-Cazurra raised concerns about the validity of psychic distance and the sequential model of globalization.

Lin, Liu, and Cheng (2011) argued in their investigation of 164 Japanese SMEs the significant factors of foreign direct investments, exports, and foreign alliances, in the

success of the globalization strategy. Although, profits for the companies suffered in the first years of foreign operation, the companies were successful in later years (Lin et al., 2011). Lin et al. also found that foreign alliances with knowledge about foreign cultures were essential in light of SMEs limited resources. Furthermore, Tang (2011) argued that the extent of foreign business alliances was a determinant factor for globalization success. Tang examined quantitatively 210 Chinese SMEs to understand the relationships among networking, resources, and globalization strategies. Tang found that foreign business alliances were more important than foreign networks.

Aliouche et al. (2012) used an integrated quantitative model to predict an attractiveness grouping of 143 for U.S. and Australian firms. Aliouche et al. based their model on the Uppsala model, the electric paradigm model, and the transaction cost analysis model. Aliouche et al. found the top and bottom five countries in the grouping order-of-entry preference are the same for U.S. and Australian firms.

However, when Aliouche et al. compared the model's grouping results with the actual international expansion practices of Australian franchise firms, they found mixed results. The significant results were the emphasis of Australian firms to globalize according to geographic and cultural distance factors regardless of foreign market opportunities. Nevertheless, U.S. firms' grouping preference of countries according to the model and historical order of entry were similar.

The importance of the geographic and cultural distance in the globalization process of Australian firms was in accordance with the importance of the Uppsala model, with its psychic distance concept in the globalization process (Aliouche et al., 2012).

Aliouche et al. wondered if the lack of determinant factors in the globalization process influenced the grouping preference of countries' attractiveness. Aliouche et al. emphasized the need for industry-level and firm-level research from different countries, which were also discussed in the study by De Beule and Duanmu (2012).

De Beule and Duanmu (2012) analyzed 121 and 531 acquisitions by Chinese and Indian companies in foreign countries quantitatively to determine how the factors of country, industry, and company features effect the location choice of acquisition in the globalization process. While De Beule and Duanmu found that the factors of regulatory quality and control of corruption in foreign countries were determining factors in India's acquisitions, technologically-advanced foreign countries were determining factors in China's acquisitions. However, the results varied across industries in both countries. Companies in both countries did not invest in politically unstable countries. I concluded from the findings the need to investigate the countries, industries, and companies' success features along with the companies' globalization strategies.

Assaf, Josiassen, Ratchford, and Barros (2012) tried to understand the different relationships between the factors influencing globalization decisions in the globalization process, and the level of companies' performance success for different globalization strategies. Assaf et al. (2012) used organizational learning theory to test the relationship of four variables with the performance of international companies. Assaf et al. used the four variables because they might affect the transfer of organizational learning in the internationalization process. The sample of the tests consisted of large international supermarkets that have a presence in multiple countries in Europe and the U.S.

Assaf et al. (2012) found that the relationship between the companies' internationalization and performance is a U-shaped curve. As leaders of companies internationalize their companies, companies perform well the first few years and then face difficulties before succeeding again. Assaf et al. reasoned the U-shaped relationship curve existed because companies tend to internationalize in similar markets first, and thus tend to succeed in the early internationalization process. However, as companies internationalize in different countries, the implementation of the accumulated learning process requires more time; thus companies are likely to underperform for some years before succeeding again.

Assaf et al. (2012) found that mergers and acquisitions (M&A), companies' age at entry to international markets, and country of origin have a relationship with the performance of the company in the internationalization process. However, Assaf et al. revealed the economic similarities between the target foreign country and country of origin do not have a relationship with companies' performance. Assaf et al. concluded that companies would be successful in the international market if these companies were younger, entered in few international markets, and acquired knowledge through M&A.

Moreover, Assaf et al. (2012) found companies from developed countries would benefit more than companies from Western countries in the internationalization process. Assaf et al. explained the findings because of the smaller market size in developed countries when compared to Western countries. As a result, companies from developed countries would increase their sales and profits by targeting Western countries. Assaf et al. highlighted in the study the importance of selecting similar foreign countries and

urged researchers to study the different factors of selected countries that might have relationships with the success of the internationalization process.

Researchers such as Childs and Jin (2014) began challenging the Uppsala model's applicability for different industries. Childs and Jin examined if the Uppsala model was applicable in the fashion industry, an industry characterized by strong brand images and abundant resources targeting niche markets. Childs and Jin examined the success of the Uppsala model in predicting the globalization process of three global fashion retail companies: H&M, New Look, and Zara. Childs and Jin quantitatively examined the companies' globalization speed, economic distance, geographic distance, and cultural distance.

Childs and Jin (2014) found that the companies initially followed the Uppsala model in choosing gradual globalization to countries with geographic and economic proximity, and culturally similar countries to the companies' countries of origin. However, the leaders of the companies did not follow the gradual expansion in later stages in the globalization process. In fact, the leaders of the companies grew their companies in other markets rapidly. Childs and Jin attributed the success and failure of the Uppsala model in the early stages and late stages, respectively, to the strength of the global brand established through the global media. Childs and Jin recommended that researchers study a large sample of companies in each fashion industry and include new variables such as company strategies and companies' economies of scope and scale.

Researchers started developing new collective measures as factors such as the *country distance measure* (COD), which was introduced by Martín Martín and

Drogendijk (2014). Martín Martín and Drogendijk included in the measure socioeconomic, geographic, cultural, and historical distances. Martín Martín and Drogendijk used the measure to analyze its accuracy in predicting globalization country selection decisions. Martín Martín and Drogendijk used a sample of 170 Spanish SMEs exporting to countries around the world. Martín Martín and Drogendijk found that cultural and historical differences were significant thus important factors. Martín Martín and Drogendijk emphasized the importance of the concept of psychic distance and recommended that researchers investigate the COD with the Hofstede index.

Nevertheless, Biçakcioğlu, Özgen, and Bakar (2014) found in their studydifferent psychic distance factors influenced with different degrees the selection of foreign countries. Biçakcioğlu et al. surveyed 123 global Turkish SMEs and found that psychic distance factors was important in the initial stage of globalization and slowly became not important in later years. Furthermore, the factors of political, business, and legal similarities among countries were more important than religious, life-style, historical similarities in the globalization process. Business similarities such as *financial incentives* were important finding in the study. Biçakcioğlu et al. recommended future researcher should study different countries with larger samples and incorporate in their studies management cultured capabilities.

Existing qualitative studies. Between 2010 and 2014, scholars reevaluated the past 20 years of research in the field of retail internationalization (Alexander & Doherty, 2010). Alexander and Doherty (2010) reviewed the challenges and development of retail internationalization research. They proposed a framework for future research

emphasizing the focus on a global agenda that encompasses standardized global factors for a globalization strategy. I concluded that Alexander and Doherty's framework could provide a suitable reference to standardize the process of globalization strategies for different industries from different countries.

Etgar and Rachman-Moore (2010) examined the effectiveness and efficiency of two international retail expansion strategies. While the first strategy included expanding into regional countries close to the home market, the second included expanding globally into diverse and distant markets (Etgar & Rachman-Moore, 2010). Etgar and Rachman-Moore used the data of the 2007 Deloitte survey of 250 large-scale global retailers to conclude that international retailers use both strategies evenly. Etgar and Rachman-Moore also found that the success of the globalization strategy should be more effective than the proximate regions-only strategy, when measured and focused on sales volume generation.

Guercini and Runfola (2010) presented diverse theoretical perspectives on the aspect of business networks and their role in the internationalization process. Guercini and Runfola conducted a case study for a vertically integrated company that implemented branding and globalization in foreign markets in the fashion supply chain. The case analysis was a longitudinal study that investigated the influence of business relationships as a learning context involving opportunities/obstacles on the internationalization process (Guercini & Runfola, 2010). Moreover, Guercini and Runfola posed questions for further research and highlighted the relationship between the specific business model, the subsequent international process, and business relationships.

McAuley (2010) analyzed research on the internationalization of SMEs from 1999 to 2009, comparing the findings to a previous review from 1989 to 1998 to see what recommendations from prior research had been followed, and what challenges could be anticipated for the future. McAuley used content analysis to compare past research conceptual, empirical, and methodological approaches. McAuley found that progress has been made in some areas, such as global and cross-cultural coverage, multisector, and multimethod approaches. However, other areas need development, such as relevance to policy makers and longitudinal studies (McAuley, 2010).

The validity of the Uppsala model has been also tested for different sectors and company sizes. Kontinen and Ojala (2010) performed a case study of four Finnish family-owned SME manufacturing companies operating in France. Kontinen and Ojala used open-ended interviews with managers from the four companies.

They found that the companies followed the gradual steps approach, which relied on the psychic distance, emphasizing the validity of the Uppsala model. The leaders of the Finnish companies chose to follow the Uppsala model in expanding in geographically close markets. I concluded that other companies from developing countries should also use the gradual steps approach of the Uppsala model instead of expanding rapidly in distant markets.

Stehr (2010) presented 30 diverse cases of the development of local German market leaders to global market leaders, thus presenting actual examples of SMEs' entrepreneurship lessons in internationalization. Tavoletti's (2011) case study of a large Italian fashion company found a fit between strategy set by the company leaders and the

globalization structure outcome. Tavoletti found that the globalization structure was an evolving process and was not predetermined by a strategy. Nevertheless, Tavoletti found that the Uppsala model was a suitable reference. The Uppsala model was flexible, evolved within the globalization process, and encompassed the strategy of company leaders.

Researchers including Lu, Karpova, and Ann (2011) studied the factors affecting retail internationalization relating to firm-specific and country-specific factors. Lu et al. used a case study to present a framework based on existing and past theories for retailers in the fashion industry to select their entry mode to foreign countries in their internationalization process. Lu et al. found that the influential factors were related to companies, countries, and markets. Lu et al. found that company-specific factors to be asset specificity, brand equity, financial capacity, and international experience. Lu et al. also found that country-specific factors were country risk, cultural distance, and foreign government restrictions. Market-specific factors were market potential and competition. Lu et al. concluded the study by emphasizing the need for future research to develop a systematic empirical analysis of the determinant factors.

As a result of the need for empirical analyses, researchers explored the measurements and tests to understand the different levels of influence of the Uppsala model and psychic distance factors on the globalization process. Sousa and Lages (2011) developed a new measurement scale to assess psychic distance (the PD scale). Sousa and Lages also examined the impact of the PD scale on the implementation and adaptation of international marketing strategies. Sousa and Lages questioned 301 export firms and used

structural equation modeling analysis for the results. Sousa and Lages determined that psychic distance was a construct of two dimensions: country distance and people distance. Moreover, Sousa and Lages indicated, through the research findings, that the PD scale was positively correlated with cultural distance and the new development of product, promotion, pricing, and distribution strategies suitable to the foreign country.

Other researchers continued to examine the applicability of the model to other specific situations, such as the study by Costa e Silva, Pacheco, Meneses, and Brito (2012). Costa e Silva et al. used secondary research to examine the importance of *second-hand knowledge* such as the building of trust, knowledge about a foreign market, and opportunity creation in the success of the Uppsala model in the globalization process of a European textile company in China. While Costa e Silva et al. found the importance of second-hand knowledge in the Uppsala model, they conceded the limitation of the study because it focused on one company, a single entry mode, and China. Costa e Silva et al. recommended that researchers should study several countries with different entry modes for different industries.

As more variables and different methods of globalization similar to the born-global method became visible, researchers started testing the differences between the born-global method and the Uppsala model; Kalinic and Forza's (2012) study is one example. Kalinic and Forza argued that specific strategic focus is more important factor than the gradual globalization, which is based on the factors of the accumulation of international experience in the Uppsala model. Kalinic and Forza conducted a qualitative research on five Eastern European countries and found that the companies were able to

succeed in their rapid globalization efforts by following an adaptable strategy, an entrepreneurial spirit of problem-solving, and different levels of commitments in each foreign country. Kalinic and Forza suggested research from different regions around the world and testing the born-global method in different pints in history with different company sizes. Finally, Kalinic and Forza warned of the stress consequences of the born-global method on the companies and possibility of failure.

McCann and Acs (2011) examined a feature in target countries in the globalization process, which is population density. McCann and Acs explored the relationship between the sizes of the foreign countries, cities in them, and companies globalizing in those foreign countries. McCann and Acs argued that global companies expanded in cities that were multinationals but did not follow the population density index for countries. McCann and Acs questioned the value of size and population density of countries and recommended integrating cities instead of countries in globalization research.

Parmentola (2011) conducted qualitative research on six Chinese telecommunication equipment manufacturing companies to understand the factors for globalization success. Parmentola found that the level of competitiveness in the local market and the socioeconomic department of the destination country were the most important factors for globalization success. Although Parmentola sample of companies was not from the retail sector, Parmentola's findings could be generalized to other industries including retail.

By 2012, researchers focused on the features of the global SME such as Hutchinson and Quinn's (2011) study. Hutchinson and Quinn examined nine British retail SMEs in the luxury market using a case study and secondary research. Hutchinson and Quinn found that five characteristics were evident in all of the nine companies. Each company had a strong brand image, an opportunistic policy of preserving a niche strategy, an aggressive expansion strategy in local and international markets, an involvement of the company founder or owner, and a vertical integration strategy (Hutchinson & Quinn, 2012). I concluded from the findings the need for a retail SME to establish itself locally with a strong brand, a strong management, and a solid business model before globalizing.

Existing mixed methods studies. Gammeltoft, Pradhan, and Goldstein (2010) presented a framework of determinants and outcomes for the selection of target foreign countries in the globalization process of emerging multinationals. Gammeltoft et al. used a conceptual approach with statistical analyses and secondary research. Gammeltoft et al. found the changing trends and features of foreign direct investment (OFDI) from emerging countries, and compared between them specifically from Brazil, Russia, India, and China.

Researchers in the field of retail internationalization have tailored their research to specific sizes, sectors, regions, and recently developed countries, such as in the study of Filippov (2010). Filippov studied the rise of Russia's international companies and analyzed their reasons and processes of globalization. Filippov used secondary research to highlight the challenges Russian companies faced than other countries' global

companies, such as China. Filippov also emphasized the importance of more detailed research on Russian companies, because Chinese and Indian companies have been studied more than companies in other countries. In order to hone down my research, I explored studies specific to single Western brands, and I used my findings to continue exploring studies specific to emerging countries markets. The distinction between Western brands and emerging countries' companies could assist in understanding the differences of brands globalizing from Western markets and brands globalizing from S.A.

Single Western Brands' Studies

In order to understand the globalization strategies of a Saudi brand, I researched past studies of globalization methodologies of successful Western retail brands to provide insight into the needed factors by brand managers in their globalization strategy implementation. I included the needed factors in building my quantitative model. By the middle of the last decade, new large luxury goods retail brands emerged strongly in the global luxury market with encompassing globalization strategies, an example was the Spanish luxury goods retailer Zara.

Bhardwaj, Eickman, and Runyan (2011) studied Zara extensively. Bhardwaj et al. applied aspects of retail internationalization models and theories, such as the psychic distance and resource-based theory, to understand and learn from the success of Zara. Bhardwaj et al. found that Zara built on its early psychic distance experience in every target country, which enabled it to expand rapidly, resembling a global-born model of globalization. Bhardwaj, Kumar, and Kim (2010) investigated the reasons for the success of the global brand Levi's in India when compared with local brands. Bhardwaj used

repeated measures ANOVA for 411 college students and found that Levi's were able to capture market shares in India easily because of Levi's brand equity and global standards' appeal.

New global jewelry SME brands emerged, which required investigation of the reasons and processes of globalization success. One of the studies concerning the internationalization process of a successful jewelry SME brand was conducted by Rubaeva (2010). Rubaeva explored the internationalization processes of the Metro Group jewelry company into the Russian market. Rubaeva examined the factors that determined the success of internationalization processes. As a result, Rubaeva analyzed different internationalization theories, including the Uppsala model to understand the Metro Group's internationalization process and provide recommendations to apply the Uppsala model for other jewelry companies in other countries.

Researchers such as Diallo (2012) focused on large international brands in large emerging markets and attempted to understand the differences and similarities among foreign and local companies' success in local countries. Diallo (2012) focused on the globalization strategy of Carrefour and Extra in Brazil. Carrefour, which is a global French supermarket chain-store company, is the largest grocery retailer in Europe. Extra, which is a Brazilian retailer, is the second largest retailer in Latin America (Diallo, 2012).

Diallo (2012) conducted a case study using in-depth interviews with store and department managers from both companies. Diallo compared the key success factors of the foreign company Carrefour with the local company Extra in Brazil. Among the marketing strategy theories, Diallo considered the core competencies theory and the

organizational culture theory. Diallo found that store format, localization, core business competitive advantages, and organizational culture were the factors for success among the two companies. The challenge for leaders of Extra was to compete with other executives from Carrefour, given Carrefour's economy of scale and scope. Although Extra and Carrefour's success factors in Brazil were similar, Diallo posited the possibility to generalize the importance of some factors as imperative success elements in any retailers' local or international expansion.

Other researchers such as Jianguo (2013) started examining successful globalization strategies of Chinese brands such as Giordano. Jianguo conducted secondary research about Giordano from its inception in 1981. Jianguo concluded that Giordano followed the Uppsala model theme by expanding in Asia first then in Europe and other regions around the world. Jianguo found that franchising was more beneficial to Giordano than joint venture or wholly- owned operations. Furthermore, Jianguo argued that globalization strategy success for Giordano hindered on (a) choosing the right foreign partner, (b) bridging cultural gap by recruiting qualified cultured staff, and (c) expanding gradually internationally. I concluded from Jianguo's findings the importance of understanding foreign target cultures as a determinant factor in the globalization strategy.

Emerging Market Brand Globalization Studies

As my understanding of the factors of globalization strategy decisions and processes emerged, a literature review was warranted about the globalization studies of SME retail brands in emerging markets. Business leaders of SME retail brands in

emerging markets might consider different problems and factors in selecting and implementing a globalization strategy from their counterparts of SME retail brands in Western markets. I researched past globalization studies about SME retail brands from developing countries to understand significant factors in successful globalization processes. Despite entrepreneurship skills, government networks, and experience in local markets, retail SME brand leaders from emerging countries were hesitant about selecting a globalization strategy (Pham, 2009).

Knowledge of foreign markets was stressed as an important factor in selecting a globalization strategy by Pham (2009). Pham presented a new dimension to the Uppsala model from the perspective of emerging markets. The Uppsala model was based on the internationalization process of the developed Western countries (Pham, 2009). Pham used hypotheses to test the importance of downstream and upstream factors for 226 Vietnamese firms. Some of the downstream competitive factors were staff proficiency in foreign languages, conduct of business trips, sales staff with international experience, use of Internet for day-to-day business, collaboration with other firms, use of governmental linkages, and use of formal business networks (Pham, 2009). Pham argued that investment in either downstream or upstream competitive factors produce the same strategic high returns. Although Pham focused on upstream or vertical integration, Pham provided additional factors to consider as salient to the success of the internationalization process.

By the end of 2009, managers of local retail brands started searching for reasons to increase their profits (Eren-Erdogmus et al., 2010). As a result of the managers' needs

to enhance their brands' profitabilities, some retail brand managers decided to enter the lucrative foreign markets (Eren-Erdogmus et al., 2010). Eren-Erdogmus et al. (2010) studied the latter phenomenon using eight exploratory case studies of Turkish retailers. Eren-Erdogmus et al. investigated the different internationalization strategies of retail companies from developing countries, which differ from Western-established strategic theories. Eren-Erdogmus et al. posited that the main motive for internationalization was economic pressure in the country of origin. Moreover, Eren-Erdogmus et al. found that the success factors in internationalization to be product differentiation, branding, government and social networking, and management capabilities and skills.

Researchers continued to focus on networking as one of the most important factors in SME globalization such as Mohamed and Alexandre Rocha (2010). Mohamed and Alexandre Rocha investigated qualitatively the influence of entrepreneurship and networking relationship on the globalization strategy of SMEs from Brazil. Mohamed and Alexandre Rocha examined three global manufacturing companies from the manufacturing industries. Mohamed and Alexandre Rocha argued entrepreneurship capabilities and foreign network were some of the most important factors for successful globalization strategy.

As emerging retail SME brands decided to target foreign countries and knowledge about foreign countries was imperative in the globalization decision and implementation, a different selection processes emerged. Demirbag, Tatoglu, and Glaister (2010) investigated the targeted countries' selection process for globalization of subsidiaries of 522 global Turkish companies, using the institutional and transaction cost theories.

Demirbag et al. used secondary research from official sources to accumulate data for regression variables to test a number of hypotheses between these variables and location expansion selection. Demirbag et al. argued the selection of target countries for globalization was affected by politics, infrastructure in the foreign target country, subsidiary concentration, industry R&D, and subsidiary size.

Demirbag et al. (2010) found no support for the influence of subsidiary ownership and the group affiliation on location choice for the companies' subsidiaries. Although the study was limited to Turkish companies, and thus might not be generalized, the Demirbag et al. found the Turkish companies aimed to increase their global competitiveness when they entered developed countries. The latter was in contrast to the reason for targeting emerging countries, which was to take advantage of the companies' specific strengths (Demirbag et al., 2010).

Researchers focused on the determinants of globalization success of SMEs from developing countries such as the study by Amal and Freitag Filho (2010). Amal and Freitag Filho conducted a qualitative study on three Brazilian SME companies from the manufacturing industry to analyze the factors for globalization success. Amal and Freitag Filho found that the entrepreneurial capabilities of the companies' management and innovative networking relationships were important factors in the success of the globalization process. Amal and Freitag Filho recommended future research should focus on cross-country quantitative analyses with different cultures and public policies for different countries. Khavul, Benson, and Datta, (2010) also argued that human capital capabilities in SMEs were significant factors for successful globalization strategies.

Among the scarce studies about globalization methods from Arabian countries, Al Qur'an (2010) attempted to analyze the drivers of globalization and explore the factors that contribute to the selection of foreign countries in the globalization strategy from S.A. Al Qur'an conducted a single case study on a leading S.A. company in the construction industry. Al Qur'an argued that the drivers of globalization consist of firm financial strength and foreign target countries' quantitative and qualitative factors.

Al Qur'an (2010) argued that the qualitative factors related to the cost of raw material and natural resources in the foreign target country, the infrastructure, political and economic stability, and geographic proximity. Al Qur'an conceded a concern regarding time limitations that may have influenced the study's validity and the need to study other industries and to explore other firms' factors.

As researchers developed literature about the globalization strategies of SME retail brands from emerging countries, more studies for specific countries emerged for Mexican brands (Vargas Hernández, 2011). Vargas Hernández (2011) analyzed the globalization increase of New Mexican emerging multinational enterprises. Vargas Hernández reviewed literature about the theoretical perspectives, explaining the emergence of the globalization phenomena of Mexican multinationals. Vargas Hernández then analyzed the enterprises' globalization strategies, implementations, and their performance; thus, profiles of enterprises were examined. Vargas Hernández concluded that the Mexican enterprises who survived the process of *creative destruction* (p.1) were transformed into sustainable, innovative enterprises capable of fending off new, future challenges.

Researchers also focused on globalization strategies of rising Asian developing countries (Chang, 2011). Chang examined 115 international companies from different industries from Hong Kong, South Korea, Taiwan, and Singapore from 2003 until 2006. Chang attempted quantitatively to understand how did specific factors changed because of the globalization strategies of the selected Asian companies. The factors were company performance, degree of internationalization, global market growth rate, domestic growth rate, R&D investment, size, debt ratio, and new plant and equipment. Chang found that global market growth rate, domestic growth rate, and investment in R& D were the most important factors for the selection of foreign countries and the success of the globalization strategy.

Javalgi and Todd (2011) examined 150 Indian SMEs from different industries and found that their entrepreneurial orientation, management commitment, and human capital were positively related to their degree of internationalization. Javalgi and Todd also supported Johanson and Vahlne's (1990) findings that knowledge and experience in globalization were factors in predicting the degree of a company's internationalization. Javalgi and Todd concluded that Indian SMEs should invest in fostering a culture of knowledge sharing and entrepreneurship to succeed in their globalization strategies.

Different models evolved and were established to explore the globalization process of retail SME brands from emerging countries. Yeoh (2011) analyzed the globalization strategies of two Indian pharmaceutical companies. Using the *Ownership, Location, and Internationalization* (OLI) framework, the Uppsala model, and the accelerated internationalization perspective, Yeoh investigated three questions. First:

How are the two companies' competitive advantages affected the country selection? Second: How do the globalization reasons of seeking new resources, new markets, better efficiency, and implementing strategic vision differ between the two companies in their country selection? Third: How do the patterns of globalization for the two companies differ from each other?

Yeoh (2011) used a longitudinal case-study approach and secondary research to understand the globalization pattern of the two companies. Yeoh argued that the globalization process of the two companies could be understood by mainstream internationalization models (Yeoh, 2011). Yeoh reported that each company's existing knowledge in the early stages of globalization affected the company's initial globalization efforts. However, the emerging internationalization models, such as the *Linkage-Leverage-Learning* (LLL) framework and accelerated internationalization, were more effective in describing narrative knowledge flows in each company's later stages of globalization (Yeoh, 2011).

Karabulut (2013) used a mixed method study to examine 267 Turkish SMEs in terms of the characteristics of the SME, the SME's entrepreneur, and the globalization process. Karabulut found that the selected Turkish companies follow the Uppsala model of gradual globalization. Karabulut argued that the selected Turkish companies could succeed faster in their globalization strategies if they would invest in foreign business alliances and increase their knowledge about foreign markets. Furthermore, Loo and Hackley (2013) found through their case study of 32 Malaysian fashion brands that

business knowledge, location, language, networks and management systems were important for successful globalization strategy.

Bouges (2013) used the Uppsala model theme to conduct a case study to investigate the successful globalization strategy of three Saudi family business leaders. The interviews focused on (a) the features of family businesses to succeed in its globalization strategy, (b) the features of target foreign markets for a globalization strategy, and (c) the features of suitable internationalization opportunities for a globalization strategy. Bouges found that Saudi family business leaders should have a planned globalization strategy, financial and human resources, a strong governance systems, and globally-competitive products.

Bouges (2013) concluded that Saudi family business leaders should target foreign markets that are stable, hospitable to foreign investors, and protected by strong governance and regulations. Furthermore, Bouges found that international opportunities should have close psychic distance to Saudi Arabia. In addition, family business leaders should establish business connections and the companies' products should be timely and in demand in the targeted foreign markets.

In summary, knowledge of foreign markets and capabilities of the brands seem to be the predominant factors to consider in selecting a globalization strategy. However, a need existed for research about the options to find the factors that support globalization success and select the suitable target countries for expansion for a Saudi SME in the jewelry retail market. Business leaders and researchers could use the results of this study

to understand the most significant factors in successful globalization processes for a Saudi jewelry SME retail brand.

Transition and Summary

This first section of the doctoral study presented the foundation of the study and included the problem statement, the purpose statement, the nature of the study, the research questions and hypotheses, and a review of professional and academic literature. I investigated the key factors of economic attraction features of target foreign countries for affecting a successful globalization strategy. I used the literature review to reveal the need for a quantitative study to test the research questions under study, and the questions were designed to identify the globalization success factors in selecting suitable target countries for globalization. The findings of this study could be applied on the S.A. SME jewelry branded sector, to facilitate the development of the globalization strategy decisions for S.A. local SME jewelry leaders. I outlined in Section 2 the selected methodology for this study and the procedure that I implemented for data collection and analysis.

Section 2: The Project

In this quantitative correlational study, I examined the potential factors that support globalization in the Saudi jewelry retail sector. The research plan was to gather data on the globalization process of a selected U.S.-based global jewelry company from 1972 to 2009. I utilized the data to learn whether or not the attraction features of the target countries were important when compared with the actual historical country preference order of entry in the globalization process by the U.S. company's management. The process and findings could be generalized for other countries similar to S A. I outlined in this section the methods that I used for the study.

Purpose Statement

The purpose of this quantitative correlational study using discriminant analysis was to examine countries' economic attraction features within the context of the globalization strategy of a leading U.S. global jewelry company that could facilitate the implementation of a successful globalization strategy for one or more local Saudi jewelry SME retail companies. Saudi jewelry business leaders could use the findings of the study to facilitate their efforts in selecting a globalization strategy. I designed the quantitative correlational study to utilize the Uppsala model, build on past quantitative studies, and utilize publically available data from a leading U.S. company's globalization process to answer the research questions that guide this study (Singh, 2011; United States Securities and Exchange Commission, 2012; Uniworld Publications Inc., 2012).

I combined the quantitative study with the Uppsala model to examine a U.S. company that was, at the time of this research, one of the world’s largest companies in

the jewelry market (United States Securities and Exchange Commission, 2012). I identified all foreign countries the selected U.S. company entered using Uniworld's Directory of American firms operating in foreign countries (Uniworld Publications Inc., 2012). I excluded franchisees, representatives, and noncommercial entities. I used the study data to identify which, if any, economic factors were significant in identifying target markets as attractive to the U.S. company in their efforts to globalize in new markets.

The independent predictor variables were *the economic attraction of target countries, language knowledge, geographic distance,* and *cultural distance.* I measured *the economic attraction of target countries* according to *dimension, prosperity,* and *accessibility* (Couto & Tiago, 2009). I measured dimension by the GDP, prosperity by the GDP PC, and accessibility by the population density (Couto & Tiago, 2009; Singh, 2011). Other independent predictor variables included geographic distances and cultural differences between each brand's country and targeted countries (Couto & Tiago, 2009; Singh, 2011).

The dependent grouping variable was the historical, chronological entry preference grouping (first third, middle third, and last third) for a foreign country for globalization. I reviewed a U.S. company's globalization historical order of entry in foreign countries from 1972 to 2009, using consecutive editions of the Uniworld Directory (Uniworld Publications Inc., 2012). I categorized the countries in three groups according to the order-of-entry in each country. The first group represented the period

from 1972 until 1989, the second group represented the period from 1990 until 1999, and the third group represented the period from 2000 until 2009.

Theoretical Considerations

According to Alexander (2014), researchers use the theory of positivism as a philosophy in their research to influence business behaviors of corporations and individuals. Alexander argued that researchers use positivism in their research to learn about human events in the areas of removing barriers to business growth and development. Couto and Tiago (2009) and Singh (2011) relied on the theory of positivism to chart the course of business expansion in their Uppsala modeling. From the point of view of contemporary positivists, the use of scientific methods to uncover the ramifications of international business globalization in the modern era builds on the works of Couto and Tiago and Singh. It also seeks to align modern business growth development in globalization with circumstances of countries in which the globalizing businesses exist vis-a-vis those of the countries to which the businesses are expanding.

I verified the sequence of date of entry in each country by the U.S. company from reliable sources (United States Securities and Exchange Commission, 2012; Uniworld Publications Inc., 2012). The Uppsala model and past research were the components of the study's theoretical framework (Couto & Tiago, 2009; Eren-Erdogmus et al., 2010; Singh, 2011). I catalyzed positive social and economic change in the Saudi retail economy. I used the order-of-entry modeling process in assisting entrepreneurs with successful retail jewelry and luxury goods brands in S.A. to globalize and thereby create jobs and contribute to the Saudi economy.

Role of the Researcher

My role was limited to selecting the U.S. jewelry company, collecting the data, identifying and conducting the statistical tests, monitoring and analyzing the results, reporting the findings and implications, and validating the data and model findings. I used public data from the U.S. company's available public information (United States Securities and Exchange Commission, 2012; Uniworld Publications Inc., 2012) to accumulate a full understanding of the historical preinternationalization and postinternationalization public data for the company from 1972 to 2009. I also used periodicals such as *Business Week* and *Barron's* to validate the data.

Furthermore, I used reliable and credible sources such as World Development Indicators to collect the data required from each target country (The World Bank, 2012). My relationship with the topic arises from having worked in jewelry markets around the world. However, I do not have any relationship with the selected U.S. company in this study. I selected the company through a search of the New York Stock Exchange and other relevant sources to determine which company met the study's criteria.

Participants

I used a public U.S.-based, global branded jewelry retail company as the focus of this study because of five reasons. The reasons were (a) scarcity of knowledge about the S.A. jewelry industry, (b) scarcity of research about globalization processes of local brands from developing countries because only a few SME or born-global brands from developing countries have experienced globalization, (c) more accessible data that could be gathered about a U.S. publicly-listed company, and (d) scarcity of large U.S. global

jewelry retail companies in the world (Eren-Erdogmus et al., 2010; Pham, 2009; United States Securities and Exchange Commission, 2012).

The data included six attraction features for each of 25 countries that were entered by the U.S. company, to constitute a data set of 150 items. Although the U.S. company had franchises and agencies in many other countries, I selected countries in which the company had a fully-owned operation. I gathered data from public information provided through Uniworld Publications, Securities and Exchange databases, and reports and public information to document their globalization during the period of 1972 to 2009 (United States Securities and Exchange Commission, 2012; Uniworld Publications Inc., 2012). I used a quantitative correlational methodology. I examined the potential factors that supported the U.S. company's globalization strategy from the company's financial reports and disclosed information.

I selected purposeful homogeneous sampling for this study to facilitate the use of the desired type and size of organization for the study (Punch, 2013). An investigation of a phenomenon occurring within an echelon that only few companies attain does not require mass participation. Furthermore, some companies that achieve that level of success and fame may not possess all the attributes necessary for a successful investigation of the phenomenon.

Research Method and Design

I used the quantitative correlational study to examine the relationship of economic attraction features among target countries on the U.S. company's globalization process. S.A. jewelry SME leaders could use the findings of the study to enhance profitability for

their companies by transforming a successful local Saudi SME jewelry brands to global brands by using well-defined qualifications and parameters to guide their efforts (Punch, 2014). I planned the quantitative study to follow a scientific method to enhance the business decision-making process of the study (Punch, 2013). Quantitative researchers implement the method by the use of five steps: (a) framing the problem, (b) developing the hypotheses and questions to be tested or answered, (c) accumulating and testing data, (d) interpreting results, and (e) making decisions (Punch, 2013). The method was (a) conservative, (b) objective, (c) efficient, and (d) effective (Punch, 2013).

Method

I used quantitative methodology to make the appropriate adjustments in the analysis to compensate for the assumptions that the participants' depth of knowledge, experience, and a large sample number would be required in empiricism and social constructivism concepts. Other considerations were the apparent scarcity of the number of globalized brands in developing countries, and the lack of existing quantitative research supporting the efforts of developing countries to globalize (Eren-Erdogmus et al., 2010; Pham, 2008). In addition, a lack of experience existed on the part of managers who consider the globalization of their brands (A. Fakeih, personal communication, December 18, 2009).

Quantitative research is useful in providing an opportunity for broad research that would encompass industries, markets, or geographies (Rosas & Kane, 2011). For this reason, the quantitative research method was appropriate for the study. Qualitative research often requires in-depth investigations with many participants, especially for

interviews (Rosas & Kane, 2011). Therefore, a qualitative methodology would not have been applicable to this research because of the lack of experienced and knowledgeable participants from S.A. Mixed methods research would not have been inapplicable because of the qualitative component within the method. Considering the above features of research methods, the quantitative method possesses the features that were necessary for an effective execution of this research.

Research Design

I used a correlational design with discriminant analysis in this study. Researchers use discriminant analysis to classify individuals into groups on the basis of one or more measures, or to distinguish groups based on a linear combination of measures (StatSoft, 2013). I examined the relationship between the independent predictor variables of countries' economic attractions and the dependent grouping variable distinguishing among three order-of-entry groups. I used six measures of countries' attraction features as the values of the six independent predictor variables to develop a discriminant function that determined which, if any, of the independent predictor variables may be used to predict grouping date of entry preference. The dependent grouping variable distinguished among the three order-of-entry groups according to the date range of entry in each foreign country between 1972 and 2009.

Other potential quantitative designs include a preexperimental design, a true-experimental, a single-subject design, and a quasiexperimental study, which includes a control and an experimental group of participants, but participants are not randomly assigned to groups (Punch, 2013). In a preexperimental design, a single group is studied,

and an intervention is provided during the study (Punch, 2013). In a true-experimental design, the participants are randomly assigned to treatment and control groups (Punch, 2013). In a single-subject design, the researcher observes the behavior of participants over time (Punch, 2013). I selected a correlational design for this study because of the need for purposeful homogeneous sampling and my reliance on publically available information about the company under study.

I based this study on the Uppsala model and the internationalization process's gradual penetration in foreign countries described by Johanson and Vahlne (1977). Researchers and business leaders have recognized the Uppsala model as an optimum quantitative model for globalization since 1990 (Couto & Tiago, 2009; Eren-Erdogmus et al., 2010; Singh, 2011). Johanson and Vahlne (1977) developed the Uppsala model to reflect how the speed of the globalization process of a company is based on the accumulated historical experience that is gathered from entering foreign countries.

Singh (2011) used public data of global U.S.-based service and manufacturing industries to test the application of the Uppsala model as a determinant of country preference for globalization based on the target countries' attraction features and strengths. I used a similar method to examine a leading U.S. international jewelry company in the luxury goods market and its internationalization efforts from 1972 to 2009 from Uniworld, databases and reports from the Securities and Exchange Commission, and several other reliable sources (United States Securities and Exchange Commission, 2012; Uniworld Publications Inc., 2012).

I examined the degree to which the target countries' economic features predict the grouping of entered countries according to their order of entry by the U.S. jewelry company. I defined the values of the independent predictor variables as the economic attraction features of the target countries according to dimension, prosperity, and accessibility (Couto & Tiago, 2009; Singh, 2011). I measured dimension using the GDP, prosperity using the GDP PC, and accessibility using the population density (Singh, 2011). Other independent predictor variables included geographic, cultural, and economic differences between each brand's original country and target foreign countries (Couto & Tiago, 2009; Singh, 2011).

The set of data for the dependent grouping variable distinguished among three preference groups of the 25 foreign countries according to the date of entry by a leading U.S. jewelry company. The first preference group represented the countries entered by the U.S. company between 1972 and 1989. The second preference group represented the period between 1990 and 1999. The third preference group represented the period between 2000 and 2009. I used public sources of databases and reports of the selected U.S. company and the 25 countries, which the U.S. company's leaders had chosen to enter (United States Securities and Exchange Commission, 2012; Uniworld Publications Inc., 2012).

Population and Sampling

I selected purposeful homogeneous sampling for this study to facilitate the use of the desired type and size of company for the study. I used only one U.S.-based, global branded jewelry retail company because of the lack of research about globalization

process from developing countries and the scarcity of global brands in the jewelry market (Eren-Erdogmus et al., 2010; Pham, 2009; United States Securities and Exchange Commission, 2012). Based on Couto and Tiago's (2009) selection criteria, I used five criteria for selecting the study's U.S. jewelry company among 33 publicly traded jewelry companies in the New York's stock exchange (United States Securities and Exchange Commission, 2012).

First, I limited the company to the jewelry retail industry. Second, the company should have operated globally in at least one other foreign country so the study could benefit from each company's entry experience (Couto & Tiago, 2009). Third, I restricted the selection of the company to U.S. public companies in order to access their public information easily (United States Securities and Exchange Commission, 2012; Uniworld Publications Inc., 2012). Fourth, I designed the study to focus on a company that was profitable (Couto & Tiago, 2009). Fifth, I selected a company that had survived for decades, holding leading market share positions in markets around the world and has not failed or otherwise withdrawn from any international foreign market that it has entered (Couto & Tiago, 2009).

The data included six attraction features for each of 25 countries that were entered by the U.S. company, to constitute a data set of 150 items. I used the 150 items to perform a quantitative methodology with a correlational design using discriminant analysis. Researchers and business leaders could use the study to generalize its findings for a branded jewelry retail local company from S.A. and other developing countries.

Ethical Research

Because individuals were not interviewed, nor were they given survey questionnaires for completion, the study did not require consent forms, incentives, or processes for assuring anonymity or data confidentiality. The company under study had publicly disclosed the needed information pertaining to its organization for the study; thus the global business and academic community may use the company's information. Therefore, the issue of participants withdrawing from the research also did not apply. I did not provide incentives to the company or its representatives because contacts were not established between me and the company or its agents.

I maintained data pertaining to this research on a compact disc, in my personal safe box. I will destroy the disc after 5 years to protect the identity the company, even though no negative effects were anticipated as a result of this study. The company's name will be identified in the study and archived data as *the U.S. company* for the benefit of the reading public.

I did not use a specific intermediate specialized organization to collect data from the company. Instead, I used publicly disclosed data. Therefore, the need to deploy an agreement did not arise, and I did not need to obtain a permission agreement from the company. I conducted the research under the IRB approval from Walden University (approval # 01-03-14-0198953).

Data Collection

Instruments

I conducted secondary research using the tool *Globalization Trail and Search Protocol* to collect data from different web sites, and to gather the numerical values for the needed measures of the variables in the quantitative model. I identified all foreign countries entered by the U.S.-based company under study with dates of entry by the U.S. company through Uniworld's *Directory of American Firms Operating in Foreign Countries* (Uniworld Publications Inc., 2012). I also used the disclosed information reported by the company in the U.S. Securities and Exchange Commission reports (United States Securities and Exchange Commission, 2012), removing franchisees and representatives from the population sample because I was interested in investigating the fully-owned operations of the company in foreign countries.

The collected data pertained to the dependent grouping variable and the independent predictor variables. I used the dependent grouping variable to distinguish among the three order-of-entry preference groups. The first preference group was between 1972 and 1989. The second preference group was between 1990 and 1999. The third preference group was between 2000 and 2009. The independent predictor variables were the competitive target countries' demographic and economic features. The competitive target countries' features constituted the data that were explained below with associated explanations of data collection.

Competitive target countries' features. The economic features for countries were divided into economic attractions, language knowledge, geographic distance, and

cultural distance (Couto & Tiago, 2009; Singh, 2011). Economic attractions were based on dimension, prosperity, and accessibility (Couto & Tiago, 2009). I defined dimension as the size of the countries' economies, which is essential for an expansive brand, and was measured by GDP for each country (Couto & Tiago, 2009). Prosperity was based on the purchasing power of the countries' citizens, which was measured by the GDP PC (Couto & Tiago, 2009; Sigh, 2011). Data for GDP was adjusted for inflation within each country and converted to 2011 U.S. dollar numbers. Accessibility referred to the population density in concentrated areas or cities, which facilitates marketing efforts for brands (Couto & Tiago, 2009; Singh, 2011).

I based the cultural distance variable on Geert-Hofstede's (2012) country index measures. Professor Hofstede developed a comprehensive indices, which is recognized as the best measure to evaluate cultures among countries (Couto & Tiago, 2009; Singh, 2011). Hofstede assigned measurements for each country's psychic distance, according to different criteria. Psychic distance was defined as the recognized differences between a company's home country and the country's host country in the globalization process (Sousa & Lages, 2011). The differences included culture, language, and level of development (Sousa & Lages, 2011). According to Geert-Hofstede (2012), cultural distance could be measured by four components. The four components were (a) individualism, (b) uncertainty avoidance, (c) power distance, and (d) masculinity.

The measure of Hofstede's *individualism* referred to the preference of the individual in a culture to prioritize her/his need before the collective need of the society. The opposite of individualism was *collectivism*, in which individuals would promote

loyalty for others while expecting their relatives and others to care for them in time of need. *Uncertainty avoidance* measured the ease of a culture toward ambiguity and future uncertainty. A high uncertainty avoidance measure revealed strong and fixed cultural beliefs in norms and traditions. By contrast, a low uncertainty avoidance measure indicated flexible and tolerant attitudes toward ideas and change.

The measure of *power distance* referred to the equality of the distribution of rights and powers among the people of a certain culture. The higher the measure, the more rights that would be given, and justice would prevail as a code of conduct within a society. The *masculinity* measure was related to the perception of a culture toward successful and heroic achievers. The higher the masculinity measure, the more competitive the culture would be. By contrast, *femininity* referred to the acceptance of a culture to value modesty, cooperation, and empathy for the needy.

Couto and Tiago (2009) and Singh (2011) considered geographic distance a significant factor in the gradual internationalization process. The geographic distance was measured by the distance in kilometers between each brand's original country's capital and the target country's capital (Couto & Tiago, 2009; Singh, 2011).

I presented cultural knowledge using the single variable of language (Couto & Tiago, 2009; Singh, 2011). Furthermore, I considered the historical penetration of another country of the same language of the target country as an indication of cultural awareness of the target country. The variable of language could have one of two values: the value of 1 if the brand would originate from the home country with the same language as the target country, and the value of 0 otherwise (Couto & Tiago, 2009; Singh, 2011).

I used the data sheet instrument without the infrastructure factor and tables developed by Couto and Tiago (2009) and Singh (2011), which were summarized in Table 1, to develop values for the predictor independent variables for each candidate country. The Expected Sign in the table represented the expected type of effect of the measure on the preferential grouping of a target country in the globalization strategy.

Table 1

Factors, Their Corresponding Variables, and Six Measures in the Model

Factors	Variables	Measures	Expected sign
Economic attraction			
Prosperity	Gross Domestic Product (GDP)	Target country GDP	Negative
Accessibility	GDP per capita (GDP PC)	Target country GDP PC	Negative
Dimensions	Population density	Target country population density	Negative
Language knowledge			
	Language knowledge	Experience in a past country with the same language (1). No experience in a past country with the same language (0)	Negative
Geographic distance			
	Geographic distance	Distance between countries' capitals in Kilometers	Positive
Country of origin natural culture			
	Hofstede country index	Hofstede index based on individualism, uncertainty avoidance, power distance, and masculinity	N/A

Note. Adapted from "The Internationalization Process of Fashion Retailers," by Couto and Tiago, 2009, *The Business Review, 13*(1), pp. 278-286.

Data Collection Technique

I collected data for each country from multiple sources including *World Development Indicators* (The World Bank, 2012). Data for the U.S. company from Uniworld's *Directory of American Firms Operating in Foreign Countries* database and other reliable databases (United States Securities and Exchange Commission, 2012; Uniworld Publications Inc., 2012). I used prior research in the development of the Uppsala model and determining the independent and dependent variables (Couto &

Tiago, 2009, Singh, 2011). I based my analysis on historical preinternationalization and postinternationalization public data for the selected U.S. company from 1972 to 2009. Data consisted of years of entry in each of the 25 countries and economic and cultural information for each country. Economic and cultural data consisted of GDP for each country, GDP PC, population density, language, geographic distance, and Hofstede index. A pilot study was not necessary because I utilized only archival data.

Data Organization Techniques

I organized data in tables according to the analysis of the different categories of variables. The dependent grouping variable's value was 1, 2, or 3, reflecting the date range of the three actual historical country preference groups. The independent predictor variables' values were the economic values for each country the U.S. jewelry company decided to enter. Using the described structure, keeping track of data and emerging understandings were accomplished through sequential recording in tables and saving the emerging data. The data tables served as logs with which to provide the foundation for the analysis of pertinent data. I also used the tables to enable me to stay within the framework, to prevent any inadvertent data entry errors. Furthermore, I have locked the research and results of the study in a compact disc, in my personal safe box, for the next 5 years and then will destroy the disc to protect the identity the company.

Data Analysis Technique

Because of the nature of this study, interview questions were not required. I calculated the overall classification into groups for each country in terms of chronological date of entry in one data set. I classified the countries among three groups and referred to

them as *country grouping order-of-entry preference 1*, *country grouping order-of-entry preference 2*, and *country grouping order-of-entry preference 3*. The dependent grouping variable distinguished among the three groups according to date of entry for each country. I conducted discriminant analysis, which included grouping data for the dependent variables and economic data for the independent predictor variables. The independent predictor variables constituted the six different measures of the psychic distance described in Table 1. The six measures for each country were countries' (a) dimension, (b) prosperity, (c) accessibility, (d) language knowledge, (e) geographic distance, and (f) cultural distance.

I divided economic attractions into (a) prosperity, (b) acceptability, and (c) dimensions, measured by GDP, GDP PC, and population density, respectively. I used Hofstede's uncertainty avoidance measure described in Table 1 in calculating cultural distance. Moreover, I used language as a variable in this study to determine if the first language of a foreign country is the English language or not. Because the company in this study was a U.S. company, the globalization process would be facilitated in a foreign country if English is its first language. I measured geographic distance as the distance between the capitals of the two countries in kilometers.

Because of the nature of the study's premise, the assumption of normality and independence were crucial considerations. There were three main assumptions related to the significance tests for the underlying discriminant analysis. The first assumption was that the independent variables should be normally distributed in which each variable was

normally distributed ignoring other variables. Furthermore, each variable should be normally distributed at all combinations of other variables'

The second assumption was that the variances and covariances among the dependent variables were equal. If the variances and covariances were unequal, the *p* values produced invalid results. I tested the assumption of homogeneity of the variance-covariance matrices using Box' *M* statistic. The third assumption was related to the randomness of the selection of participants and the independence of variables, in which the measure of each variable was independent of the measure of another variable.

I conducted discriminant analysis to test if continuous independent predictor variables of 25 target countries' economic attraction features, which were represented by six measures, could be used to predict group membership of the dependent variable of historical countries' preference. I distinguished among three groups in the dependent variable of the historical country preference according to the date of entry in each of the 25 foreign countries by the U.S. company. The variables in the data set were presented in Table 2.

Table 2

Variables in Discriminant Analysis

Variables	Definition
Independent variables:	
gdp	Gross Domestic Product of the target country
gdp_capita	Gross Domestic Product per Capita of the target country
pop_dens	Population density of the target country
lang_know	Experience in a past country with same language(1), No experience in a past country with same language(0)
geog_dist	Distance between countries' capitals in Kilometers
hofstede	Hofstede country index
Dependent Variable: count_categ	Countries classified into one of three preference categories based on order-of-entry: 1 = Countries entered between 1972 and 1989 2 = Countries entered between 1990 and 1999 3 = Countries entered between 2000 and 2009

I collected data for analysis from Uniworld's *Directory of American Firms Operating in Foreign Countries* database (Uniworld Publications Inc., 2012), the public domain, and data that were publically available from the selected U.S. company (United States Securities and Exchange Commission, 2012). Data analysis included the level of significance (*p*) between each selected factor and the country preference grouping according to order of entry (Green & Salkind, 2008). I utilized SPSS software to analyze the data by developing discriminant functions to examine the degree to which the scores

of the economic and cultural features of target countries could predict the preference of countries.

The results included an explanation and analyses for the findings addressing the principal research question and the derivative hypotheses for this study. The analysis included charts and graphs of the descriptive statistics as well as the *F* test, and the *p* value, the Eigenvalue, and the Wilks's lambda (λ; Green & Salkind, 2008). I transformed each set of data for countries' measures in the SPSS software without any modifications or partial deletion (Green & Salkind, 2008). Furthermore, I analyzed the results of the original analysis to understand the strength of significance effect of each variable in the model.

I used significance tests to determine how many discriminant functions should be interpreted. I conducted follow-up significance tests to evaluate strength-of-relationship statistics. Other follow-up tests included computing coefficients for the discriminant functions, group centroids, group classification, and Kappa to assess classification accuracy. I used the results of the tests to answer the research question and hypotheses of the study in investigating the importance of each measure in the grouping order-of-entry in the globalization process. Brand managers in S.A. could use the findings of this study to understand and prioritize the most significant factors with measures for each foreign country, and apply the results in the globalization process for S.A. retail jewelry brands

Reliability and Validity

Reliability refers to the consistency of the data sampling, collection, analysis, and findings through research and over time, which decreases the proportion of expected data

loss to arrive at decisions (Punch, 2013). Validity refers to the accuracy, meaningfulness, and usefulness of the research findings (Punch, 2013). Reliability and validity could be established in quantitative research by testing the data for reliability, construct validity, and internal and external validity (Punch, 2013).

Reliability

I performed the following procedures to support the reliability of the study: (a) the introduction of a full account of ideas in every research phase such as the detailed description of data collection sources, (b) establishing a protocol in conducting the tests, in which I based the foundation of every test on the results prior tests, (c) abiding by predefined codes such as the use of different codes for each measure term, and (d) recording all information gathered periodically (Punch, 2013).

Validity

There are two types of validity threats in a quantitative study: internal and external (Punch, 2013). Threats to internal validity include time relevancy, which affects data suitability and participant maturity, regression irregularities, sampling selection, and inconsistency in instrumentation (Punch, 2013). Time relevancy and participant maturity might be relevant because the independent predictor variables depended on the economic attractions of each country, which could change over time.

Threats to external validity were assumed to include the inflexibility of the research findings for generalization to other industries, regions around the world, and different global economic circumstances (Punch, 2013). Generalization might not have been be achieved in later years because of the global economic crisis in 2009, which

might reflect different readings and relationship than normal years. As a result, I use in my research the period from 1972 to 2009, which is prior to the start of the global economic crisis. However, leaders of companies who have made analogous decisions for internalization of their companies' brands could use the overall modeling process with current economic data in their brands' internationalization process.

Transition and Summary

I offered in Section 2 a review of the purpose of the study, defined the quantitative methodology of the study, and provided a detailed description of the correlational design. Moreover, I presented descriptions of the rationale for choosing the U.S. jewelry company, population, data collection, and analyses. I explained the envisioned use of discriminant analysis for the correlational design. Section 2 concluded with a discussion of the processes for ensuring the study's reliability and validity. In Section 3, I used the collection of the data and the data analysis to provide the findings and recommendations of the study.

Section 3: Application to Professional Practice and Implications for Change

I described in Section 3 the process of the study, the results of my research, the application of the findings to professional practice, and the implications of these findings for social change. I also included recommendations for action and scope for future studies, and I concluded with my reflections about the research process.

Overview of Study

The purpose of this quantitative correlational study using discriminant analysis was to examine specific countries' economic attraction features in the historical globalization strategy of a leading U.S. global jewelry company. The findings could facilitate the implementation of a successful globalization strategy for a local Saudi jewelry SME retail company. I applied the Uppsala model to a U.S.-based global jewelry company to examine the relative importance and influence of the target countries' attraction features on the globalization process.

I investigated the effects of six independent predictor variables of 25 target countries' economic attractions on the dependent grouping variable, which distinguished among three order-of-entry groups according to the U.S. company's date of entry in each country between 1972 and 2009. I considered six countries' attraction features for the analyses: (a) the countries' dimension, (b) prosperity, (c) accessibility, (d) language knowledge, (e) geographic distance, and (f) cultural distance. I considered these attraction features for each country for globalization as the discriminating or predictor variables.

Accessibility (*Acc*): Acc is the population density in concentrated areas or cities (Couto & Tiago, 2009; Singh, 2011).

Cultural distance (*CD*): I used the Hofstede index to calculate CD from a formula that included four components: *individualism* (*IND*), *uncertainty avoidance* (*UA*), *power distance* (*PD*), and *masculinity* (*MAS*; Couto & Tiago, 2009; Geert-Hofstede, 2012; Singh, 2011). I used Geert-Hofstede's (2012) website to find the value of Hosfstede's country index, which included the valuation of each measure of individualism, uncertainty avoidance, power distance and masculinity.

Dimension (*Dim*): Dim is the size of a country's economy measured by GDP (Couto & Tiago, 2009; Singh, 2011).

Geographic distance (*GD*): GD is the distance in kilometers between each brand's original country's capital and the target country's capital (Couto & Tiago, 2009; Singh, 2011).

Language knowledge (*LK*): If the managers of the U.S. company expanded the company in the past in a new foreign country in which its citizens use the English language as their first language, the score of this measure would be equal to 0; otherwise the score would be equal to 1 (Couto & Tiago, 2009; Sousa & Lages, 2011).

Prosperity (*Pr*): Pr is the purchasing power of each country's citizens measured by the GDP PC (Couto & Tiago, 2009; Singh, 2011).

I collected data for each country from multiple sources, including *The World Development Report* and *World Development Indicators* (The World Bank, 2012). I collected data for the U.S. company from Uniworld's *Directory of American Firms Operating in Foreign Countries* database and other reliable databases (United States Securities and Exchange Commission, 2012; Uniworld Publications Inc., 2012). I used

prior research in determining the independent and dependent variables (Couto & Tiago, 2009; Singh, 2011).

I conducted the analysis based on historical preinternationalization and postinternationalization public data for the selected U.S. company from 1972 to 2009. I categorized the countries that the U.S. company entered in three groups according to the order-of-entry in each country. The first group represented the period from 1972 to 1989, the second group represented the period from 1990 to 1999, and the third group represented the period from 2000 to 2009. The dependent grouping variable was the historical, chronological entry preference grouping (first third, middle third, and last third) for a foreign country for globalization. The independent predictor variables' values were economic values for each country the U.S. jewelry company decided to enter.

I used discriminant analysis to verify if the classification of the target countries into the three groups was correct. Thus, there was one main research question formulated for this study: Which target countries' economic attraction features should be considered in the globalization strategy of Saudi’s jewelry brands? Because of the limited disclosure of public data available from foreign jewelry companies, I limited this study to a single leading, publicly traded U.S. global jewelry company. As a result, I used a subordinate research question as a guide in the study and the analyses: What linear combinations of the independent predictor variables representing six economic attraction feature measures for each country could be used to predict the order- of-entry preference (first third, middle third, or last third)? Based on the research question, the null hypotheses statement was formulated as follows:

$H_0$1: The target countries' economic attraction features cannot be used to predict the historical country's group order of preference (first, second, or third) in the globalization process of a U.S. jewelry company.

I failed to reject the null hypothesis on the basis of statistical evidence displayed by Wilks's lambda (λ), Fischer's tests of significance, chi-square tests, and supporting *p* values. I failed to reject the null hypothesis because I found that only 47.6% of original grouped sizes were correctly classified. As a result of loading the predictor variables on the grouping of the countries entering, I found that except for the Hofstede index, no other variable had a significant role in the classification of the countries.

Presentation of the Findings

I performed statistical analyses on the data following the techniques described in Section 2. I used SPSS to perform the basic statistical tests on the independent variables, to conduct a discriminant analysis, and to present the graphical outputs of the data. I described in this section the results for each statistical test in sequence. I presented in Table 3 the data on six attraction features from countries entered by the company from 1837 on.

Table 3

List of All 25 Countries Entered

No.	Country	Year of Entry	GDP ($billion)* 1000	GDP per Capita ($billion)/ 1000	Population Density	Hofstede Index	Distance from Washington D.C. (KM)
1	USA	1837	1,024.80	25,509.52	22.39	.00	16,206.89
2	Japan	1972	312.74	17,834.51	231.83	.00	10,873.00
3	U.K.	1986	570.43	20,831.00	222.61	3.50	557.00
4	Germany	1987	1,256.26	23,287.76	163.63	1.50	6,341.00
5	Switzerland	1987	178.58	31,613.06	2.12	2.25	15,988.00
6	Australia	1994	325.86	24,727.16	127.78	.25	6,859.29
7	China (PRC)	1995	728.01	1,849.15	269.55	10.25	11,014.00
8	Guam	1995			5,907.97		12,805.00
9	Hong Kong (PRC)	1995	144.23	28,813.46	456.73	15.00	12,976.00
10	South Korea	1995	517.12	15,761.32	.00	9.25	11,078.00
11	Taiwan (ROC)	1995				12.50	12,549.00
12	U. A. E	1995	65.74	68,201.39	108.74	1.50	11,025.00
13	France	1999	1,456.43	27,395.54	69.60	7.25	5,852.00
14	Malaysia	2000	93.79	10,618.97	20.62	5.75	15,130.00
15	Italy	2000	1,104.01	27,717.07	193.61	1.50	6,908.00
16	Brazil	2001	553.58	7,898.11	3.42	1.75	7,659.00
17	Canada	2003	865.87	33,639.98	98.50	5.00	551.00
18	Austria	2006	324.95	34,688.34	348.35	6.00	6,814.00
19	Belgium	2007	459.62	33,529.87	18,061.04	12.25	59.50
20	Macau	2007	18.06	47,551.60	56.18		.00
21	Mexico	2007	1,035.93	12,415.32	6,650.14	5.75	3,358.00
22	Singapore	2007	168.43	49,952.29	63.24	22.25	15,349.00
23	Ireland	2008	263.65	39,674.73	91.33	9.50	5,129.00
24	Spain	2008	1,593.36	28,353.89	487.13	.75	5,783.00
25	Netherlands	2009	793.43	36,520.08	204.64	13.50	5,879.00

Note. Year of Entry data are adapted from "American Firms Operating in Foreign Countries," by Uniworld Business Publications, 2012, https://www.uniworldbp.com/search.php. GDP, GDP per Capita, Population Density, and Geographic Distance data are adapted from "World Development Indicators," by The World Bank, 2012, http://econ.worldbank.org. Hofstede Index data are adapted from "Geert Hofstede Cultural Dimensions" by Geert-Hofstede, 2012, http://www.geert-hofstede.com.

* Japan - entered in 1972, but GDP per capita & PPP available since 1980.

* USA started in 1837 - data are available since 1970.

Analysis of Outliers

The analysis of outliers varied depending on the type of variable. Initially, I had considered 25 countries for the analysis, as shown in Table 3. I removed Guam from the list of countries because I did not find sufficient data on GDP, GDP PC, and Hofstede index. Similarly, Taiwan (ROC) was removed because I could not find data on GDP, GDP PC, and population density from that country. I was also unable to calculate the Hofstede index of Macau. As a result, Macau was also removed from the list. In the end, 21 countries were selected for the analysis.

Figure 3 represents the GDP distribution among the three groups of countries. The 21 countries were grouped into three groups; Group 1, 2, and 3 are represented on the X axis. I plotted the values of the variable GDP on the Y axis. Examining the mean GDP values represented by a cross line inside each box indicated that Group 1 countries had a higher mean GDP, while Group 2 countries had the lowest mean GDP.

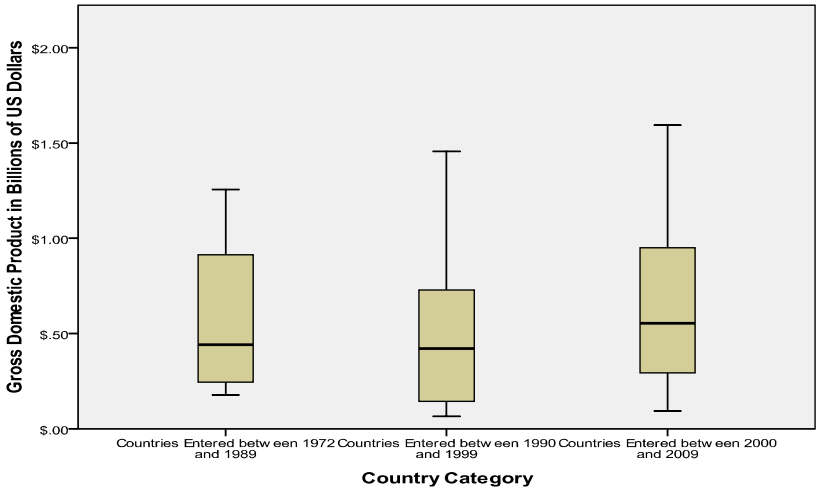

Figure 3. Box plot of GDP.

Figure 4 represents the box plot of GDP PC values. In the second group there was an outlier, 9, which was United Arab Emirates (UAE). Group 3 had the highest mean GDP PC. The mean value for Group 2 would have been much lower if I had removed UAE. However, I included UAE because I assumed UAE had many other favorable attraction features for its touristic attractions.

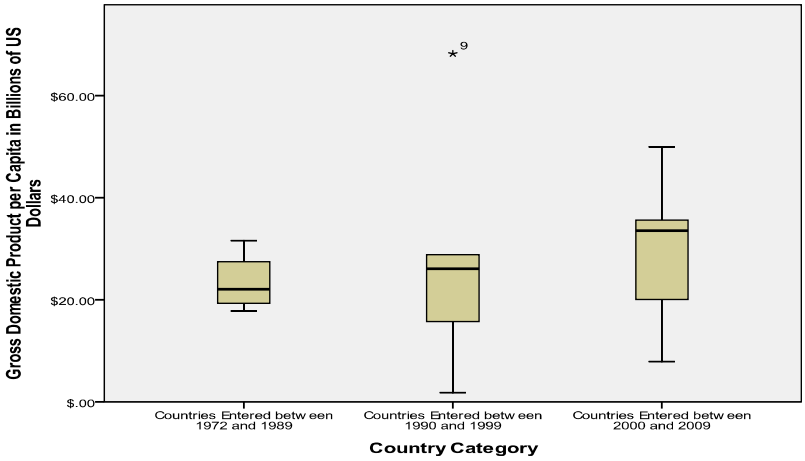

Figure 4. Box plot of GDP per capita.

Figure 5 depicts the box plot of population density. Country 7 (Hong Kong) in Group 2 and Country 18 (Singapore) in Group 3 had outlying population density values, as shown in Figure 5. However, I decided to include these two countries because population density is an important attraction feature.

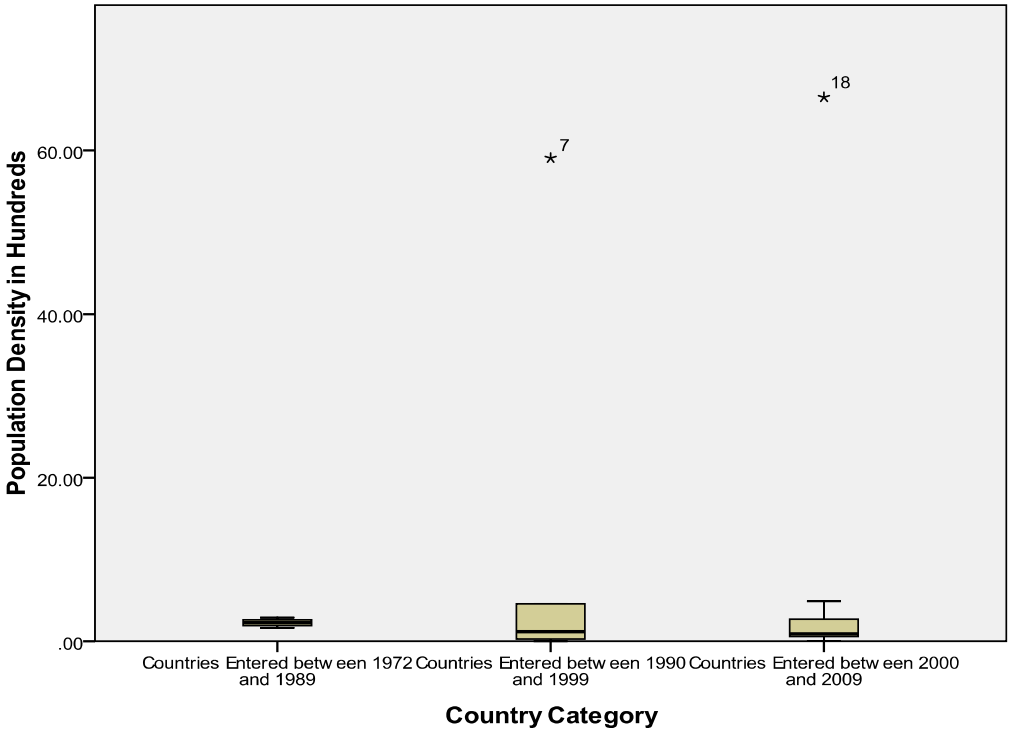

Figure 5. Box plot of population density.

Figure 6 depicts the box plot of the Hofstede index. The mean Hofstede index for Group 1 was the lowest. In Group 3, Country 18 (Singapore) was an outlier. Nevertheless, I included them in the study because of other favorable features.

Figure 7 represents geographic distance of first showroom cities in thousands of kilometers. In Groups 2 and 3, there were outlier values. The outliers were Country 5 (Australia) and Country 10 (France) in Group 2, and Country 11 (Malaysia), Country 18 (Singapore), and Country 14 (Canada) in Group 3. However, these countries were all included because of other favorable economic attraction features.

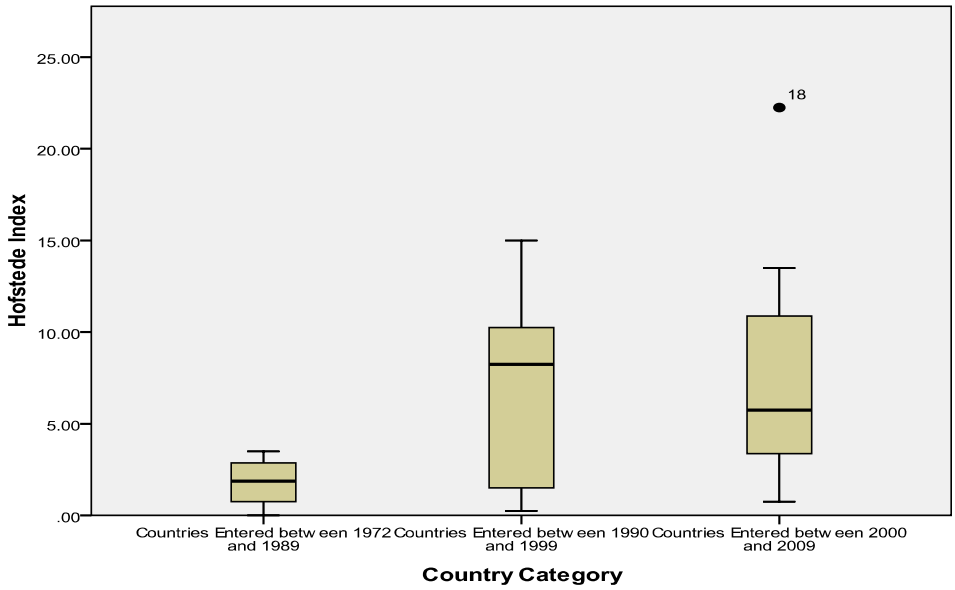

Figure 6. Box plot of Hofstede index.

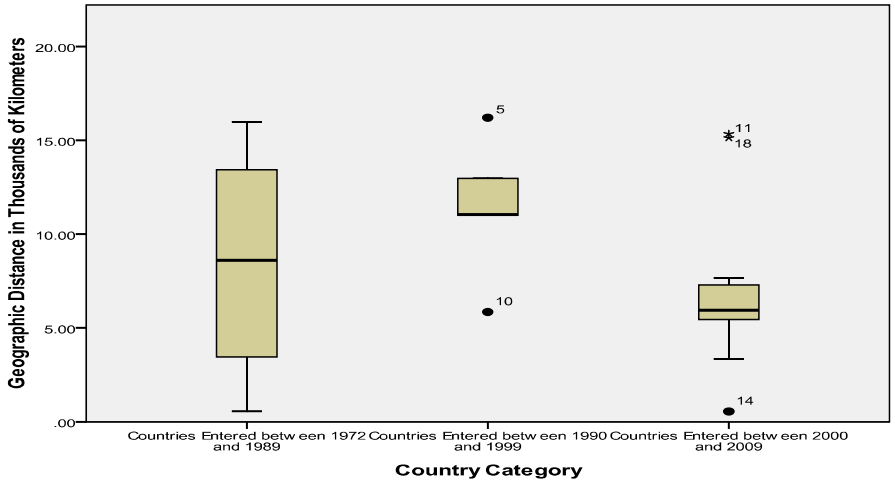

Figure 7. Box plot of geographical distance.

Exploratory Data Analysis

The purpose of the exploratory data analysis was to obtain the descriptive statistics that provide a richer understanding of the data spread and variability. The data spread and variability were related to the assumption of normality of the independent

variables. Therefore, I analyzed each variable separately by checking the normality of variables using the probability–probability (P-P) plots before getting the descriptive statistics. The most important condition for discriminant analysis is that all independent variables should be normally distributed. Figure 8 illustrates the P-P plots for predictor variables GDP, GDP per capita, population density, and Hofstede index. Normality testing was not required because language knowledge is a dichotomous variable with 0 or 1 values in the case of four countries in Group 1 (N_1 = 4), six countries in Group 2 (N_2 = 6), and 11 countries in Group 3 (N_3 = 11). For plotting the P-P plots, the scale factor was set at 1.00 and location factor was set at 0.00. In each case, the data points were in close proximity to the normality line; thus, I assumed normality of variables in all cases, and I verified that I had chosen the right variables for the discriminant analysis.

I had a small problem in the P-P plots of population density as shown in Figure 8, because I included Hong Kong and Singapore in the list of countries, although they were outliers in the population density data. If I had removed the population density values of these two countries, I would have gotten a normally distributed data set. However, I used the original data on population density including the data from Hong Kong and Singapore because population density is an important attraction feature in the globalization strategy for target countries.

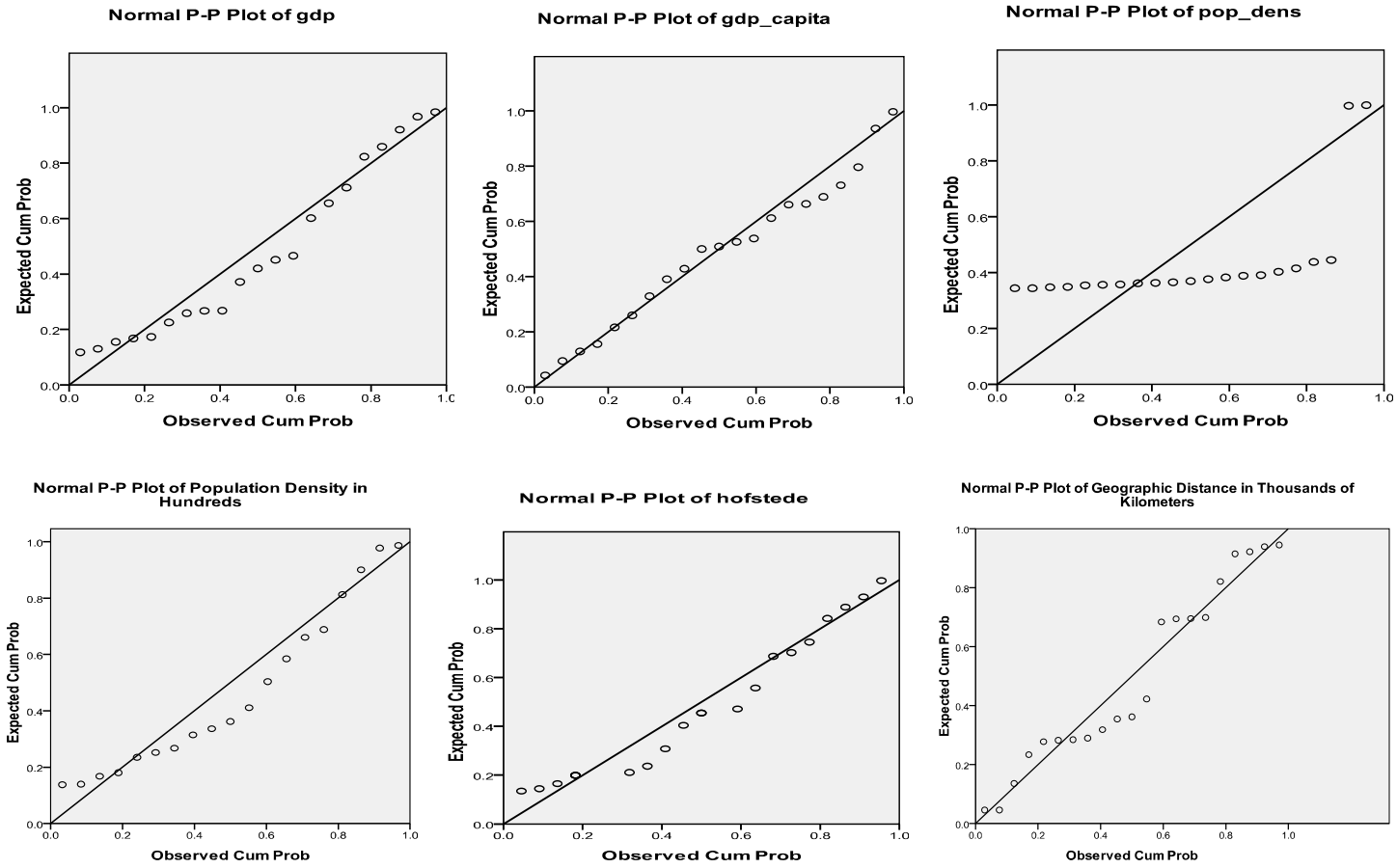

Figure 8. Normal P-P Normal P-P plots of predictor variables.

I computed the descriptive statistics for each independent variable as shown in Table 4. I included kurtosis because it measures peakedness of the probability distribution of a random variable. Kurtosis describes the shape of a probability distribution and its value varies from 1 to positive infinity (Doane & Seward 2011). Kurtosis is the degree of peakedness of a distribution, defined as a normalized form of the fourth central moment μ_4 of a distribution, and μ_2 is the second central moment, which equals the variance (Doane & Seward 2011). The reference standard is a normal distribution, which has a kurtosis of 3 (Doane & Seward 2011). As a result, often the excess kurtosis is presented: excess kurtosis is simply (kurtosis−3).

A normal distribution has a kurtosis equals to 3 and excess kurtosis equals to 0 (Doane & Seward 2011). Any distribution with kurtosis ≈ 3 (excess kurtosis ≈ 0) is called *mesokurtic* (Doane & Seward 2011). A distribution with kurtosis < 3 (excess kurtosis < 0) is called *platykurtic* (Doane & Seward 2011). Compared to a normal distribution, *platykurtic* distribution's central peak is lower and broader, and its tails are shorter and thinner (Doane & Seward 2011). A distribution with kurtosis > 3 (excess kurtosis > 0) is called *leptokurtic* (Doane & Seward 2011). Compared to a normal distribution, *leptokurtic* distribution's central peak is higher and sharper, and its tails are longer and fatter (Doane & Seward 2011).

Table 4

Descriptive Statistics of the Independent Variables

Descriptive Statistics									
	N	Mean	Std. Deviation	Variance	Skewness		Kurtosis		Ratio of Skewness to its Std Error values
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error	
gdp	21	$.6101	$.45862	.210	.781	.501	-.402	.972	1.56
gdp_capita	21	$27.3963	$14.81734	219.554	.815	.501	1.810	.972	1.63
pop_dens	21	7.4478	18.48877	341.834	2.966	.501	7.646	.972	5.92
lang_know	21	.5238	.51177	.262	-.103	.501	-2.211	.972	.21
geog_dist	21	8.5915	4.76318	22.688	.127	.501	-.848	.972	.25
hofstede	21	6.4167	5.81396	33.802	1.132	.501	1.167	.972	2.26
Valid N	21								

I found kurtosis values less than 3 for all cases, except population density, as shown in Table 4. The kurtosis value was high for population density because of the large variance in the population density data set. The high values of population density in Hong Kong and Singapore resulted in a high value of kurtosis (7.646). Therefore, the excess kurtosis of 4.646 (7.616 – 3) indicates a non-normal *leptokurtic* distribution.

Similarly, skewness provides insight into the distribution of data. Large values of skewness indicate a large variance (Doane & Seward 2011). I presented skewness values in Table 4. Skewness value, which is more than twice its standard error's value, is taken to indicate a departure from symmetry (Doane & Seward 2011). Thus, the ratio of skewness to its standard error can be used as a test of normality, so I can reject normality if the ratio is less than -2 or greater than +2 (Doane & Seward 2011). In Table 4, I have shown the ratios of skewness to standard error. For population density and the Hofstede

index, the ratios were 5.92 and 2.26 respectively, and hence these two variables did not follow normal distribution strictly. The variation from normality in the case of the Hofstede index was not significant. I have proved this by the normality plots shown in Figure 8.

The comparatively low values of kurtosis of less than 3 and skewness to standard error ratios in Table 4 indicated that the variances in these data were insignificant. As a result, I considered all variables as normal except population density and the Hofstede index. However, I decided to continue using population density and the Hofstede index in the model because of their assumed importance as key factors influencing purchasing power.

ANOVA and Correlational Analysis

An important prerequisite for discriminant analysis is that the predictor variables should not be highly correlated to each other (StatSoft, 2013). I used the bivariate correlations procedure in SPSS to compute the Pearson's correlation coefficient, which is a measure of linear association of variables, as I indicated in Table 5. Because the results included the primary conditions required for performing discriminant analysis, I used discriminant analysis for the classification of countries into three groups.

Table 5

Correlation Matrix

Correlations							
		gdp	gdp_capita	pop_dens	lang_know	geog_dist	hofstede
gdp	*r*	1	-.257	-.325	-.077	-.581**	-.255
	p (2-tailed)		.261	.151	.741	.006	.265
	N	21	21	21	21	21	21
gdp_capita	*r*	-.26	1	.278	.342	.039	.214
	p (2-tailed)	.261		.223	.129	.866	.351
	N	21	21	21	21	21	21
pop_dens	*r*	-.33	.278	1	.29	.389	.732**
	p (2-tailed)	.151	.223		.202	.082	0
	N	21	21	21	21	21	21
lang_know	*r*	-.08	.342	.29	1	-.069	.225
	p (2-tailed)	.741	.129	.202		.767	.326
	N	21	21	21	21	21	21
geog_dist	*r*	-.581**	.039	.389	-.069	1	.15
	p (2-tailed)	.006	.866	.082	.767		.515
	N	21	21	21	21	21	21
hofstede	*r*	-.26	.214	.732**	.225	.15	1
	p (2-tailed)	.265	.351	0	.326	.515	
	N	21	21	21	21	21	21

**. Correlation is significant at the .01 level (2-tailed).

From the results, I found that there was a significant positive relationship between the Hofstede index and population density, with $r = .732$, $p < .001$. There was a negative but insignificant correlation, between geographic distance and GDP, with $r = -.53$ and $p = .02$. No other variable pairs were significantly related (see Table 5).

Cultural distance and density might be two major drivers for globalization. Consequently, I included the Hofstede index, which is a measure of culture, in the model. On the other hand, Singh (2011) commented that population density is a dynamic factor

in the economic growth of a country. Therefore, I included population density in the model (see Table 18).

Discriminant Analysis

I started discriminant analysis by testing the equality of means and covariances of the groups and predictor variables. Referring to Table 6, I found that some variables display significant differences in means and standard deviations across all groups of country categories. The differences in means of GDP (*M* = 539.57 to 659.69), GDP per capita (*M* = 23391.583 to 28637.15) and language knowledge (*M* = .5 to 0.5455) were insignificant. However, the differences in means might have been significant in the case of population density (*M* = 228.3 to 1105.79) and Hofstede index (*M* = 1.8125 to 7.63). Therefore, I could not conclusively decide that I had selected the right predictor variables for classification.

I used the Wilks's lambda (λ) to verify the significance of the predictor variables (StatSoft, 2013). Wilks's lambda (λ) is a variable selection method for stepwise discriminant analysis to help the researcher choose variables for entry into the equation on the basis of how much they lower Wilks's lambda (λ; StatSoft, 2013). At each step, the variable that minimizes the overall Wilks's lambda (λ) is entered (StatSoft, 2013). Wilks's lambda (λ) varies between 0 and 1, and values closer to zero indicate larger dispersion of groups (StatSoft, 2013). I presented the results of Wilks's tests of equality of group means in Table 7. I found that Wilks's lambda (λ) values for all predictor variables were close to 1. The Wilks's lambda (λ) results indicated that group means were very close to each

other and the contribution of the predictor variables that I chose in discriminating the three groups of countries was poor.

Table 6

Group Statistics

Group Statistics					
count_categ		*M*	*SD*	Valid *N* (Listwise)	
				Unweighted	Weighted
1	gdp	579.503	479.578	4	4
	gdp_capita	23391.583	5917.238	4	4
	pop_dens	228.313	52.767	4	4
	lang_know	.500	.577	4	4
	geog_dist	8439.750	6568.594	4	4
	hofstede	1.813	1.463	4	4
2	gdp	539.565	510.515	6	6
	gdp_capita	27791.337	22186.849	6	6
	pop_dens	1105.790	2358.210	6	6
	lang_know	.500	.548	6	6
	geog_dist	11358.648	3369.075	6	6
	hofstede	7.250	5.570	6	6
3	gdp	659.693	463.991	11	11
	gdp_capita	28637.150	13201.231	11	11
	pop_dens	735.676	1967.307	11	11
	lang_know	.546	.522	11	11
	geog_dist	6601.773	4937.593	11	11
	hofstede	7.636	6.397	11	11
Total	gdp	610.096	458.620	21	21
	gdp_capita	27396.334	14817.341	21	21
	pop_dens	744.782	1848.877	21	21
	lang_know	.524	.512	21	21
	geog_dist	8310.971	5088.822	21	21
	hofstede	6.417	5.814	21	21

Table 7

Tests of Equality of Group Means

Tests of Equality of Group Means					
	Wilks's Lambda (λ)	*F*	*df*1	*df*2	*p*
gdp	.986	.132	2	18	.877
gdp_capita	.981	.171	2	18	.844
pop_dens	.973	.25	2	18	.781
lang_know	.998	.019	2	18	.982
geog_dist	.83	1.84	2	18	.187
hofstede	.844	1.661	2	18	.218

I found that the sample size of 21 countries out of the 193 countries was sufficient for the study. Furthermore, changing the significance level lowers the Wilks's lambda (λ) value or raises the *F* value marginally. I used alpha of .05 for the analyses. High values of Wilks's lambda (λ = .844 to .998), low values of *F* statistic (*F* = .019 to 1.840), and *p* values greater than .05 (*p* = .216 to .982) categorically point to the fact that all of the selected predictor variables had insignificant roles in discriminating the country groups. Therefore, the group means of predictor variables across the three groups were the same.

Based on the SPSS outputs, I fail to reject the null hypothesis that the target countries' economic attraction features do not predict the historical country's group order of preference (first, second, or third) in the globalization process of a U.S. jewelry company. However, to enhance confidence in the results, additional statistical analyses related to discriminant analysis were conducted.

Covariance matrices and Box's *M* test. Table 8 displays the SPSS output for the covariance matrix. Covariances of predictor variables varied significantly across the groups in some cases. For example, covariances of GDP and population density ranged

from 1719.507 to - 446813, GDP per capita, and the Hofstede index ranged from 3126.851 to – 60974; all of these displayed significant differences. As a result, the large differences in covariances of independent variables disqualified them as predictor variables in discriminant analysis. The finding of the inequalities of covariances across the groups supported failing to reject of the null hypothesis.

To verify the equality of the covariance matrices, I conducted Box's *M* test, which is used for testing the homogeneity of population covariances across the groups (see Table 9). For moderate to small sample sizes, an *F* approximation is used to compute its significance (StatSoft, 2013). The results indicated that there were significant differences in the covariance matrixes across groups ($p = .004$). Therefore, my decision to fail to reject the null hypothesis that the target countries' economic attraction features do not predict the historical country's group order of preference (first, second, or third) in the globalization process of a U.S. jewelry company was supported by the discriminant analysis, Box's *M* test, and other tests.

Table 8

Covariance Matrices

	count_categ	gdp	gdp_capita	pop_dens	lang_know	geog_dist	hofstede
1	gdp	229994.702	-620262.844	1719.507	-136.665	-1674730.556	27.102
	gdp_capita	-620262.844	35010000.000	-300854.198	1886.965	22980000.000	3126.851
	pop_dens	1719.507	-300854.198	2784.319	-19.568	-122737.342	-44.219
	lang_know	-136.665	1886.965	-19.568	.333	-111.500	.708
	geog_dist	-1674730.556	22980000.000	-122737.342	-111.500	43150000.000	-4584.729
	hofstede	27.102	3126.851	-44.219	.708	-4584.729	2.141
2	gdp	260625.289	-4775619.705	-446813.163	61.565	-1324979.902	335.406
	gdp_capita	-4775619.705	492300000.000	-344491.593	-487.570	-2437766.895	-60974.741
	pop_dens	-446813.163	-344491.593	5561152.680	540.676	1755235.550	9381.996
	lang_know	61.565	-487.570	540.676	.300	191.789	.150
	geog_dist	-1324979.902	-2437766.895	1755235.550	191.789	11350000.000	-4215.996
	hofstede	335.406	-60974.741	9381.996	.150	-4215.996	31.025
3	gdp	215287.813	-1014078.740	-318004.470	-28.228	-1060737.024	-1622.556
	gdp_capita	-1014078.740	174300000.000	14580000.000	4801.620	-1952021.792	57202.957
	pop_dens	-318004.470	14580000.000	3870295.723	284.633	5585812.564	9944.129
	lang_know	-28.228	4801.620	284.633	.273	-592.514	.993
	geog_dist	-1060737.024	-1952021.792	5585812.564	-592.514	24380000.000	9383.472
	hofstede	-1622.556	57202.957	9944.129	.993	9383.472	40.917
Total	gdp	210331.923	-1743990.593	-275174.540	-17.982	-1224721.602	-679.551
	gdp_capita	-1743990.593	219600000.000	7610431.640	2592.983	953030.854	18445.661
	pop_dens	-275174.540	7610431.640	3418345.463	274.323	3538633.088	7870.657
	lang_know	-17.982	2592.983	274.323	.262	-307.765	.671
	geog_dist	-1224721.602	953030.854	3538633.088	-307.765	25900000.000	2446.776
	hofstede	-679.551	18445.661	7870.657	.671	2446.776	33.802

a. The total covariance matrix has 20 degrees of freedom.

Table 9

Box's M Test

Test Results*		
	Box's *M*	62.984
F	Approx.	2.307
	df1	15
	df2	419.533
	Sig	.004

Tests null hypothesis of equal population covariance
a. Some covariance matrices are singular and the usual procedure will not work. The non-singular groups will be tested against their own pooled within-groups covariance matrix. The log of its determinant is 48.647

Significance tests and strength of relationships statistics. I presented the output from significance tests and strength of relationships' statistics for the discriminant analysis in Table 10. I conducted a series of chi-square significance tests in the Wilks's lambda (λ) table. These tests assessed whether there were significant differences among groups across the predictor variables, after removing the effects of any previous discriminant functions.

The results indicated there were no significant differences among groups across the six attraction features, $\Lambda = .811$, χ^2 (5, $N = 21$) = 3.245, $p = .662$. The Wilks's lambda (λ) test was insignificant at the .05 level and indicated that there were no differences among groups across the six attraction features after removing the effects across the effects associated with Function 1.

Table 10

Significance Tests and Strength of Relationship Statistics for Discriminant Analysis

Eigenvalues				
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.333[a]	58.9	58.9	.5
2	.233[a]	41.1	100	.435

a. First 2 canonical discriminant functions were used in the analysis.

Wilks's Lambda				
Test of Function(s)	Wilks's Lambda	Chi-square	df	Sig.
1 through 2	.608	7.701	12	.808
2	.811	3.245	5	.662

A series of statistics associated with each discriminant function were displayed in the table of eigenvalues, which provided information about the relative effectiveness of each discriminant function. Function 1 had an eigenvalue of .333 and a canonical correlation of .500. By squaring the canonical correlation for Function 1 ($.500^2 = .25$), I found the eta squared index that would result from conducting a one-way ANOVA on Function 1. Eta squared index is defined as the proportion of variance of the test variable that is a function of the grouping variable (StatSoft, 2013). Eta squared value ranges from 0 to 1, in which a value of 1 indicates perfect replication. Perfect replication means that there are no differences on the dependent variable measures within each of the groups (StatSoft, 2013). The eta squared values of .01, .06, and .14 are considered small, medium, and large effect sizes, respectively (StatSoft, 2013).

Accordingly, the differences among the three country groups accounted for 25% of the variability of the scores in Function 1. Function 2 had an eigenvalue of .233 and a

canonical correlation of .435. Therefore, $.435^2$ = 18.9% of the variability of the scores for the Function 2 was accounted for in the classification. Because Function 1 and Function 2 were insignificant, I should fail to reject the null hypothesis.

Standardized canonical discriminant function coefficients. Table 11 presented the standardized discriminant function coefficients and the pooled within groups correlations for discriminant analysis (coefficients in a structure matrix). I named each discriminant function by determining which variables were strongly related to it. I assessed strength of relationship by the magnitude of standardized coefficients for the predictor variables and the correlation coefficients between predictor variables and function within a group.

Table 11 indicated that the Hofstede index had the largest positive coefficient 1.514 in Function 1, and geographical distance had the largest positive coefficient 1.262 in Function 2. I proceeded to determine the prediction capability of each of the variables. Language knowledge and GDP per capita had weak coefficients for both discriminating functions. Population density had the largest negative coefficients in both functions.

Therefore, I concluded in Function 1 that the Hofstede index was the most effective predictor, and language knowledge and GDP were the least effective predictors. Similarly in Function 2, geographical distance was the most effective predictor, and GDP and population density were the least effective predictors. Thus, Function 1 is predominantly culture-oriented, while Function 2 is predominantly geography-oriented. On the basis of the standardized function and structure coefficients, I named the first discriminant function *culture* and the second function *geography*.

Table 11

Standardized Coefficients and the Pooled Within Groups Correlations for Discriminant Analysis

Standardized Canonical Discriminant Function Coefficients

	Function	
	1	2
gdp	.48	.404
gdp_capita	.372	.056
pop_dens	-.948	-.335
lang_know	-.081	.133
geog_dist	.324	1.262
hofstede	1.514	.189

Structure Matrix

	Function	
	1	2
hofstede	.744*	.009
gdp_capita	.238*	-.029
pop_dens	.230*	.209
geog_dist	-.09	.931*
gdp	.075	-.234*
lang_know	.046	-.077*

Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions

Variables ordered by absolute size of correlation within function.

* Largest absolute correlation between each variable and any discriminant function

SPSS output for group centroids. Centroids are the mean discriminant scores for each group (StatSoft, 2013). Table 12 displays SPSS output for group centroids. The values labeled group means were the mean values of the discriminant functions for the three groups.

Table 12

Group Centroids for Discriminant Functions

Functions at Group Centroids		
count_categ	Function	
	1	2
1	-1.098	-.078
2	.19	.688
3	.295	-.347

Unstandardized canonical discriminant functions evaluated at group means

Based on the interpretation of the discriminant functions, the countries that were entered by the U.S. company from 2000 to 2009 (Group 3), had the largest positive mean score of .295 on dimension culture. Countries that were entered by the U.S. company during 1990 to 1999 (Group 2) had a score of .688 on the geography dimension. Cases with scores close to particular group-centroids were predicted to belong to that particular group. The pattern of the means for the discriminant functions aligned with my interpretation of the two functions.

SPSS output for group classification. I presented the group classification results in Table 13. I could determine how well I could predict group membership by using the classification function. The top part of the table, which was labeled *original*, indicated how well the classification function predicted grouping date of entry preference for the 21 countries. Correctly classified cases appear on the diagonal of the classification table. For example, of the three date-of-entry groups considered, 1 out of 4 countries (25%) that were entered by the U.S. company during 1972-1989, 1 out of 6 countries (16.7%) that were entered by the U.S. company during 1990 -1999, and 8 out of 11 countries (72.7%)

that were entered by the U.S. company during 2000-2009 periods were correctly classified.

Of the total countries in all of the three groups, 10 (= 1+1+8) out of 21 countries (47.62%) that were entered by the U.S. company over the period from 1972 to 2009 (Group 1) were correctly classified. The significance of the group classification result led me to conclude that the classification was highly effective during the period from 2000 to 2009 (Group 3), while the classification was most ineffective from 1990 to1999 period (Group 2).

The bottom part of Table 13, labeled as cross-validated, was generated by choosing the *leave one out option* within the classification dialogue box of SPSS. In general, cross validation is more stringent than original classification. Here the classification functions are derived on the basis of all cases except one, and then the left-out case is classified (StatSoft, 2013). The process is repeated *N* times until all cases have been left out once and classified based on classification functions for the *N* cases. Therefore, as shown in Table 13, one country from Group 1, no country from Group 2, and seven countries from Group 3 were correctly classified. Overall, 38.1% of countries were correctly classified.

Table 13

Classification Results

Classification Results[b,c]						
		count_categ	Predicted Group Membership			
			1	2	3	Total
Original	Count	1	1	1	2	4
		2	0	1	5	6
		3	1	2	8	11
	%	1	25	25	50	100
		2	0	16.7	83.3	100
		3	9.1	18.2	72.7	100
Cross-validated[a]	Count	1	1	1	2	4
		2	3	0	3	6
		3	1	3	7	11
	%	1	25	25	50	100
		2	50	0	50	100
		3	9.1	27.3	63.6	100

a. Cross validation is done only for those cases in the analysis. In cross validation, each case is classified by the functions derived from all cases other than that case.

b. 47.6% of original grouped cases correctly classified.

c. 38.1% of cross-validated grouped cases correctly classified.

Computing kappa (*K*) to verify accuracy of classification. I found the results of correct classification to be 47.6%, which might have been a chance result. Cohen's kappa *K* is a statistical index that corrects chance agreements (StatSoft, 2013). *K* is a more vigorous measure than simple percent agreement calculation, because *K* takes into account the agreement occurring by chance (StatSoft, 2013). I have presented the output of *K* computation in Table 14 to verify the accuracy of the classification of countries into Groups 1, 2, and 3.

Table 14

Results of Kappa Analysis

Symmetric Measures					
		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Interval by Interval	Pearson's R	.157	.253	.691	.498[c]
Ordinal by Ordinal	Spearman Correlation	.113	.24	.495	.626[c]
Measure of Agreement	Kappa	.053	.168	.347	.729
N of Valid Cases		21			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Values of *K* range from -1, which indicates wrong prediction, to +1, which indicates perfect prediction (StatSoft, 2013). $K > 0$ indicates better than chance-level prediction, $K = 0$ indicates chance prediction and $K < 0$ indicates poorer than chance-level prediction (StatSoft, 2013). In my analysis, I found the value of $K = .053$, which was much lower than +1, but slightly above the middle value 0. Because I found $K > 0$, the predictions that I had made were better than chance-level prediction (StatSoft, 2013).

Mapping of discriminant functions. I selected the scatter plots option in discriminant analysis for representing the graphical mapping of the relationship between predicted groups and discriminant functions. Figure 9 displays the scatter plot of the combined groups. The plot illustrates the relative location of the boundaries of the different categories. Culture represented by Function 1, and geography represented by Function 2, were taken as the X and Y axes respectively. I combined the axes with the structure matrix results to present scatter plots of the centroids of group and boundaries in Figure 9.

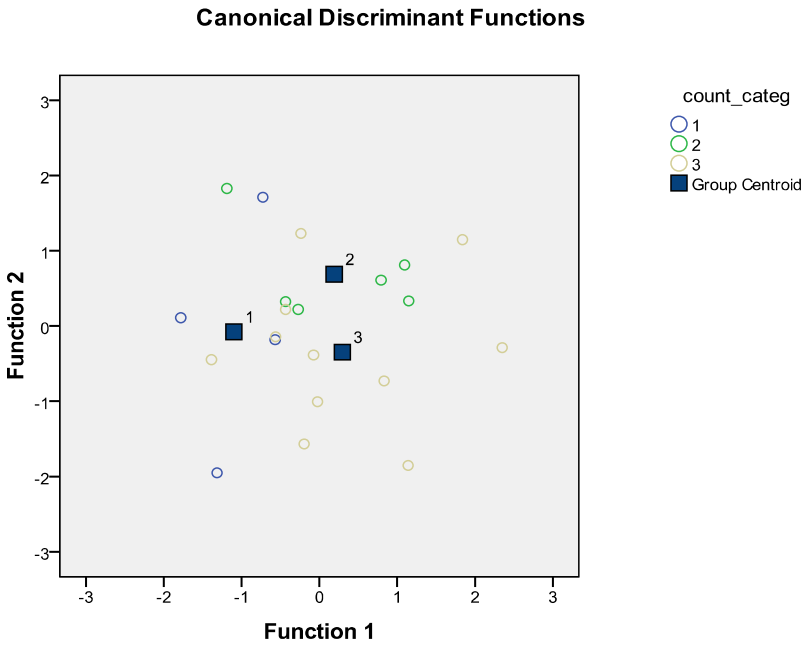

Figure 9. Separation of groups on discriminant functions.

Figure 9 represented the separation of groups on the two discriminant dimensions. The small shaded rectangles in the picture marked centroids, around which the three groups of countries were grouped. The centroids in Figure 9 were not close. The dispersion of the centroids indicated that the separation of the groups was not insignificant. The closer the group centroids, the more errors of classification would be. Discriminant function 1 represented culture. As can be seen from the graph, Group 2 and Group 3 countries are richer in culture than the Group1 countries. Similarly, Group 2 countries are far ahead of Group 1 and Group 3 countries in the geography dimension.

Summary of discriminant analysis. I conducted a discriminant analysis to determine whether the six attraction features GDP, GDP per capita, population density, Hofstede index, geographical distance, and language knowledge could predict the

grouping of countries according their order-of-entry by a U.S. company. The overall value of Wilks's lambda (λ) was insignificant, $\lambda = .608$, χ^2 (12, $N = 21$), $p > .05$, indicating that the overall prediction variables did not differentiate significantly among the three groups. In addition, the residual Wilks's lambda (λ) was insignificant, $\lambda = .808$, χ^2 (5, $N = 21$), $p > .05$. The residual Wilks's lambda (λ) test indicated that the prediction variables did not differentiate significantly among the three groups. Because Wilks's lambda (λ) and residual Wilks's lambda (λ) tests were insignificant, there was no need for interpreting the discriminating functions. Nevertheless, I chose to proceed with the analysis.

In Table 15, I have presented the within-groups' correlations between the prediction variables and the discriminant functions as well as the standardized weights. Based on these coefficients, the Hofstede index variable had a strong relationship with the first discriminant function (.744), while GDP, geographic distance, GDP and language knowledge showed weak relationships. On the other hand, geographic distance showed the strongest relationship with the second discriminant function (.931). GDP and GDP per capita demonstrated negative relationships with the second function. On the basis of the results presented in Table 15, I labeled the first and second discriminant functions culture and geography respectively.

Table 15

Standardized Coefficients and Correlations of Predictor Variables with the Two Discriminant Functions

Prediction variables	Correlation coefficients with discriminant functions		Standardized Canonical Discriminant Function Coefficients	
	Function 1	Function 2	Function 1	Function 2
Hofstede	.744	.009	1.514	.189
GDP per Capita	.238	-.029	.372	.056
Population density	.230	.209	-.948	-.335
Geographic distance	-.090	.931	.324	1.262
GDP	.075	-.234	.480	.404
Language knowledge	.046	-.077	-.081	.133

The means of the discriminant functions were consistent with this interpretation. Group 1, which was between 1972 and 1990 (M = -1.098), had the highest mean on the culture dimension (the first discriminant functions). Group 3, which was between 1999 and 2009 (M = .295), and Group 2, which was between 1999 and 2009 (M = .190), had lower means than Group 1. On the other hand, Group 2 (M = .688) had the highest mean on the geography dimension, Group 3 (M = - .347) had the next highest mean, and Group 2 (M = - .078) had the lowest mean score.

When I tested the classification prediction of the countries, which were entered in Group 1, which was between 1972 and 2009, I found that only 47.6% of the original grouped cases were correctly classified. When the leave-one-out technique or cross validation was employed, I found that the classification prediction of the countries was

reduced to 38.1%. I concluded that the selected prediction variables were ineffective in classification of the countries.

In order to take into account the possibility of a chance agreement, I computed the kappa coefficient and found a low value of .053, which indicated that the predictions that I had made were better than chance-level prediction. Because I found that the discussed discriminant model was weak in discriminating among the countries, I decided to explore other model scenarios to arrive at a better discriminant model.

Refining the Model

Using SPSS dialogue box features, I eliminated geographic distance from the list of predictor variables. Table 16 presents the classification function coefficients. I found the Hofstede index having the highest coefficient in culture, while language knowledge, GDP, and GDP per-capita did not have significant roles in culture.

Table 16

Standardized Coefficients and Correlations of Predictor Variables with the Two Discriminant Functions without Geographical Distance

	Correlation coefficients with discriminant functions Function		Standardized Canonical Discriminant Function Coefficients Function	
	Function 1	Function 2	Function 1	Function 2
Hofstede	.734*	-.576	1.417	.090
GDP per Capita	.240*	-.090	.344	.099
Population density	.191	-.793*	-.813	-.868
GDP	.114	.642*	.353	.449
Language knowledge	.058	.195*	-.123	.433

Population density, GDP, and GDP per capita had the largest coefficients in Function 2, while the Hofstede index had a weak effect on Function 2, with a coefficient value of .090. Therefore, the attributed names to Function 1 (culture) and Function 2 (geography) were appropriate. The classification results presented in Table 17 indicate that the classification efficiency of the model increased from 47.6% to 61.9% of the original grouped cases. Furthermore, using the leave-one-out technique, 38.1% of the original grouped cases were correctly classified.

Table 17

Classification Results with Geographical Distance Removed From Prediction Variables

Classification Results[a,b,c]						
			Predicted Group Membership			
		Country_Catg (Period of Entry)	Countries Entered between 1972 and 1989	Countries Entered between 1990 and 1999	Countries Entered between 2000 and 2009	Total
Original	Count	1972-1989	2	0	2	4
		1990-1999	1	1	4	6
		2000-2009	1	0	10	11
	%	1972-1989	50	0	50	100
		1990-1999	16.7	16.7	66.7	100
		2000-2009	9.1	0	90.9	100
Cross-validated[a]	Count	1972-1989	1	0	3	4
		1990-1999	2	0	4	6
		2000-2009	2	3	6	11
	%	1972-1989	25	0	75	100
		1990-1999	33.3	0	66.7	100
		2000-2009	18.2	27.3	54.5	100

a. Cross validation is done only for those cases in the analysis. In cross validation, each case is classified by the functions derived from all cases other than that case.

b. 61.9% of original grouped cases correctly classified.

c. 33.3% of cross-validated grouped cases correctly classified.

I attempted other scenarios, but found that the model related to the removal of only geographic distance was the best model. I presented in Table 18 a summary of model scenarios. Model 17 was the original model with six prediction variables.

Table 18

Various Scenarios

Model	gdp ($billion)	gdp_ capita (/1000 $billion)	pop_ dens.	lang. know.	geog_ dist (/1000 km)	Hof-stede	Correctly Classified	Cross-validated group_ cases	Correctly classified during the period				Rank
							Correctly classified (%)		1972-89		1990-99	2000-09	
									Out of 4		Out of 6	Out of 11	
Model 1					No		61.9	33.3	2		1	10	2
Model 2				No	No		57.1	38.1	1		1	10	3
Model 3	No		No				57.1	33.3	1		1	10	4
Model 4			No	No	No		52.4	42.9	1		0	10	5
Model 5		No	No	No			52.4	42.9	1		1	9	6
Model 6			No	No			52.4	38.1	1		1	9	7
Model 7		No		No			52.4	38.1	1		1	9	8
Model 8	No				No		52.4	38.1	1		1	9	9

(table continues)

Model	gdp ($billion)	gdp_ capita (/1000 $billion)	pop_ dens.	lang. know.	geog_ dist (/1000 km)	Hof-stede	Correctly Classified	Cross-validated group_ cases	Correctly classified during the period			Rank
							Correctly classified (%)		1972-89	1990-99	2000-09	
									Out of 4	Out of 6	Out of 11	
Model 9			No				52.4	33.3	1	1	9	10
Model 10	No			No			52.4	33.3	1	1	9	11
Model 11	No						52.4	33.3	1	1	9	12
Model 12		No					52.4	33.3	1	1	9	13
Model 13				No		No	47.6	42.9	0	1	9	14
Model 14	No					No	47.6	42.9	0	1	9	15
Model 15						No	47.6	38.1	0	1	9	16
Model 16				No			47.6	38.1	1	1	8	17
Model 17	Yes	Yes	Yes	Yes	Yes	Yes	47.6	38.1	1	1	8	18

Model 1 in Table 18 illustrates the results found when geographic distance was removed from the list of the six prediction variables. Of the original grouped variables, 61.9% were correctly classified; only 47.6% were found to be correctly classified when geographic distance was included in the model. I found the next best model when language knowledge and geographic distance were removed. Of the original grouped cases, 57.1% were correctly classified, and 38.1% grouped cases were correctly classified under cross validation.

Alternative Analyses

Logistic regression and multiple regression analyses were also options in addition to discriminant analysis to classify individual countries into groups. I used a linear multiple regression module to get the classification results.

Linear multiple regression. Table 19 displays the SPSS output from this analysis, in which the regression coefficients and ANOVA table were presented. I found in the ANOVA presented in Table 19 that the *F* value of .716 was low and *p* value of .643 was high, which indicated that the regression model was insignificant.

Table 19

Results of Linear Multiple Regression

Coefficients[a]

Model		Unstandardized Coefficients		*t*	*p*	95.0% Confidence Interval for B	
		B	*SE*			Lower Bound	Upper Bound
1	(Constant)	1.809	.964	1.877	.082	-.258	3.876
	gdp	.180	.530	.340	.739	-.956	1.316
	gdp_capita	.007	.014	.507	.620	-.023	.037
	pop_dens	-.014	.017	-.807	.433	-.050	.023
	lang_know	-.075	.404	-.186	.855	-.942	.792
	geog_dist	-.020	.054	-.368	.718	-.135	.095
	hofstede	.083	.049	1.693	.113	-.022	.187

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.973	6	.496	.716	.643[a]
	Residual	9.693	14	.692		
	Total	12.667	20			

Applications to Professional Practice

The study has the potential to generate interest in different business fields, such as entrepreneurship, marketing, leadership, and finance. Young entrepreneurs thinking of establishing born-global brands or globalizing their local brands could use the results of this study to aid in their planning. Interested entrepreneurs might use the results of the study to recapitalize their companies, establish new companies, or open branches in foreign target countries. Because the variables in this study were not significant, entrepreneurs could consider other variables such as economies of scope and scale for their perspective companies (Schweizer et al., 2010; Sun & Xu, 2010). Marketing and

brand managers should consider investigating the most suitable countries for their globalization strategies. Marketing and brand managers should investigate other variables that correlate with cultural distance such as purchasing habits, given the similarities of successful different marketing tools between the country of origin and target countries (Danziger, 2005).

Chief executive officers (CEOs) and managers could use the results to marginalize the value of the variables that I introduced and to introduce new variables that are related to the capabilities of their companies thus facilitate successful globalization strategies (Lu et al., 2011). CEOs might consider the influence of cultural variables when hiring potential new leaders for globalization projects. Some of the variables CEOs could consider when hiring new recruits and targeting new countries include (a) knowledge of target countries' public policy laws and practices (Cuervo-Cazurra, 2011); (b) economic development, (c) political risk factors, (d) social and cultural environments, and (e) retail target market characteristics, including size and growth prospects (Chan et al., 2011). Chief financial officers (CFOs) and financial managers could also use the study to develop financial solutions to enhance profitability by globalization instead of cutting costs or investing more money in the Saudi market. CFOs could enhance their knowledge of target companies by considering acquisition of companies in target companies or entering target countries with other forms of strategy that provide synergies such as agency, franchising, joint ventures, and licensing (Assaf et al., 2012).

Implications for Social Change in Business and Other Disciplines

Saudi Arabia suffers from unemployment, terrorism, and corruption; the conditions lead to injustices and lack of human rights (United Nations Development Program, 2010). As a Saudi, I was surprised to find Saudi Arabia, despite scoring high in GDP per capita, scored one of the lowest ratings among world countries in the Human Development Report and Gender Human Development Index, and Human Well-being Index (United Nations Development Program, 2010).

Saudis could contribute positively to the world community by pursuing business dreams. Although the Middle East has a rich culture of ethnic products, little research and knowledge exists on how to globalize Middle Eastern products. Business leaders could use the results of this study to give impetus for successful luxury brands in the Middle East to understand the benefit and framework of the globalization process. Although I found the variables, which I used in this study were not significant, other researchers and business leaders could use the study to focus on other variables, such as companies' economies of scope and scale, and countries' political and economic strength.

The results of this study also hold value for developing countries as they seek research for public policy and business standards for globalizing their brands. Thus, I decided to use Social Science Research Network (SSRN.com) links and web sites to introduce the study. In addition, the results of this study may be eligible for publication in professional journals such as the *Journal of International Entrepreneurship, International Journal of Entrepreneurship, Journal of Retailing & Consumer Services, Journal of Small Business and Enterprise, Journal of Fashion Marketing and Management, Journal*

of International Business Studies, *Journal of Small Business and Enterprise Development*, and *International Marketing Review*, among others.

Recommendations for Action

First, although the classification of the countries using the economic attraction features into the three groups was insignificant, I found from the kappa statistical test that the correct classification that I conducted at the level of 47.6% was not a chance occurrence. Therefore, I concluded that the variables I used are important attraction features in globalization. Leaders from local brands might consider the methods and results of this study, and use the variables I chose with other new variables to formulate and implement global strategies for their brands. I recommend variables such as trade openness of the country, domestic financial development, and country size (Chan et al., 2011). Other variables might include knowledge of target countries' public policy laws and practices; economic development; political risk factors; social and cultural environment; and retail target market characteristics, including size and growth prospects (Chan et al., 2011). Nevertheless, the attraction features that I chose might not exhibit perfect separation. Differences that distinguish among variables might not clearly exist, such as the differences between GDP and GDP per capita, population density and population size, and income level and GDP per capita. Therefore, I recommend an in-depth analysis of these different prediction variables for discrimination.

Second, I have arrived at an important conclusion that culture is more influential than geographic distances, demographic features, and economic attraction features in globalization strategies. The effect of cultural differences between target countries and

the company's country of origin is aligned with the strength of the Uppsala model with its basis on the psychic distance, which was discussed in the study. Because I found that the Hofstede index predominantly influenced the classification, any future action related to globalization should be based on the prevailing culture in target countries. I considered four dimensions in computing the Hofstede index. These dimensions were power distance index (PDI), individualism (IDV), uncertainty avoidance index (UAI), and masculinity (MAS; Geert-Hofstede, 2012). However, I recommend that company leaders consider all the original dimensions of Hofstede while planning to go global, thus including long-term orientation (LTO) and indulgence versus restraint (IVR; Geert-Hofstede, 2012).

Third, I found that geographic distance was the least important feature, which is understandable because of the globalization factors of media, products, and connectivity. As a result, geographic distance should not be an important factor. Although population density had no significance in the model, the importance of population density is obvious, because it influences the availability of a concentrated market in any country. Leaders of companies should consider other factors with population density such as political and economic strength (Chan et al., 2011).

Fourth, I did not address or explore the competitive advantages of companies and brands in this study. Competitive advantages of companies could include economies of scale and scope in terms of depth of financial and human resources (Arndt, 2012). Depth of financial resources includes sales and profitability ratios, and the abundance of financial liquidity. Depth of human resources includes depth of employees' quantity,

diversity, and experiences in different business-related competencies (Cuervo-Cazurra, 2011).

Fifth, I found that the predicting variables were classifying countries in Group 3, which were entered as target countries by the U.S. company between 2000 and 2009, were better than classifying countries in the other two earlier time groups' periods. The improvement of the results in Group 3 might have been influenced in part by the relative political and economic stability in most countries in the 1990s compared to the 1980s and 1970s in most countries around the world. Future researchers might include other political and economic variables in their models to explore this possibility or to affirm the results. Furthermore, the small sample size of the study might have been a deciding factor in the study; thus, I suggest using a larger sample size in future research.

Sixth, taking the period of entry in target countries as the grouping variable is, in effect, considering time as a discrete variable, which might have been wrong. Therefore I suggest that future researchers modify the method by using time as a continuous variable instead of using time periods as a grouping variable based on period of entry in target countries.

Finally, I recommend extensive data collection on the demographic variables that influence globalization strategies. In addition to population density, GDP per capita, and language knowledge in my analysis, gender, educational level, income level, religious beliefs, and ethnic diversities are important features that might influence globalization strategies of any company. Any business opting for globalization might use these demographic variables as an important input while assessing target countries' profiles.

Therefore, I highlight the importance of conducting a comprehensive questionnaire survey in all of the target countries in future studies. The surveys might be expensive, but they are likely to provide valuable insights.

Recommendations for Further Study

I recommend that researchers use the Uppsala model with its psychic distance theory and explore other cultural and demographic factors that distinguish between target countries and companies' countries of origin. Researchers could use the discriminant analysis model with more variables and varying scenarios. Even though I found that the variables that I used were ineffective in classifying the countries entered, the results of the 17 scenarios may provide additional insights if they are explored in alternate combinations, and possibly with other variables. As a result, I recommend an application of combinatorial optimization for arriving at an optimal classification using alternate variables combinations. Researchers could use multiple regression with continuous variables. The researchers could use combination of the variables, introduced in this study such as GDP and population density, with other new variables as literacy, domestic financial development, country size, and political and economic strength, among other potential variables (Chan et al., 2011; Schweizer et al., 2010).

I recommend that researchers be careful when choosing attraction variables that might be correlated with each other to avoid multicollinearity. One of the highly correlated variables should be removed from the list to avoid duplicating the results. In my study, population density and the Hofstede index were correlated significantly to each other ($r = .73$, $p < .001$). However, I included both variables as individual attraction

features because I assumed they were independently influential in the globalization of companies based on past studies (Couto & Tiago, 2009; Singh, 2011; Sousa & Lages, 2011). The Hofstede index is a measure of culture, which is a major driver for globalization (Couto & Tiago, 2009; Singh, 2011; Sousa & Lages, 2011). Furthermore, population density is a dynamic factor in the economic growth of a country (Singh, 2011). As a result, one might assume they were independent of each other.

Because of changing socioeconomic and political situations in all of the countries that were entered by the U.S. company, I recommend that the data be updated when any researcher wishes to perform the grouping. I also recommend researching globalization strategies for global brands for shorter and more recent periods; so the results would be more significant and applicable to current challenges. Furthermore, I recommend elimination of qualitative data as much as possible, because it could impair the accuracy of the results.

Multidimensional scaling. My final recommendation is that researchers should try alternative multivariate analysis techniques such as multiple regression, multidimensional scaling (MDS), and cluster analysis (Jain, 2010). Although MDS is a scaling technique, I could also find advantages in using it for grouping of countries. Discriminant analysis is best suited when dependent variable is categorical and independent variables are metric (StatSoft, 2013). Multiple regression is best suited for interval data. Similarly both dependent and independent variables should be metric (measurable) in nature (StatSoft, 2013). Furthermore, if there are two or more categorical values, multiple regression would be an appropriate choice (StatSoft, 2013).

Multidimensional scaling (MDS) would be best suited when there are many dependent and independent variables (Jain, 2010; StatSoft, 2013).

Researchers use MDS to handle multiple dimensional positioning of products, objects, and countries by mapping on to two-dimensional forms (StatSoft, 2013). Researchers could position various competing product brands (the grouping variables) in the market on to a two-dimensional plot, based on conflicting customer requirements, which are the independent variables (StatSoft, 2013). Researchers could use MDS to reduce multiple dimensions into two dimensions, step-by-step, each time introducing a stress (StatSoft, 2013). Because I had six dimensions in my study, the grouping was more complex than a study with less dimensions. As a result, MDS might be more suitable for this study. Future researchers could use MDS to present a visual display of the grouping of the countries on a two-dimensional map (StatSoft, 2013).

Researchers could use MDS to plot the countries from a six dimensional space onto a two dimensional plane. Researchers could use MDS to perform the mapping of countries so that the countries that are perceived to be similar are placed next to each other, and the countries that are perceived to be dissimilar are placed far away from each other on the map. I presented a group plot from SPSS analysis module of MDS in Figure 10. I used MDS to place all the countries in the list in four quadrants of the two-dimensional plot, which is reduced from a six dimensional space.

I used discriminant analysis to derive two dimensions: culture and geography (see Table 15). Similarly, I assigned the two dimensions of culture and population density in the MDS plot in Figure 10. As an alternative, I also tried using two other dimensions,

prosperity and geographical distance. I used MDS to place each country into the four quadrants, which were formed by these dimensions. The original dimension 1 and dimension 2 form the reference plane.

Researchers could use the MDS plot to find a better grouping by inspection. A researcher could perform the inspection by rotating the dimensional axes clockwise or anticlockwise and by inspecting which countries fall in the rotating quadrants each time the researcher makes a rotation. By trial and error, the researcher could fix the best orientation for the coordinate system, which could explain the grouping of the countries in the study. Using the coordinates of population density and culture, I found a distinct grouping among the countries in the study (see Figure 10).

When I tried a second coordinate system with two other dimensions, prosperity and geographical distance, I found that countries with large geographic distances were grouped into the third and fourth quadrants. Similarly, I found that countries with a high value of GDP per capita were grouped into the third and second quadrants. As result, future researchers could use MDS as a reasonable grouping method for the selected countries.

Hierarchical cluster analysis. I also recommend that future researchers should perform a cluster analysis using SPSS. Cluster analysis is a multivariate analysis method similar to discriminant analysis, which researchers use for the classification of variables (Jain, 2010; StatSoft, 2013). Researchers use hierarchical cluster analysis to identify relatively homogeneous groups of cases (or variables) based on selected characteristics,

using an algorithm that starts with each case (or variable) in a separate cluster and combines clusters until only one is left (Jain, 2010; StatSoft, 2013).

Researchers could use the method for the grouping of data to arrive at a meaningful interpretation of the data or data summarization (StatSoft, 2013). According to Qi, Tang, Wu, Guo, Fuller, and Zhang (2014), researchers could use hierarchical cluster analysis to present a visual display of the grouping of the countries in the form of a diagram called a dendrogram plot (see Figure 11). I presented in Table 20 a summary comparison of the MDS and clustering analysis outputs.

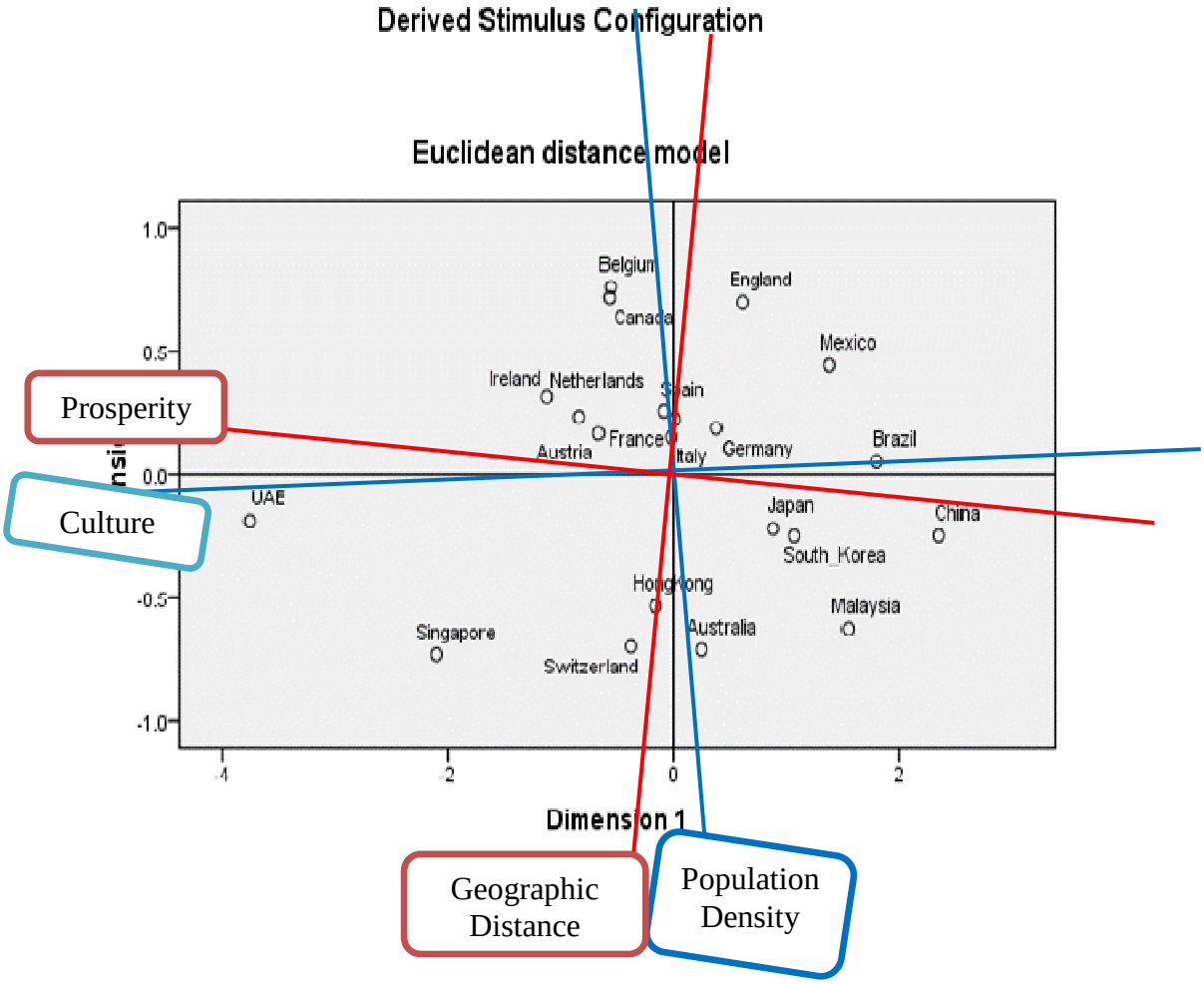

Figure 10. Multidimensional scaling (Euclidean distance model) of the countries entered.

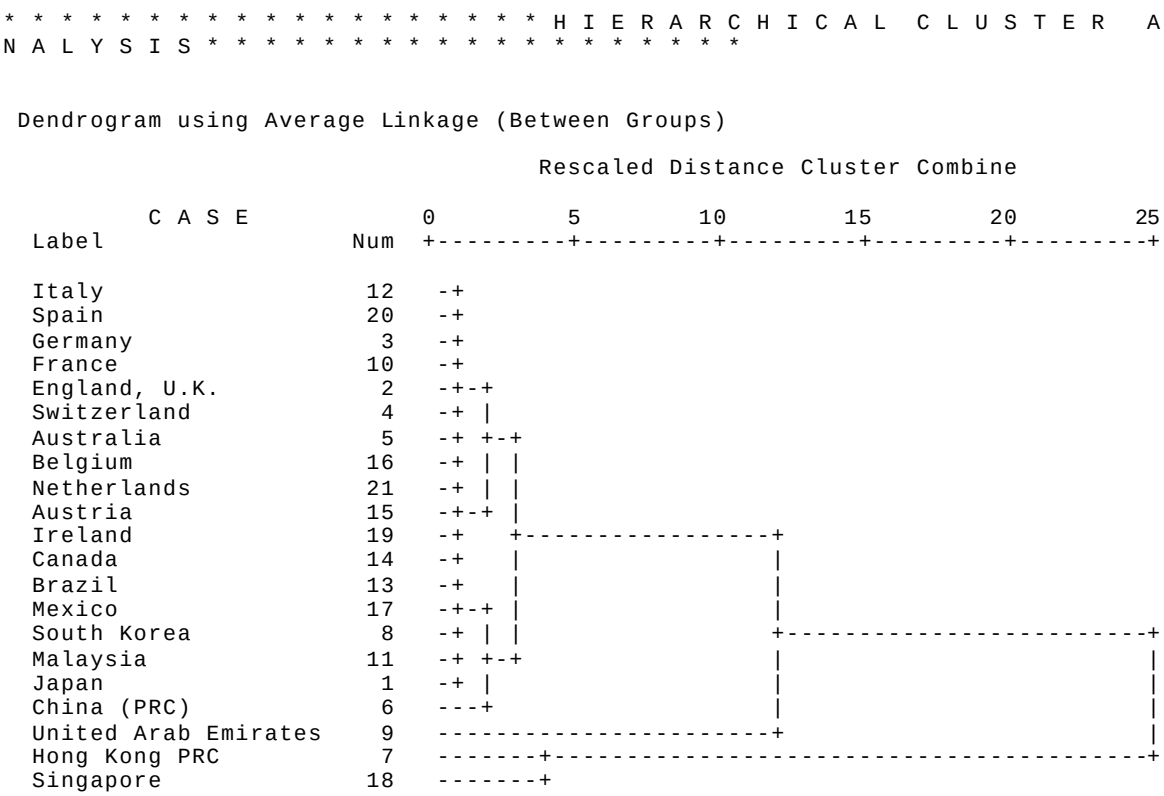

Figure 11. Dendrogram of clustered countries using cluster analysis.

Table 20

Comparison of MDS and Hierarchical Cluster Analysis Results

Groups	Multidimensional Scaling	Hierarchical Cluster Analysis
Group I	England, Belgium, Italy, Spain, Germany, Mexico	England, Switzerland, Australia, Belgium, Netherland, Austria
Group II	France, Ireland, Netherlands, Austria, Canada, UAE	Italy, Spain, Germany, France, Ireland, Canada, Brazil, UAE
Group III	Hong Kong, Singapore, Switzerland, Australia,	Hong Kong, Singapore
Group IV	Japan, South Korea, Malaysia, China, Brazil	Mexico, South Korea, Malaysia, Japan, China

Reflections

Because I have worked in the jewelry industry for the past 20 years and I was raised in a family business in the jewelry industry, I had prior expectations about the results of my study. Nevertheless, I have done my best to create a fusion between my academic and professional experience. Although my traditional business background influenced my selection of globalization for a jewelry company and selecting a jewelry company as the topic of my study, I applied my academic knowledge to arrive at the study results.

The results of the study were different from my original expectations about the selected variables. I found that the accuracy of classification of the countries entered by the U.S. company was only 47.6% of the originally grouped cases, and 38.1% of the cross validated grouped cases. However, the results were not accidental; this was confirmed by the kappa (K = .053) test results. Furthermore, my experimentation with diverse combinations of prediction variables and the use of multidimensional scaling and cluster analysis reinforced my conclusion that the selected prediction variables were ineffective in classifying the countries.

I concluded from the study results the understanding of some of the countries' attraction features that might have influenced the globalization strategy of a major global U.S. jewelry company since 1972. I found that the leaders of the U.S. company's globalization strategy were not influenced by the countries' attraction features. Instead, the leaders of the U.S. company relied on cultural similarities between the U.S. and their foreign target countries. The importance of culture and employees' competency changed

my understanding toward investments in human resources as a gateway for a successful globalization strategy. Other leaders of small local brands could start their globalization process by targeting countries with similar cultures, regardless of their distance from their brands' original countries.

Summary and Study Conclusions

I emphasized in the study results the importance of cultural differences using the Uppsala model with its psych distance theory. Nevertheless, researchers should explore different and current cultural and demographic variables that distinguish among countries, thus adding value to the Uppsala model. Finally, researchers should add companies' competencies in addition to countries' features to arrive at a comprehensive understanding of the changing factors of the Uppsala model that would influence the success of a globalization strategy of a jewelry retail company.

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Curriculum Vitae

MOHAMMED A. H. FAITAIHI

SUMMARY OF QUALIFICATIONS

- Successful entrepreneur.
- Experienced business professional for more than 20 years.
- Holder of MSF, from Northeastern University- (2000).
- Holder of MBA in Change Management and Implementation Strategy and Entrepreneurship, from Babson College - (2002).

EXPERIENCE

2004-present **FITAIHI JUNIOR & BABY FITAIHI** **JEDDAH, SAUDI ARABIA**

Founder, Chairmen, and CEO

- Prepared the Business Plan and raised financing.
- Started a new company built on the same brand name founded before.
- Introduced a new jewelry market specialized in babies' jewelry with a new brand name (Baby Fitaihi).
- Structured all departments and appointed staff.
- Established all operations' procedures.
- Set KPIs and Balance Score Card measures.
- Acted as the CEO, CFO, CMO, and Operations Manager.
- Inaugurated showrooms Over 20 showrooms in all major cities in Saudi arabia and Bahrain in the process of expanding to other Gulf countries.
- Gained reputable market recognition.

2002-2003 **SWICORP, INVESTMENT BANKING FIRM** **JEDDAH, SAUDI ARABIA**

Manager, Executive Partner

- Managed several international projects**,** valuations, and M&A projects.
- Managed several accounts for leading public companies in the Middle East and North Africa (MENA)
- Helped in facilitating partnership alliances for (MENA) companies with other leading European companies.

1997-1999 **FITAIHI JUNIOR** **JEDDAH, SAUDI ARABIA**

Founder, General Manager

- Launched a new jewelry brand name establishment, and raised financing.
- Established name recognition in the Middle East.
- Achieved high profit margins for two consecutive years.
- Sold the company successfully in January 1999.

1992-1997 **FITAIHI, INC** **RIYADH, SAUDI ARABIA**

Department Store Manager, Fitaihi Dept. Store (1995-1997)

- Managed more than 500 employees and maintained the performance of each department.
- Organized comprehensive management training program specializing in customer services.
- Increased sales by more than 30%.

Marketing Manager (1993-1995) **JEDDAH, SAUDI ARABIA**

- Planned and achieved strategies and specific seasonal tactics for the department.
- Structured management and raised market recognition.
- Increased client database from 15,000 to more than 50,000.
- Increased sales by 30%, while decreasing inventory by 20%.

Sales Manager (1993) **JEDDAH, SAUDI ARABIA**

- Launched business trade with 200 new companies adding to the existing 500 companies.
- Promoted from Floor Manager (1992).

SUMMER INTERNSHIPS

1995 **Christie's Auction House** **NEW YORK, NY**

- Worked in every department of the auction operation.

1992 **Vendorafa Gold Factory** **VALENZA, ITALY**

- Participated in the factory production process.

EDUCATION

2000 - 2002 **F.W. Olin Graduate School of Business at Babson College** **WELLESLEY, MA**

- Masters of Business Administration degree, May 2002, majoring in Change Management and Implementation Strategy, and Entrepreneurship.
- Worked as part of Babson MBA as a financial, marketing and strategic management consultant for www.musuemshop.com, (Sep 2000 – May 2001).

1999 - 2000 **Northeastern University** **BOSTON, MA**

- Masters of Science degree in Finance, May 2000.
- Developed as part of my Northeastern University MSF program an E-commerce business venture for Marina –B, Jewelry Company.

1993 - 1994 **Gemological Institute of America** **SANTA MONICA, CA**

- Graduate Gemologist (G.G.) and Graduate Jeweler (G.J.) and Diamond grading (D.G.).

1987 - 1992 **George Washington University** **WASHINGTON, DC**

- Systems Analysis Engineering - Operation Research.

AWARDS

2013 **Forbes Magazine** **RIYADH, SAUDI ARABIA**

- Awarded by Forbes magazine as one the most inspiring business leaders in Saudi Arabia and featured in Forbes magazine cover and received an award from Riyadh Governor in Forbes end of 2013 ceremony.

2012 **All World Network** **DUBAI, U.A.E**

- Awarded top-honors in the "Arabia Fast Growth 500" event in the "Global Entrepreneurship Summit", in which its chairman is Michael E. Porter, the infamous Harvard Business School professor, among the fastest 500 growing companies in the MENA region and Turkey.

2011 **All World Network** **ISTANBUL, TURKEY**

- Awarded top-honors in the "Arabia Fast Growth 500" event in the "Global Entrepreneurship Summit" and received the award from H.E. Prime Minister Erdogan among the fastest 500 growing companies in the MENA region and Turkey.

2011 **U.S. Embassy** **RIYADH, SAUDI ARABIA**

- Honored by U.S. Ambassador to the Kingdom of Saudi Arabia, James B. Smith, who hosted the fastest growing Saudi companies in 2010.

2011 **Saudi Arabian General Investment Authority (SAGIA) RIYADH, SAUDI ARABIA**

- Awarded top-honors in the "Global Competitiveness Forum (GCF)" among the fastest 100 growing companies in the Kingdom of Saudi Arabia.

ACTIVITIES AND INTERESTS

- Fitaihi holding Public Co. board member.
- International Medical Center Co. financial committee member.
- Holds Management Consultant License from Ministry of Commerce.
- OQAL Jeddah, a venture capital investment club board member (2014)
- SERB, member and accelerator (Since 2013)
- QOTUF accelerator program, mentor and instructor (Since 2013)
- Saudi National TV show for entrepreneurs "Do you have an idea" judge
- Active in all entrepreneurship ecosystem activities in Saudi Arabia
- Traveled to more than 30 countries around the world.

LANGUAGES Fluent in English, Arabic, and conversational in Italian.