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## Walden University

College of Management and Technology

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Aslihan Cakmak

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Walden University 2018

Abstract

Internationalization Strategies of Service Sector Small and Medium Enterprises in Turkey

by

Aslihan Cakmak

MBA, Dowling College, 2000

BS, Istanbul University, 1992

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

December 2017

Abstract

Small and medium enterprises (SMEs) have a significant role in most emerging and developing economies. To increase the probability of survival of their SMEs and achieve sustainable growth, some SME leaders expand their business operations beyond national borders by implementing internationalization strategies. Internationalization is crucial to SME survival. The conceptual framework of this study consisted of a multitheory model including stage model, network theory, and new venture theory. The purpose of this qualitative multiple case study was to explore the strategies that Turkish information communication technology (ICT) SME leaders used to internationalize their business operations. Ten SME leaders, who led a variety of high-tech service SMEs operating in the ICT service sector in Turkey, served as participants for this study. The company documents, reports, and government documents were used to triangulate the interview data. Yin's 5-step method to data analysis resulted in the development of 5 themes: Turkish SME leaders have an active role in internationalization, geographical distance and culture are the 2 main factors of consideration when developing internationalization strategies, managerial attitude supports internationalization, Turkish SME leaders choose low commitment entry methods when entering foreign markets, and relationships is the main source the SME leaders rely on when internationalizing. The findings of this study may help SME leaders to implement successful internationalization strategies to their business operations and achieve sustainable growth of their SMEs, which may contribute to social change by improving both local and host country economies and the well-being of their citizens.

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## Dedication

This study is dedicated to my beloved daughter, who is the most loving, caring, and supportive person I have ever met. I hope my accomplishment paves the road for you to achieve much more than I was ever able to do.

### Acknowledgments

I would like to thank my family, friends, and colleagues who supported me during my tenure at Walden University. I also want to extend my gratitude to the SME leaders in Turkey who participated in my study, kept the communication channels open, and supported my commitment to excellence.

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#### Section 1: Foundation of the Study

Increased competition and trade between nations force business owners to internationalize their business operations to contribute to the development of productivity, industries, and nations. Internationalization has positive effects on small and medium enterprise (SME) performance (Suh & Kim, 2014). Internationalization is a multidimensional process involving inward and outward international business activities (Welch & Luostarinen, 1988). In developing countries, SMEs have a strong role in the countries' economic development (Korsakiené & Tvaronavičiené, 2012; Osei-Bonsu, 2014). In this study, I explored what strategies information communication technology (ICT) SME leaders in Turkey used to internationalize their business operations. This study may add to the growing knowledge on service sector SME internationalization by providing insights into key strategies to achieve competitive internationalization.

#### **Background of the Problem**

In most emerging and developing countries, SMEs have the largest share of the national economies (Kazlauskaitė, Autio, Gelbūda, & Šarapovas, 2015), supporting entrepreneurial development and job creation (Bhatti, Syed, Shah, & Shaikh, 2012; Talebi, Tajeddin, Rastgar, & Emami, 2012). As of October 2014, close to 3 million SMEs were operating in Turkey, constituting 99.8% of business establishments (Turkish Statistical Institute, 2014). Internationalization increases SMEs' survival rate and profit potential (Atik, 2012; Lee, Kelley, Lee, & Lee, 2012). Because multinational enterprises (MNEs) dominate the SMEs' local markets, internationalization is necessary for SME existence (Bakar, Bicakcioglu, & Ozgen, 2014). However, most SME leaders encounter

obstacles extending their businesses internationally (Kumar, 2012; Sener, Savrul, & Aydin, 2014; Zucchella & Siano, 2014), and leaders of many internationally inactive SMEs do not plan to start international operations in the foreseeable future (Osei-Bonsu, 2014). Most SME leaders lack strategic orientation to initiate internationalization (Kumar, 2012). Similarly, most Turkish SMEs are not internationalizing fast enough (Karabulut, 2013).

Turkey is an emerging country with a recorded unemployment rate of 10.4% in 2015 (Central Intelligence Agency, 2016). To help reduce such a high unemployment rate, SMEs need to grow economically because SMEs promote employment by retaining most of the workforce in Turkey (Apak & Atay, 2014; Karabulut, 2013; Sener et al., 2014). A growing SME sector would have a positive impact on economic development, welfare of the world population, and financial stability (Ulrich & Hollensen, 2014). Globally, SMEs' contribution to employment is more significant in lower-income countries than in higher-income countries (Sener et al., 2014). Because SMEs in Turkey are losing their domestic market shares to large corporations (Bakar et al., 2014) and the local market in Turkey is too crowded with domestic and foreign competition, increasing international activities to grow is a sensible alternative for Turkish SMEs (Alon, Yeheskel, Lerner, & Zhang, 2013).

#### **Problem Statement**

SMEs with international business operations have higher possibilities of survival and profit potential (Korsakiene, 2014; Puig, Gonzalez-Loureiro, & Ghauri, 2014) as well as sustainability during economic turbulence (Hilmersson, 2013). In developing countries, over 98% of all businesses are SMEs, suggesting SMEs have a strong role in improving the economies (Osei-Bonsu, 2014). More than 2.6 million SMEs operate in Turkey, constituting 99.8% of business establishments, 75.8% of the labor force, and 54.5% of wages and salaries (Turkish Statistical Institute, 2014), and creating almost two-thirds of all new jobs in Turkey (Apak & Atay, 2014). The general business problem is that some Turkish ICT SME leaders experienced obstacles such as limited availability of knowledge, human, technology, and financial resources in the internationalization processes of Turkish SMEs. The specific business problem is that some Turkish ICT SME leaders lacked strategies to internationalize their business operations.

#### **Purpose Statement**

The purpose of this qualitative multiple case study was to explore the strategies that Turkish ICT SME leaders used to internationalize their business operations. The target population for this research consisted of the Turkish ICT SME leaders who successfully implemented internationalization strategies in five SME organizations in Turkey. This population was appropriate for this study because Turkish ICT SME leaders were the decision makers who experienced internationalization phenomenon and developed strategies for their businesses. The findings of this study may provide a positive social impact by improving perceptions of SME leaders in the ICT sector in Turkey to develop further internationalization strategies for their businesses. By successfully implementing internationalization strategies, SME leaders might increase profits and create positive social change by increasing employment and wealth levels within Turkey. Moreover, government agencies may use the findings of the study in developing programs to support internationalization efforts of SMEs in Turkey.

#### Nature of the Study

This study was a qualitative research study exploring the SME internationalization strategies within ICT SMEs in Turkey. Researchers choose qualitative study methods, if the purpose of the research is to explore, explain, describe, interpret, or build a theory (Fetters, Curry, & Creswell, 2013; Leedy & Ormrod, 2013; Thomas & Magilvy, 2011). Jormanainen and Koveshnikov (2012) advocated for qualitative research designs to explore phenomenon specific to emerging market firms such as Turkish SMEs. Because the exploratory nature of the current study aligns with the qualitative research method more than the quantitative method, this study was qualitative. Quantitative and mixed-method studies involve testing of hypotheses (Hoare & Hoe, 2013), which did not align with the nature of this research. Instead of solely relying on quantitative data, which might only provide summative numbers and figures (Yin, 2014), I studied each case in-depth from the SME leaders' experiences.

The design of this research was a multiple case study. Before selecting case study as the design for this research, I considered ethnography and phenomenology designs. However, the purpose of this study aligned with neither ethnography nor phenomenology study design. Ethnography was not applicable because the purpose of this research was to explore the strategies that Turkish ICT SME leaders used to internationalize their business operations. Ethnography researchers study a group of people from a specific culture in their daily lives over time (Petty, Thomson, & Stew, 2012). This research was not about a specific culture and their lives. Phenomenology researchers aim to explore the lived experiences of participants about a shared phenomenon (Petty et al., 2012). Although phenomenology could have been an appropriate design for this study, there might have been difficulties with achieving data saturation because, in a phenomenological study, the only source of data is the interviews. In this study, I collected data from other sources such as company documents to ensure data saturation.

#### **Research Question**

The central research question for this study was the following: What strategies do Turkish ICT SME leaders use to internationalize their business operations?

#### **Interview Questions**

Qualitative study researchers ask open-ended interview questions to gain an indepth understanding of a phenomenon (Marshall & Rossman, 2016). However, if the participants do not answer the interview questions completely, researchers can gather precise, relevant, and detailed data from the participants by using probing follow-up questions (Marshall & Rossman, 2016). Interview questions were as follows:

- 1. How do you describe your personal internationalization experience?
- 2. How do you describe your business internationalization experience?
- 3. What strategies do you use when selecting the foreign markets in which you want to operate?
- 4. What role do cultural similarities play when you develop strategies to pursue new international markets?

- 5. What role does geographical distance play when you develop strategies to select new international markets?
- 6. Which entry modes do you use to enter foreign markets?
- 7. What role does your firm's international network play when you develop internationalization strategies your business operations?
- 8. What type of resources does your company use to internationalize?
- 9. What are the internal factors that influence your strategy decisions on internationalization?
- 10. What are the external factors that influence your strategy decisions on internationalization?
- 11. What further information would you like to add that is relevant to internationalization strategies of ICT SMEs in Turkey?

#### **Conceptual Framework**

Researchers have examined the internationalization of firms and developed various theories to explain the internationalization phenomenon (Javalgi & Todd, 2011). In this study, the conceptual framework consisted of a multitheory model, including stage model (Johanson & Vahlne, 1977), new venture theory (Oviatt & McDougall, 1994), and network theory (Johanson & Mattson, 1988).

#### **Stage Model**

Johanson and Vahlne (1977) formulated the original internationalization model. Stage model researchers view the commitment of SMEs to foreign markets as a gradual process (Johanson & Vahlne, 1977). In accordance with the stage model, small enterprises accomplish gradual commitment to international business in four stages: (a) zero export activities, (b) exporting via autonomous agents, (c) developing foreign subsidiaries, and (d) establishing foreign production facilities (Johanson & Vahlne, 1977). Stage model was applicable to this study because some Turkish SMEs internationalize in stages (Erdil, 2012; Karabulut, 2013). As the Turkish SMEs gain more experience and knowledge, these firms gradually increase their commitments and risk tolerance levels by attempting more complex methods of internationalization (Erdil, 2012; Karabulut, 2013).

#### New Venture Theory (NVT)

Oviatt and McDougall (1994) challenged the stage model by identifying international new ventures, firms that internationalize from their inception, or soon after inception. After studying 24 international new ventures Oviatt and McDougall concluded that the stage model does not apply to these new ventures as none of the 24 firms internationalized gradually. Oviatt and McDougall observed that technology SMEs internationalize rapidly rather than gradually because these firms produce high-tech products, which can easily reach anywhere around the world. The knowledge-intensive SMEs start internationalizing from the inception. NVT did not apply to the current study because the service sector ICT SMEs in Turkey are knowledge-based small technology companies, producing high-tech services (Republic of Turkey, 2014). At the beginning of this study, based on literature review, my expectation was that the service sector ICT SMEs in Turkey internationalized rapidly and NVT would apply to this study.

#### **Network Theory**

Johanson and Mattson (1988) theorized a firm internationalizes as a result of the individual and business relationships in foreign markets with foreign firms. In this view, each firm is an actor in the business networks. A firm's business network provides knowledge and information about the foreign markets (Johanson & Mattson, 1988). Without networks, business owners have to pay high costs and need time to develop market knowledge.

For information technology sector SMEs, networks extending beyond borders are imperative (Erdil, 2012). Erdil (2012) affirmed that Turkish SMEs internationalize following the network model because, since the 1990s, these SMEs have been internationalizing by forming strategic alliances and joint-ventures. Similarly, I selected network theory for the current study because some of the SMEs were in technology development zones, and their leaders were already using networks or funds from companies within their network (Republic of Turkey, 2014).

#### **Multitheory Approach**

The stage model has been the dominant theory for internationalization. However, researchers provided evidence that some firms internationalize rapidly by using their networks and/or knowledge, either from inception, or soon after inception, and do not follow the gradualist stage model (Johanson & Mattson, 1988; Oviatt & McDougall, 1994). Modern academic streams such as the NVT, born-global theory, and the network theory aimed to establish alternative theories or models to explain a firm's internationalization; however, none of these models comprehensively explains the SME

internationalization when applied as a single theory (Osei-Bonsu, 2014). This study drew insights from multiple models: stage model, network theory, and NVT to explore and understand the internationalization strategies of service sector ICT SMEs in Turkey.

#### **Operational Definitions**

*Born-global firms:* The firms that involve in international business with multiple countries within 3 years or less from the time of their inception (Li, Qian, & Qian, 2012).

*Information communication technology (ICT):* ICT is an umbrella term referring to a set of technologies such as computer and network hardware, computer and network software, land-line telephones, mobile phones, other wireless communication devices, computers, the Internet, websites, virtual networks, and multimedia to gather, store, control, and transfer information by communication (Asare & Fei, 2015).

*International new ventures (INV):* International new ventures are the firms creating competitive advantage from their usage of available resources and from the sale of their products in multiple countries (Cannone & Ughetto, 2014; Oviatt & McDougall, 1994).

*Internationalization:* Internationalization is a multidimensional process of international business activities, which can be both inward and outward oriented, without a specific direction or order (Halilem, Amara, & Landry, 2014; Welch & Luostarinen, 1988).

*Professional service firms (PSF):* Professional service firms are the knowledgeintensive firms operating on low capital with a professional workforce (Kipping & Kirkpatrick, 2013). *Small and medium size enterprise (SME):* SME is a firm that employs one to 249 people and has annual revenue up to 25 million Turkish Liras (Karabulut, 2013).

#### Assumptions, Limitations, and Delimitations

Assumptions are the facts researchers accept as true but do not validate within a study (Leedy & Ormrod, 2013). Limitations are potential weaknesses within the study, which might counteract with the internal validity of the study (Leedy & Ormrod, 2013). Delimitations are boundaries such as participants, geographic area, and instruments defining the study (Marshall & Rossman, 2016). By revealing a researcher's assumptions, limitations, and delimitations to the study, researchers increase the trustworthiness of their research and accuracy of their findings (Leedy & Ormrod, 2013).

#### Assumptions

Leedy and Ormrod (2013) argued that describing assumptions adds meaning to a research study by helping others to evaluate the findings of the study more efficiently. The first assumption for this study was the selected sample group represented the population of SMEs and their leaders in the ICT service sector in Turkey. I used purposeful sampling method to create a more effective participant pool to reach meaningful data in this study. The second assumption was the participants and their responses were reliable because the interview questions related to their knowledge and experience; hence the participants responded to interview questions without bias and provided honest answers. The third assumption was a case study was the suitable method of study to understand internationalization through SME leaders' experiences. The fourth assumption was asking open-ended, clear, reflective, and relevant questions allowed

richer descriptions and themes to emerge and increase understanding. One last assumption in this study was the participants had a good command of the English language. The official language in Turkey is Turkish, but English language skill was a criterion I used participant selection. To remove any bias, I provided the interview questions in Turkish in a written document for the interviewees.

#### Limitations

Limitations refer to the potential weaknesses of a research study (Henderson, Kimmelman, Fergusson, Grimshaw, & Hackam, 2013). A potential limitation of this study was the use of English language during interviews. The interviewees were not native English speakers. The participants might have felt insecure about their use of English language during the interviews, or the participants might have focused on how they said something instead of what they said. To reduce this weakness, the participants received the interview questions in Turkish. If the answers the participants provided were not clear, I asked follow-up questions. Another potential weakness of this study was methodological. A qualitative study might have a methodological limitation as such the accuracy of the findings might depend on the skills of the researcher; whereas in quantitative research a computer analyzes the data with statistics and defined variables and removes such concerns (Patton, 2002). Similarly, although qualitative methods produce a large amount of detailed information and an in-depth understanding of the phenomenon, a small number of participants hinders generalizability (Patton, 2002). In this study, the sample size was limited to 10 SME leaders from only the ICT sector, which limited the generalizability of the findings to SMEs in other sectors.

#### Delimitations

Delimitations are boundaries such as participants, geographic area, and instruments that define the study (Marshall & Rossman, 2016). The scope of the study was the service sector SMEs providing ICT services in Turkey. Turkey is an emerging country (Heinemann, 2014; Uner, Kocak, Cavusgil, & Cavusgil, 2013). However, because the emerging markets are heterogeneous, the findings of this research might not be applicable to the other service sector ICT SMEs in other emerging markets. Time was another factor constraining this research to one country (Turkey), one sector (service), and one field within a specific sector (ICT).

#### Significance of the Study

#### Value of Study to Business

The study findings may be of value to businesses because SME leaders may use these findings to implement internationalization strategies for their organizations to achieve successful internationalization, which might increase the profits of the businesses. The aim of this study was to explore the strategies that Turkish ICT SME leaders use to internationalize their business operations. Since the early 2000s, politicians and governments have begun to recognize the importance of SMEs and the internationalization of SMEs (Francioni, Musso, & Vardiabasis, 2013). As of October 2014, there were close to 3 million SMEs in Turkey (Turkish Statistical Institute, 2014); however, most SMEs do not internationalize beyond export activities (Bal & Kunday, 2014; Karabulut, 2013). An economy's comparative advantage in technology and employment rate depends on the country's ability to foster development and growth of SMEs (Lee et al., 2012). Because 99% of Turkish businesses are SMEs, their growth will have a significantly positive effect on the local economy (Karabulut, 2013; Sener et al., 2014). Given the economic significance of SMEs and competitive pressures in the global markets, exploring what strategies some SME leaders use to internationalize is managerially relevant. The results of this study may also support the existing government studies, and government officials may use the findings in the development of internationalization support programs for Turkish SMEs.

#### **Implications for Social Change**

This study may contribute to social change by providing SME leaders and government officials with valuable insights on SME internationalization. In Turkey, SMEs create two-thirds of the new jobs and employ most of the workforce (Apak & Atay, 2014; Karabulut, 2013). A growing SME sector would have a positive impact on economic development, welfare of world population, and stability (Ulrich & Hollensen, 2014). When the SME leaders carry their operations beyond national borders, these SMEs not only contribute to the national economy but also to the host country economies by creating employment opportunities, increasing the gross domestic product, and ultimately contributing to the overall wealth of the population. Internationalization activities increase domestic employment, encourage socioeconomic change, increase overall public wealth, and fuel the local industries (Pinho & Martins, 2012). Wealthier economies provide their citizens with better living standards, including employment, education, infrastructure, and healthcare (Pinho & Martins, 2012). As an emerging country, Turkish economy heavily relies on SMEs (Apak & Atay, 2014; Karabulut, 2013), which might potentially improve operations and contribute to the wealth of Turkish citizens. For the reasons listed above, the findings of this study may contribute directly to business practices and positive social change.

#### A Review of the Professional and Academic Literature

An extant literature review helps researchers to gain a thorough understanding of the intended research phenomenon (Kaufmann & Denk, 2011). Researchers can justify the need for research by conducting a thorough literature review (Chan, Fung, & Chien, 2013). The literature review for this study consisted of critical analysis and synthesis of peer-reviewed articles, government publications, and reports relevant to the research question and conceptual framework. The following topics were included in the literature review: overview, internationalization, internationalization motives and strategies, internationalization theories in the conceptual framework, SME internationalization, service research and service typologies, and barriers and challenges to SME internationalization.

I used the Walden University Library, Google Scholar, Cherry Hill Public Library, and Academy of International Business to access related academic sources. The main database search engines to access the peer-reviewed articles were ProQuest, Pro Quest Dissertation and Theses, Social Science Research Network, EBSCOhost, ABI/Inform Complete, SciVerse, Emerald, and Sage Publications. In addition to journal articles and books, the literature review included reports and statistical data information from Central Intelligence Agency (CIA), The World Bank, Republic of Turkey – Small and Medium Enterprises Development Organization, and Republic of Turkey Prime Ministry Investment Support and Promotion Agency of Turkey.

To maximize the number of relevant search results, I used Boolean logic. The key words and phrases selected for conducting the research were *SME internationalization*, *small and medium enterprise internationalization, emerging market SMEs, developing country SMEs, service, service sector SMEs, service internationalization, professional service firms, PSF, Turkish SMEs, Turkish SME internationalization, barriers to internationalization, internationalization strategies, motives to internationalization, ICT, ICT in Turkey, ICT internationalization, qualitative,* and *qualitative studies.* Styleease, a software program, held all literature review sources and citations included in this study. To organize the literature review section I designed an Excel spreadsheet and recorded all sources by importing from the Styleease databank.

#### An Overview of Internationalization and SMEs in the Literature

Since the 1970s, various researchers such as Johanson and Vahlne (1977), Johanson and Mattson (1988), and Oviatt and McDougall (1994) have studied the internationalization phenomenon from different academic perspectives and aimed to explain the reasons, barriers, levels, degrees, and consequences of internationalization (Vissak, Francioni, & Musso, 2012). However, researchers have focused on internationalization of MNEs while neglecting SME internationalization (Thite, Wilkinson, & Shah, 2012; Vissak et al., 2012; Zucchella & Siano, 2014). Although the performance of large firms has received ample attention from researchers, the challenges, and opportunities that SMEs encounter in international markets have not received the same amount of interest from scholars (Skiver, Paul, & Lee, 2013).

There is no universal definition of SMEs (Markatou, 2012). In Turkey, the government considers SME as a business employing one to 249 people with annual revenue up to 25 million Turkish Liras (Karabulut, 2013). While researchers have acknowledged SMEs' economic contribution (Hilmersson, 2013; Sener et al., 2014), the literature appears limited on international business practices of SMEs in emerging markets, particularly in the Middle East region (Ibeh & Kasem, 2011). However, Korsakiene and Tvaronavičiene (2012) claimed since the 1990s, internationalization of SMEs has attracted noteworthy attention from researchers due to SMEs' important role in the development and growth of the world economy.

Because SMEs have increased their competitive levels in the international arena, internationalization is no longer an option but a necessity (Kumar, 2012). Instead of increasing their international business involvement gradually as theorized by the stage model, many emerging country SMEs and MNEs accelerated their international business operations (Oviatt & McDougall, 1994). Internationalization of high-tech SMEs became of particular interest to researchers (Cannone & Ughetto, 2014; Deprey, Lloyd-Reason, & Ibeh, 2012; Fernhaber & Li, 2013; Ibeh & Kasem, 2011; Tanev, 2012). However, Al-Hyari, Al-Weshah, and Alnsour (2012) argued that there is not much research about international activities of SMEs in developing countries.

Zhang, Ma, Wang, and Wang (2014) stated the neglect of emerging market SMEs hindered the understanding of the phenomenon of SME internationalization, especially

knowledge-intensive, high-tech IT and information and communication technology firms (ICTs; Deprey et al., 2012). Most of the researchers of SME internationalization have focused on manufacturing SMEs while service sector SMEs have received little attention (Deprey et al., 2012). Barriers to internationalization limit the competitive scope of SMEs and negatively affect the firms' future growth prospects. Because of their importance in Turkey, SME internationalization is crucial, and the study of internationalization is a critical issue to analyze (Bakar et al., 2014).

#### Internationalization

Internationalization of business activities has many definitions in academic literature, and most of these definitions include operations such as exporting, networking, creating joint ventures and establishing alliances, subsidiaries, and branches beyond national borders (Polat & Mutlu, 2013). Internationalization is a process in which firms increase commitment to foreign activities in foreign markets (Erdil, 2012). Siriphattrasophon (2014) defined internationalization as business transactions related to trade and investments firms carry out across borders. Internationalization refers to both inward (importing, acting franchisee, joint venturing, inward foreign direct investments) and outward (export, outward foreign direct investments) engagement in international business (Halilem et al., 2014; Welch & Luostarinen, 1988). However, traditionally researchers have considered internationalization only as an outward flow while they have neglected the inward internationalization. The term *internationalization* contains the words inter and nation, which means between countries, and ends in -alization indicating a process (Drauz, 2013). Based on this interpretation, and in line with Welch and Luostarinen (1988), internationalization is a multidimensional progression involving both inward and outward international business activities.

In their multiple case studies of seven SMEs in Finland, Galkina and Chetty (2015) found that most SME leaders have difficulty remembering when exactly they made a decision to internationalize and how the SME operations started in foreign markets because internationalization is an organic process. Researchers have recognized multiple dimensions of the internationalization process (Casillas & Acedo, 2013; Hilmersson, 2013; Taylor & Jack, 2013). The first dimension is the degree of internationalization, which refers to the level a firm participates in international business operations. The degree of internationalization has two components, and each component is also a dimension in internationalization process: The scale of the international business activities and the scope of international business activities. The scale of firm internationalization refers to a firm's reliance on sales in foreign markets, resulting in a decrease of dependency on local markets. The scope of internationalization refers to the international geographic area and the number of foreign markets in which a firm operates. The second dimension is the speed of internationalization, which refers to the rate at which firms extend international operations in different markets (Casillas & Acedo, 2013; Hilmersson, 2013; Taylor & Jack, 2013).

Hilmersson (2013) argued although the researchers recognize the concepts of the scale of a firm internationalization and the scope of a firm internationalization in the literature, the concept of speed of internationalization has only emerged recently. Hilmersson also found during market turbulence all three dimensions of SME internationalization become more important as each dimension supports SME performance and increase these firms' chances to stay in business. Polat and Mutlu (2013) categorized internationalization activities as indirect exports, direct exports, exports through agents, joint ventures, licensing, and franchising.

Atik (2012) established the benefits of internationalization as having high-profit potential, entering into new markets, accessing new and cheaper resources, as well as gaining a competitive advantage. Assaf, Josiassen, Ratchford, and Barros (2012) asserted that the benefits, which the younger and smaller firms from smaller economies derive from internationalization exceed the benefits, which the larger firms from developed countries do when internationalizing. These smaller and younger businesses from smaller economies have more opportunities to be successful than those more established businesses (Assaf et al., 2012).

Internationalization motives and strategies. Motives to internationalize vary from one firm to another. Several reasons might push companies to internationalize. Jormanainen and Koveshnikov (2012) and Shah, Javed, and Syed (2013) found two main motivating factors for firms to internationalize: (a) push factors, such as high savings, ineffective corporate structures, property right restrictions, capital market volatility, volatile legal system, political risks, governmental promotion policies, foreign direct investment (FDI) regulation improvements; and (b) pull factors such as availability of resources, outward FDI spillovers, and asset exploitation. Oesterle, Richta, and Fisch (2013) added the enhancement of organizational learning, internalization of deficient markets, and leveraging economic effects to the list of motivations for internationalization. Javalgi and Todd (2011) argued SMEs internationalize to take advantage of opportunities in the markets or to follow customers in international markets.

Gaur, Kumar, and Singh (2014) argued that firms from emerging markets internationalize to gain a competitive advantage in both local and foreign markets. Korsakiene and Tvaronavičiene (2012) compared the internationalization processes of SMEs from Norway and Lithuania and identified external and internal motives to internationalization. In this study, the most important external motives stimulating internationalization of SMEs in both countries are the small local market, severe competition, and closeness to the suppliers and customers. However, the internal motives to internationalize were slightly different. While the availability of skilled labor and unique production/technological capabilities are the motivators for SMEs from both countries, Lithuanian SMEs had profit goals as the highest motivator whereas Norwegian SMEs internationalized to reduce the market risks (Korsakiene & Tvaronavičiene, 2012). Erdil (2012) found 45% of Turkish companies rank market differentiation and long-term market presence as the main reasons for internationalization, followed by 18% to cut energy costs, 8% to lower labor costs, and 7% to manipulate quotas and tariffs, and 7% to take advantage of lower input costs.

Implementing internationalization as a business strategy supports economic growth (Javalgi & Todd, 2011; Kuster & Vila, 2011); however, internationalization is one of the most important and multifaceted decisions for business leaders to make (Atik, 2012). Cumming, Fischer, and Peridis (2015) recommended hiring professional advisors with necessary skills and knowledge to augment internationalization. Similarly, Lahti (2012) also argued that by providing SMEs with new operational capabilities, skilled and knowledgeable advisors would support SMEs when internationalizing. Cannone and Ughetto (2014) reasoned that the choice of an internationalization strategy depends on a combination of firm-specific, individual, and environmental influences. Krull, Smith, and Ge (2012) confirmed earlier in the internationalization process, the entrepreneurial spirit and motivation influence the decision making.

Based on the evaluation of the recent literature on SME internationalization, Bose (2016) developed a critical success factors model for internationalizing SMEs. In this model Bose identified four key competencies for internationalizing SMEs: (a) improving capacity, (b) developing and implementing policy, (c) building cluster and strategic networking, and (d) innovation advancement. Bose also suggested SMEs develop strategies in four categories to ensure successful internationalization: (a) internationalization mode, (b) timing, (c) destination, and (d) operational decisions.

According to Philippe and Leo (2011), internationalization strategies, which SMEs can adopt are not homogeneous and vary from one firm to another. SMEs can internationalize by adapting different methods such as exports, cross-border operations, strategic alliances, joint ventures, and FDI (Polat & Mutlu, 2013). Gaur et al. (2014) identified exporting and FDI as the two distinct strategies, which internationalizing firms implement. Sousa and Novello (2012) also recognized exporting as a particularly popular internationalization strategy for SMEs because of the minimal resource commitment and a greater degree of flexibility. Sinkovics, Sinkovics, and Jean (2013) explored the Internet usage as a successful marketing medium for internationalizing SMEs. Data collected from 115 SMEs in the United Kingdom involved in online internationalization confirmed the Internet as a marketing channel supporting internationalization. However, the Internet cannot substitute a physical marketplace; it can only have a complementary role (Sinkovics et al., 2013). Sinkovics et al. cautioned born-global firms about not fully relying on the Internet, which might be a virtual trap. In a qualitative study of 28 SMEs in the biotechnology field, Veilleux, Haskell, and Pons (2012) researched the formation of strategic alliances as an internationalization strategy. Veilleux et al. attempted to understand the role of planning, opportunity management, organizational actors, and organizational learning to explain how SMEs form international alliances. The results revealed these internal factors support formation of international alliances. Firm's age, financial and human resources, and development competencies are the determinants of the levels of formations (Veilleux et al., 2012).

Studying the internationalization strategies for service firms is a challenge for scholars because a service is produced and consumed at the same time (Grönroos, 2016). In other words, the service provider has to be at the place where the consumer uses the service. Grönroos (2016) identified three internationalization strategies for service firms: (a) direct export in which the service provider travels to the international market where the consumer is, (b) system export in which the service provider follows the local client to an international market, and (c) launching operations in international markets in which the service firms can fully own a local subsidiary in a foreign country or enter a joint venture agreement with a foreign

partner (Grönroos, 2016). Grönroos mentioned service firms can opt to involve indirect ways of internationalization such as franchising and license agreements.

Internationalization requires major changes in organizations. To adopt an internationalization strategy, SMEs need to change the production mindset to customer orientation, develop an entrepreneurial orientation, reconfigure the firm's resources, and appoint skilled and experienced managers who might also be owners (Osei-Bonsu, 2014). Parente, Cyrino, Spohr, and de Vasconcelos (2013) studied the internationalization strategies of business firms and explained that the companies with strong product development choose to internationalize by diversifying products globally. If the firm's strength is funding, the firm might leverage government support or rearrange its portfolios (Parente et al., 2013). Francioni et al. (2013) studied the internationalization strategies of already internationalized SMEs in the manufacturing sector and found that the internationalization strategies and decisions are not static; strategies evolve as a response to unaccounted and unexpected factors.

Shukla and Dow (2010) studied the internationalization strategies of both capitaland knowledge-intensive service firms and found that both types of firms employ different internationalization strategies. Capital-intensive firms internationalize with a sudden jump followed by small increments whereas knowledge-intensive firms employ a recurrent strategy with increasing increments of internationalization (Shukla & Dow, 2010). As a result, the knowledge-intensive firms increased their resource commitments to foreign markets nearly twice as fast as capital-intensive firms did (Shukla & Dow, 2010). Rodríguez and Nieto (2012) analyzed the role of innovation in internationalization strategies in knowledge-intensive firms and found that innovation is beneficial for internationalization. Philippe and Leo (2011) argued that the preferred internationalization strategy of PSFs, mainly management consultancy firms, is direct exports; operating from the home country and have the staff travel to the host country for service delivery.

For any internationalization to be successful, Kuster and Vila (2011) argued that the leader of the firm should be market oriented because the market orientation relates to innovation and leads to economic success. Similarly, Javalgi and Todd (2011) stressed the importance of entrepreneurial orientation as a requirement for a successful internationalization strategy implementation, which involves taking risks, embracing innovation and being proactive. Li et al. (2012) stressed the importance of factors such as research and development for internationalization. Because of the increasing competition in the international markets, Varga, Vujisic, and Zdravkovic (2013) suggested the governments actively support SME internationalization and survival by providing state aid. State aid is especially important for SMEs in innovation clusters such as technology development zones (Varga et al., 2013).

Networking is also a business strategy, which business leaders use to internationalize (Erdil, 2012). Network theorists emphasized the importance of establishing networks as a business strategy while internationalizing (Ibeh & Kasem, 2011; Tang, 2011). However, Galkina and Chetty (2015) reported that in many instances, SME leaders do not have a network strategy and these SME leaders simply create new network relationships with unexpected partners as their SMEs internationalize. OseiBonsu (2014) urged SME leaders to attend international fairs and events to develop international networks because gaining foreign partners would help cover some of the resources SMEs lack to internationalize.

Networking as a business strategy involves commitment, openness to diversity, and being proactive (Tang, 2011). Erdil (2012) analyzed the internationalization process of Turkish companies and found that Turkish firms use export, investments, and partnerships effectively. Once these firms make a presence in export markets, these Turkish businesses expanded their international operations to direct investments and partnerships (Erdil, 2012).

Internationalization theories. Internationalization research studies have not yielded a commonly accepted internationalization model yet. However, researchers have developed several theories, including the three influential internationalization theories: stage model, network theory, and NVT (Johanson & Mattson, 1988; Johanson & Vahlne, 1977; Oviatt & McDougall, 1994).

*Stage model.* Stage model theorists posited that leaders of firms follow traditional stages of intermittent exports, exports via export agents, knowledge agreements such as licensing and franchising, and foreign direct investments when internationalizing (Krull et al., 2012). Moving along these stages reduces the risk and amount of money needed to operate (Karabulut, 2013).

As the pioneer stage model researchers theorized, a firm starts from the point of no exports (Krull et al., 2012) and increases international activity gradually (Karabulut, 2013). Johanson and Vahlne (1977) suggested by incrementally learning about foreign markets, firms would consecutively increase their commitment to internationalization activities. Gradual learning would help firms to eliminate the obstacles to internationalization (Johanson & Vahlne, 1977).

The stage model is the dominant theory with manufacturing companies (Krull et al., 2012) with a focal point of reducing market risks. The stage model researchers viewed a firm as a reactive performer in internationalization (Johanson & Vahlne, 1977). The reaction from a firm occurs after the firm gains sufficient amount of market knowledge and experience abroad. However, Paul and Gupta (2013) observed IT firms have a special ability to acquire knowledge to drive internationalization process.

The stage model contains two elements: resources, which the owners can commit to internationalization and the degree of commitment (Johanson & Vahlne, 1977). Firms chose to internationalize in stages to eliminate high levels of uncertainty (Krull et al., 2012). Knowledge gained from international activities drove the internationalization processes of Turkish companies (Erdil, 2012). As a result, Turkish SMEs internationalized gradually (Karabulut, 2013).

*New venture theory (NVT) and born-global firms.* Over time, conventional internationalization models have drawn criticism from the researchers because the young SMEs with limited resources began to internationalize right after their foundation, leading to the born-global firms, a concept introduced to the literature by McKinsey & Company (1993). The born-global firms are the firms, which internationalize faster than expected in comparison with the firms of a similar nature (McKinsey & Compnay, 1993). McKinsey & Company researchers studied the Australian manufacturers who started

exporting only two years after inception. These Australian manufacturers of value-added goods did not build a strong domestic market and did not internationalize in incremental stages (McKinsey & Company, 1993). Grönroos (2016) argued that most born-global firms are service firms.

Oviatt and McDougall (1994) conducted 24 case studies in 11 countries and introduced the term *international new ventures* (INV), referring to the organizations that are international since inception or right after inception. Oviatt and McDougall studied the INVs and developed a framework to explain this new phenomenon. SMEs with limited resources begin to internationalize right after inception (Oviatt & McDougall, 1994). Oviatt and McDougall further developed their theory and added the environmental influences, industry conditions, and entrepreneurial thinking as the determining factors for the speed of international business. In the revised model, Oviatt and McDougall proposed while the potential entrepreneurial opportunity initiates the internationalization process, effective communication, faster transportation, and digital technology help firms speed up internationalization. The revised model explained the emergence of NVTs not only by a firm's capabilities, but also by the technological developments along with changes in business environment.

Kazlauskaitė, Autio, Gelbūda et al. (2015) observed that the researchers had applied NVT extensively on emerging economy SME internationalization. The rapid internationalization of businesses inspired researchers to focus on born-global firms (Cannone & Ughetto, 2014). Kuivalainen, Saarenketo, and Puumalainen (2012) viewed the small technology-based enterprises as born-global firms. Kuivalainen et al. claimed born-global firms would be more successful at internationalization compared to traditional firms because of the global mindset, which is a factor influencing the internationalization processes of firms. Cannone and Ughetto (2014) collected data from 522 ICT sector start-up companies and reported if the domestic market is small, the startups in high-tech ICT sectors internationalize from the foundation. Similarly, Tanev (2012) pointed out a trend suggesting the majority of technology companies are bornglobal firms. Cannone and Ughetto found the born-global firms are rapidly expanding beyond borders because the technology, transportation, and telecommunication are closing the cultural and physical distances. Proficiency in a foreign language is another factor helping these ICT firms to internationalize from inception (Cannone & Ughetto, 2014). Supporting the argument by Oviatt and McDougall (1994), Fernhaber and Li (2013) studied new ventures in high-tech industries and found the networks are beneficial for new ventures. Oviatt and McDougall pointed out the importance of networks for new ventures and their accelerated internationalization.

*Network theory*. Some scholars explored the relationship between internationalization and business networks (Johanson & Mattson, 1988) and found the networks have a positive influence on internationalization of business operations because networking accelerates internationalization (Tang, 2011). Network theory researchers suggested internationalization starts with local networks. Hermel and Khayat (2011) explained the significance of network connections with external groups, including professional forums, industry networks, former colleagues, and friends. Gaur et al. (2014) stated both firm-specific, and institutional network resources are important because the network resources produce positive outcomes in international performance and further internationalization of SMEs.

Networking not only provides information and knowledge about foreign markets but also enables internationalizing firms to gain access to other markets and resources (Tang, 2011). Huang and Xue (2012) conducted a case study and confirmed networks, mainly a cluster supply chain are essential for internationalization of SMEs. Similarly, in a quantitative study of 1304 Australian manufacturing SMEs, Eberhard and Craig (2013) examined the relationships among personal and organizational networks within international ventures and confirmed networks positively influenced SME internationalization after a certain period.

Network theory researchers argued distributors, marketing agents, foreign partners in the network support firm's internationalization (Hermel & Khayat, 2011). Johanson and Vahlne (2009) stated the success of foreign market entry of a firm depends on the firm's position in the network. After an extant literature review, Kazlauskaitė, Abramavicius, Šarapovas, Gelbūda, and Venciūtė (2015) concluded the research findings on the entry modes and the role of networks in market selection are not conclusive. While some researchers found networks have a strong effect on entry and foreign market choice, the other researchers found either insignificant or negative effects (Kazlauskaitė, Abramavicius et al., 2015). In a case study, Musteen, Datta, and Butts (2014) revealed diversity and tie strength between Czech SMEs and international networks have a positive influence on foreign market knowledge. To boost networking, Osei-Bonsu (2014) advised SME leaders to work on refining managerial capabilities by attending international trade events to grow business networks with foreign businesses, which own the resources. Supporting Osei-Bonsu, Graves and Shan (2014) also argued the international network enables SME leaders to remedy the negatives caused by limited managerial and financial resources. On the contrary, Ciravegna, Lopez, and Kundu (2014) argued that existing networks have limited or zero effect on internationalization of Chinese SMEs, if the SME owners have extensive international experience and they are actively searching for international business opportunities. Firms can establish a new position in a network or redevelop a position in a network, which implies the creation of international networks is an incremental process (Johanson & Vahlne, 2009).

Johanson and Vahlne (2009) revisited the stage model after the emergence of other streams of research such as born-globals, new ventures, and network theory and developed a view of internationalization from the point of business networks. In the revised model Johanson and Vahlne focused on the importance of business networks to emphasize that the markets where the businesses connect to one another are actually a network of business relationships. Within the revised model, internationalization occurs as a firm strengthens its position in networks (Johanson & Vahlne, 2009). Network theory researchers argued that firms internationalize by using their business networks since in these networks company leaders reach information, as well as financial, human, and capital resources (Johanson & Vahlne, 2009). Kazlauskaitė, Autio, Šarapovas, Abramavicius, and Gelbuda (2015) conducted and extant literature review on network theory and concluded emerging market SME leaders use domestic and international business ties as well as their personal connections to gain market knowledge and make market selection decisions. However, these ties have a less relevant role for SME leaders in emerging markets than their counterparts in developed economies (Kazlauskaitė, Autio, Šarapovas et al., 2015).

Javalgi and Todd (2011) also revisited the stage model and supported the importance of business networks in the literature. Oviatt and McDougall (1994) found the use of networks could remove internationalization barriers such as the distance between local and international markets, company size, and a lack of resources. Proponents of network theory emphasize the business networks and firm-specific resources producing a competitive advantage for the firm (Gaur et al., 2014). Firms need the business networks consisting of a large employee base and several organizations to lead innovation and market products in international arenas. The network model differs from earlier stage model by emphasizing the role of a variety of relationships and networks rather than country- and firm-specific influences (Javalgi & Todd, 2011; Oviatt & McDougall, 1994).

Networks and relationships are essentially important to service firms compared to manufacturing firms. For information technology sector SMEs, networks are imperative, not a choice with networks extending beyond borders (Erdil, 2012). Ibeh and Kasem (2011) studied the Syrian software SMEs operating in the knowledge-based service industry and found that although both social and business networks are important, social networks are influential during the beginning stages of internationalization while the business networks are more prevailing afterward. Because of the competitive nature of technology firms and the risk of products being obsolete within a short period, the

survival of technology companies depends on how fast these firms can enter international markets. Fernhaber and Li (2013) studied 448 fast-growing new businesses in high-tech industries and found relationships within networks benefit internationalization of new ventures. Fernhaber and Li concluded the alliances affect older ventures more in internationalization whereas proximity had more influence on new venture internationalization.

## **Integration of Internationalization Theories**

Researchers have adopted internationalization models to study different business sectors. Assaf et al. (2012) studied the retail industry, Meyer, Skaggs, Nair, and Cohen (2015) studied services, Drauz (2013) studied automobile industry, Karabulut (2013) studied textile SMEs, and Schwens and Kabst (2011) studied technology firms. Since the 1990s, researchers shifted their focus on applying and refining the theoretical approaches to study SME internationalization (Wang & Ngoasong, 2012). Although by using each theory the researchers attempted to explain the firm internationalization from a different perspective, scholars have criticized each theory for a variety of reasons. For instance, Buckley and Hashai (2014) argued the internationalization theories including stage model, NVT, network theory, eclectic paradigm, and resource-based view (RBV) are all work of scholars from economically advanced countries who applied these models to explain the internationalization processes only in developed countries. Drauz studied 12 automobile companies in China and reported comparing the degree of internationalization of these 12 companies within a single conceptual framework was difficult. Drauz concluded integrating frameworks to understand internationalization is necessary.

Vissak and Francioni (2013) stated the majority of international business research studies used two types of internationalization models; stage model and born-global, which are both linear. However, Vissak and Francioni asserted the internationalization processes is not always a linear process, and the nonlinear internationalization should be studied as well. Nonlinear internationalization refers to fluctuations in internationalization such as decreases, increases, and sometimes deinternationalization and reinternationalization (Vissak & Francioni, 2013).

Recently, more researchers advocate integrating major theoretical frameworks to explain internationalization of SMEs as the most effective method in international business research because each theory focuses on certain aspects of internationalization and ignores the rest (Kuivalainen et al., 2012; Oviatt & McDougall, 1994). For instance, Korsakiene and Tvaronavičiene (2012) identified a few studies in the literature, which support the integration of several theories to explain SME internationalization phenomenon. Krull et al. (2012) employed a tripod strategy by combining theoretical frameworks of internationalization and studied the internationalization of service firms. Manolova, Maney, and Gyoshev (2014) studied the role of financial networks for a new venture firm when internationalizing by combining NVT and network theory. Li et al. (2012) advocated combining all three frameworks, stage model, NVT, and network theory to effectively study the internationalization of technology-based SMEs. Fernhaber and Li (2013) adopted both NVT and network theory to study high-growth ventures in high-tech industries to study if the international exposure through networks positively affects the internationalization of new ventures.

In addition, researchers favor integrating theoretical frameworks in international business research because each theory focuses on certain aspects of internationalization but ignores the rest (Kuivalainen et al., 2012; Oviatt & McDougall, 1994). Stage model alone is not enough to explain why some firms internationalize and some do not, or why some firms internationalize faster than the others (Kuivalainen et al., 2012). Stage model researchers focus on learning by the firms but ignore the competition in the markets. Similarly, NVT theorists emphasize the firm-specific assets, which enable small firms to enter foreign markets, but ignore the time-dependent aspects of internationalization such as learning (Kuivalainen et al., 2012). In the same manner, stage model theorists do not analyze how and why the businesses start internationalization process, do not elucidate the factors affecting the internationalization process, or do not study the decisions once the company is in international markets (Kuivalainen et al., 2012).

Li and Roberts (2012) conducted 10 case studies using stage model and revealed universities do not follow a uniform entry pattern to international markets. However, further studies provided empirical evidence that firms in small countries continue to internationalize gradually (Paul & Gupta, 2013). One major criticism of stage model is the researchers developed these theories in the 1970s and some dimensions may not be relevant to fast growing companies (Li et al., 2012).

Contradicting each other, stage model and NVT researchers present different perspectives of internationalization (Kuivalainen et al., 2012; Oviatt & McDougall, 1994). Stage model theorists focus on why firm internationalization unfolds in an incremental manner, but ignore what happens after internationalization whereas NVT researchers attempt to answer how firms internationalize from the inception (Schwens & Kabst, 2011). NVT underlines the importance of firm-specific, unique but limited resources, which SMEs possess when internationalizing but ignores the importance of knowledge and experience development emphasized by stage model. Li et al. (2012) claimed traditional internationalization theories, such as stage model and the new theories such as NVT and born-global are complementary about the issues of small firm internationalization. However, stemming from international entrepreneurship literature, NVT researchers study the strategic decisions by the firm owners, before, during, and after the internationalization process (Cannone & Ughetto, 2014).

Firms internationalizing through networks do not follow the stage model for internationalization. Schwens and Kabst (2011) claimed internationalization of technology firms should be studied by using both stage model and NVT perspectives as technology firms gradually internationalize; internationalization of these firms does not end after entering the foreign markets. Based on qualitative case studies of 13 Chinese IT service firms, Su (2013) identified internationalization behavior patterns and elaborated the internationalization strategy formation processes. The findings revealed when internationalizing, some firms followed the traditional model of internationalization, while others started working with foreign businesses right at or shortly after inception. NVT and network theories are also connected. For instance, alliances created by networks are specifically important for born-global firms as these alliances help new ventures overcome resource constraints and encourage market development (Oviatt & McDougall, 1994). SME internationalization. SMEs are vital components of national and global economies, which help economic growth by creating jobs, output, and exports, supporting innovation, and promoting efficient use of resources (Bhatti et al., 2012; Harris, Kamarulzaman, & Norhashim, 2012). Garg and Weele (2012) acknowledged SMEs' revolutionized role in creating sustainability within their countries. Hulbert, Gilmore, and Carson (2013) argued SMEs and larger business establishments have differences in business behavior and because of SME owners' limited expertise and internationalization experience, and limited nature of available resources existing internationalization theories might not apply to SME internationalization. An entrepreneurially minded owner who is also the manager with a unique personal management style creates the SME (Hulbert et al., 2013).

A possible factor in SME success is their ability to internationalize their operations (Hajela & Akbar, 2013; Hilmersson, 2013; Lee et al., 2012; Talebi et al., 2012). Bose (2016) argued two factors determine the success of SME internationalization: (a) comprehensive and flawless evaluation of opportunities, and (b) effective and resourceful decision implementation. The success of the SME internationalization depends on timely, thoughtful decisions and proper utilization of resources (Bose, 2016).

Internationalization is a method to increase the prospect of SME survival by providing opportunities beyond national borders (Lee et al., 2012). Because of the increased competition in the business world, for SMEs, internationalization is both a necessity activity to survive and essential to maintain a competitive advantage (Atik,

2012). Overdependence on a single market such as the SMEs local market increases the uncertainty for income stream because depending on one market leaves SMEs vulnerable to fluctuations in sales (Hilmersson, 2013). Based on a study of Indian software SMEs, Hajela and Akbar (2013) found internationalization is beneficial for small firm performance. Markatou (2012) emphasized SMEs are vital to recovery in any economy during and after economic instabilities.

Although internationalization has become a standard practice for successful businesses, the focus of internationalization studies has been the corporate success stories, ignoring SMEs (Kumar, Mudambi, & Gray, 2013). Fewer researchers have studied SME internationalization (Korsakienė & Tvaronavičienė, 2012). Ibeh and Kasem (2011) also pointed out the lack of SME internationalization studies in developing countries.

Due to the limited nature of their financial, managerial and resource capabilities, SMEs internationalize in a different manner than the larger firms, which have greater capabilities (De Maeseneire & Claeys, 2012; Kumar, 2102). However, compared to larger firms SME leaders have more flexibility to adjust internationalization because of less complicated management structure and liquidity (Kumar, 2012). Kamakura, Ramon-Jeronimo, and Gravel (2012) reported international policies, physical distance, and cultural differences influence the internationalization processes of SMEs as well as technology, human capital and managerial ties beyond borders.

SMEs, generally starting out with a small number of employees and operations, incrementally increase their activities in international markets (Karabulut, 2013). During

the initial stages of internationalization, the leaders' knowledge level, available resources and commitment is low. Kalinic and Forza (2012) found a link between the focus of SMEs and the mode of internationalization. Kalinic and Forza observed strategic focus at SMEs enables the move from local to global level and provokes internationalization efforts such as joint ventures and FDI. Similarly, even the traditional, long-established SMEs can also accelerate internationalization process (Kalinic & Forza, 2012). The researchers concluded the SMEs' involvement in foreign subsidiaries was rapid, yet gradual and constant (Kalinic & Forza, 2012).

Kamakura et al. (2012) pointed out the lack of longitudinal research in SME studies and conducted a study, which covered 15 years of internationalization activities of SMEs in Spain, which identified four stages: domestic at first, early exporters, advanced stage, and global stage. Kamakura et al. revealed although these small Spanish firms start at a less internationalized position, over time, business operations advance to a global stage. Ruzzier and Ruzzier (2015) examined the importance of firm age, firm size, and resource availability in the internationalization of Slovenian SMEs and confirmed a firm's size is an influential factor in internationalization along with quality and availability of organizational and human resources. Ruzzier and Ruzzier also advised the SME leaders to begin internationalization process right after inception or create the company with the purpose of internationalization in order to achieve a greater degree of internationalization. In the same study, Ruzzier and Ruzzier revealed the quality and availability of firm-level resources may influence internationalization process of manufacturing SMEs more than internationalization of service SMEs (Ruzzier & Ruzzier, 2015).

Talebi et al. (2012) asserted in developing economies, for high-tech SMEs internationalization is one of the vital success requirements. Ibeh and Kasem (2011) studied the internationalization of SMEs in the software business in Syria and found both international contacts and existing and new relationships offered market opportunities, which enabled SME internationalization. These relationships also influence market entry decisions and speed of internationalization process (Ibeh & Kasem, 2011). Ibeh and Kasem recommended SMEs from developing countries make engaging networks a priority to enhance internationalization processes.

Erdil (2012) identified Turkish firms followed a similar path to internationalization as the other firms in other countries. Turkish companies first enter neighboring countries by way of exporting, later in the process, Turkish firms involve in more FDI than joint ventures abroad (Erdil, 2012). Karabulut (2013) concluded Turkish manufacturing SMEs follow stage model internationalization and internationalize gradually. However, these SMEs cannot expand the range of internationalization beyond export activities. These firms, generating 20% or more of their revenues from exports, mostly export as an internationalization activity (Karabulut, 2013).

Service research and service typologies. Over the last two decades, SMEs in the service sector have made important contributions to global trade in both developed and developing countries (Kundu & Lahiri, 2015; Lu, Quester, Medlin, & Scholz, 2012). Especially in developing countries employment numbers in service industries have increased, including Turkey with 30.05% increase between 2010 and 2014 (Kundu & Lahiri, 2015). Since the 1990s, companies from developed countries moved their service operations or service components of their products to emerging countries (Lewin & Volberda, 2011). International competitiveness of service sector SMEs is pivotal for growth in countries, which contain a considerable amount of service sector SMEs (Lejarraga & Oberhofer, 2015). Although the service sector represents the most vibrant sector in international trade and has become a powerful force in the global economy, contemporary academic researchers have not conducted enough research to emphasize the significance of service firms (Deprey et al., 2012; Lejarraga & Oberhofer, 2015).

Apfelthaler and Vaiman (2012) conducted a review of articles on service internationalization published in six journals and found internationalization bears a minor importance for the top academic journals in service industries area. In the same manner, service research as a topic is of minor importance for the top academic journals in international business and international management. Kundu and Lahiri (2015) also examined literature published between 2008 and April 2015 in five international business and international management journals and found out of 1797 articles, only 79 research articles were about services. Xue, Zheng, and Lund (2013) reported until recent years some academics and some governments, including the Chinese government, believed services did not create value but merely redistributed the value created by manufacturers. Deprey et al. (2012) stated academic literature needs more research reflecting the growing importance of the service sector. Most researchers on internationalization focused on large manufacturing or service companies, while service sector SMEs received very little attention (Deprey et al., 2012). Pillmayer and Scherle (2014) called for studies, which hold a holistic view of service internationalization phenomenon.

Academic research is not clear on the classification of services and nonservice sectors and the differences between the two; different researchers used different qualifications to categorize services. For example, Abdelhazer (2012) acknowledged the distinctions between knowledge-intensive service firms such as ICT, research and design firms and capital-intensive service firms such as airlines and hotels and their different internationalization processes. Services can be classified as soft services such as banking, retail distribution, and hotels or capital-intensive services such as telecom, energy, and air transport (Abdelhazer, 2012). Tradable services can be exported whereas nontradable services cannot be exported creating the distinction between hard and soft services (Menzies & Orr, 2013).

Internationalization of service sector SMEs is a complex process (Javalgi & Todd, 2011). Researchers have different views on internationalization of service firms. Meyer et al. (2015) developed a typology for internationalization strategies of service firms. Meyer et al. argued the service firms can use (a) cross-border supply strategy, which refers to service supplier crossing borders to offer services; (b) consumption abroad strategy, which refers to customer crossing borders to receive the product; (c) commercial presence by way of licensing, franchising or joint venture; and (d) movement of people. A software program created in one country and sold to a customer in another country is an example of cross-border supply strategy (Meyer et al., 2015). Meyer et al. suggested

the uncertainty of customer, necessity of local presence, the complexity of service process, and the range of service offerings determine the internationalization strategy service firms use. Similarly, Menzies and Orr (2013) studied the internationalization of 23 Australian service firms and found the stage model would partially apply to the firms with exportable (hard) services but not to the firms with nonexportable (soft) services where the services must be located in the market.

Although some researchers see no distinction in the internationalization of manufacturers and service firms, Menzies and Orr (2013) believed service firms follow a distinctive internationalization path. Freiling, Wassermann, and Laudien (2012) developed a model to elucidate the SME leaders' decision-making process in the internationalization of industrial services and explained why industrial service firm leaders follow different internationalization paths. Meyer et al. (2015) pointed out the differences between service firm internationalize when customers cross borders and come to the home country where the service provider resides in order to use the service (Meyer et al., 2015). Internationalization of education or medical services is an example of such internationalization process. Service firms also internationalize when service providers such as consultants temporarily cross borders to offer their product (Meyer et al., 2015). Temporarily crossing borders is another difference between a manufacturer and a service firm internationalization (Meyer et al., 2015).

Hurmelinna-Laukkanen and Ritala (2012) established the service oriented firms are less internationalized than product oriented service firms, which means service firms might have more challenges to overcome to internationalize. Deprey et al. (2012) reasoned the difficulty in transferring intangible products across borders might be a reason for low levels of internationalization within service firms. Hurmelinna-Laukkanen and Ritala claimed the difference in nature of services causes lower levels of internationalization in the service sector. On the contrary, Lewin and Volberda (2011) suggested the service sector firms are more international than the firms in the manufacturing sector because, since the 1990s, the businesses from developed countries have been transferring their service portion of their operations to emerging and developing markets. Service SMEs have more opportunities for entering a foreign market than the manufacturing firms do because service firms do not need to open a physical location in foreign markets (Lewin & Volberda, 2011).

**Professional service firms (PSFs)**. In literature, SME internationalization, especially in knowledge-intensive service segments such as professional service firms (PSF), received little attention (Lu et al., 2012). While the researchers neglected service sector in international business research, lack of attention on PSFs as a subset service sector is even more obvious (Rosenbaum & Madsen, 2012). A consensus does not exist yet, but Kipping and Kirkpatrick (2013) defined PSF as the knowledge-intensive firms operating on low capital with a professional workforce. PSFs fall under knowledgeintensive soft services category, which offers products in intellectual nature (Abdelhazer, 2012).

Researchers have different views about internationalization of PSFs. Most scholars who studied PSF internationalization focused on one specific element of the

internationalization process such as location advantages (Faulconbridge & Muzio, 2016), or knowledge and learning (Abdelhazer, 2012). Deprey et al. (2012) conducted a case study on the internationalization of management consultancy PSF SMEs to explore the extent to, which factors of successful internationalization in manufacturing firms are relevant to the internationalization of service firms. The findings revealed the same facilitators in the internationalization of manufacturing firms such as owner (founder)'s orientation, networks, and technology helped service firms to internationalization of PSFs and identified five phases firms pass through while internationalizing: (a) preinternationalization, (b) entrepreneurial establishment, (c) conquering the world, (d) client following, (e) planned expansion, and (f) mature development. Deprey et al. argued the level of internationalization of PSF might be low because of the intangible nature of the product PSFs produce.

Abdelhazer (2012) discussed how the knowledge-intensive firms and the challenges to internationalization impact the internationalization of the firm and found these firms follow a more cautious approach to internationalization. Lu et al. (2012) examined the export performance of PSFs in a case study and found managerial commitment, international experience and resource commitment as the crucial factors in internationalization. The study also included external factors such as competition and government policies, which greatly influence the export performance of PSFs. Javalgi and Grossman (2014) considered the universities as knowledge-based service providers and studied their internationalization. The findings confirmed human capital, name in the

market, management's attitude, and foreign market pull have an impact on internationalization of knowledge-based service firms.

Li et al. (2012) maintained factors such as the need for low capital, international clients, and flexible entry modes support internationalization of the PSFs. Brock (2012) explored the capabilities necessary for PSFs internationalization and found the success of internationalization of PSFs depends on five categories: market entry strategies, management philosophy, organizational structure and assignment of roles, leveraging resources, and internal integration processes. Scott-Kennel and von Batenburg (2012) conducted a case study and found a firm's organizational learning and knowledge base have a significant influence in internationalization because knowledge leverage mechanisms moderate the internationalization efforts of PSFs.

**IT / ICT firms.** Abdelhazer (2012) identified two separate categories of service firms: (a) capital-intensive service firms, and (b) knowledge-intensive service firms. Researchers consider ICT firms as knowledge-intensive PSFs (Abdelhazer, 2012; Lu et al., 2012). Because ICT support competitiveness of products and services in international markets, ICT contributes to the world economy by increasing GDP of countries (Asare & Fei, 2015). ICT firms, competing with MNEs in the global market require strategic talent and limited fixed assets (Beerepoot & Roodheuvel, 2016).

Internationalization enables technology-based SMEs to leverage technological competencies to seize opportunities beyond national borders and reduce the research and development costs by generating sales and revenue to extend investments (Li et al., 2012).The developments in ICT sector resulted in increased interest in service sector internationalization because these developments increased the potential trade of services provided by ICT firms (Philippe & Leo, 2011). ICT formation is critical to SME success (Asare & Fei, 2015).

Paul and Gupta (2013) stated most IT service firms in India internationalize gradually, and are not born-global firms. Indian IT firms have a higher level of international commitment and expansion intensity. Contrarily, Philippe and Leo (2011) reported that the service sector companies are internationalizing faster as a consequence of the advances in ICT and the shift from economies driven by manufacturing to the knowledge-based, technology-driven service economies.

Schwens and Kabst (2011) found new venture technology firms systematically internationalize as suggested by stage model and in a practical fashion as supported by NVT. Talebi et al. (2012) found when ICT SMEs internationalize top management teams' subjective characteristics play a major role while firm-specific factors such as location, age, and size do not have a significant and direct effect on ICT internationalization. Such conclusion is linked to the born-global characteristics of ICT service firms, which are novice and high tech (Talebi et al., 2012). These SMEs are already stimulated towards international markets regardless of the number of employees or years in business (Talebi et al., 2012).

On the other hand, Lejarraga and Oberhofer (2015) found the firm size is beneficial to the internationalization of ICT firms. Paul and Gupta (2013) observed a higher propensity of risk taking in IT companies. Lee et al. (2012) advised technologybased SME leaders to make external relationships a priority and possess global perspective, because technology-based SMEs would be at a disadvantage compared to competitors, if these firms do not internationalize from inception.

Recently, Beerepoot and Roodheuvel (2016) conducted a case study on Indian ICT firms and found the main motivation for these firms' internationalization is to compete with their Western counterparts. Although Indian ICT firms offer an extensive talent variety and flexible delivery of services, the low-cost labor advantage of Indian businesses is not sufficient to compete in international markets anymore (Beerepoot & Roodheuvel, 2016). To mitigate such disadvantage, Indian ICT firms are consenting to low profit margins. Beerepoot and Roodheuvel also observed that the leading Western global firms do not view Indian ICT businesses as trusted partners, which constitute a challenge for internationalization.

**Barriers and challenges to SME internationalization**. The issues in SMEs internationalization differ between manufacturing SMEs and service sector SMEs. However, even though the barriers may diverge in intensity, Korsakienė and Tvaronavičienė (2012) stated the barriers to internationalization exist at any stage of internationalization efforts. SMEs from developing, open economies are more likely to lag behind internationalization or be in the early stages of internationalization because these SMEs have access to limited resources, experience greater barriers to internationalization, assume greater risks; these firms have more reasons to expand in international markets (Kumar, 2012; Osei-Bonsu, 2014; Tang, 2011). For some SMEs, economies of scale, lack of resources, lack of managerial skills, abilities, experience, and knowledge constitute barriers for internationalization (Karabulut, 2013). Inadequate

infrastructure, corruption, politics, and government regulations are also among the factors obstructing the internationalization processes of SMEs (Al-Hyari et al., 2012; Karabulut, 2013). For developing country SMEs, political instability, corruption, legal issues, bureaucratic barriers, and insufficient legal support are amongst the barriers stalling the internationalization (Al-Hyari et al., 2012; Bhatti & Kumar, 2012). Adding to the literature, Kumar (2012) stated predetermined international quality standards, networking, and marketing orientation also present challenges for SME internationalization.

Zucchella and Siano (2014) acknowledged some SMEs have poorer managerial and financial resources, and such shortage affects SME leaders' propensity to internationalize. However, firm-specific resources available to SMEs for achieving competitiveness in international markets can offset these disadvantages (Zucchella & Siano, 2014). Singh, Pathak, and Naz (2010) studied the internationalization issues of SMEs in the Pacific Region and found the lack of preparedness of firms, economic structure, access to markets, government regulations and paperwork, a lack of qualified employees, retention issues with qualified employees, employment regulations, electric and telephone costs, advertising, competition, and pricing are the main impediments to internationalization. Korsakienė and Tvaronavičienė (2012) declared one of the disadvantages in internationalization for SMEs is the size. Because these firms are small, SMEs lack capabilities and resources to stimulate internationalization. Korsakienė and Tvaronavičienė compared the internationalization barriers of Lithuanian and Norwegian SMEs and identified external and internal barriers. Although in different scales, the most important external barriers for both Lithuanian SMEs and Norwegian SMEs were competition in foreign markets, bureaucracy, and inaccessible market information (Korsakienė & Tvaronavičienė, 2012). The most important internal barriers for SMEs from both countries differed. While both Lithuanian and Norwegian SMEs considered limited management skills as the most important internal barrier to internationalization, Lithuanian SMEs identified startup costs and limited financial resources whereas Norwegian SMEs considered the lack of marketing knowledge and communication issues as the most important internal barriers (Korsakienė & Tvaronavičienė, 2012).

Osei-Bonsu (2014) conducted a study on SMEs from India, Mexico, Ghana, Malaysia, and Venezuela and found the developing country SMEs lag in internationalization because, due to the size of the firm, SMEs lack of networks and necessary resources for internationalization. The tradition or lifestyle motivations of leaders may support a domestic focus, which prevents internationalization efforts (Osei-Bonsu, 2014). Arndt, Buch, and Mattes (2012) noted innovation and endowment capabilities also limit internationalization, in addition to the labor market constraints resulting in increased costs. Tang (2011) identified resource scarcity of market information, practical market knowledge, foreign networks and relationships, and domestic supply channels as the major barriers to the internationalization. Similarly, Cardoza and Fornes (2013) listed the lack of market knowledge and information about foreign markets as obstacles to the internationalization of SMEs from China.

In a study conducted to assess the similarities between exporting barriers in developing and developed country SMEs, Al-Hyari et al. (2012) identified political

volatility in foreign countries, poor economic conditions, financial and information deficiency, and lack of competitive pricing in international markets as the barriers hindering SME internationalization in Jordan. However, Talebi et al. (2012) did not consider the lack of resources as a barrier to internationalization in ICT service firms in developing countries; improving knowledge and skills of entrepreneurs and networking would accelerate internationalization. Claiming the SMEs' perceptual barriers to internationalization did not receive attention, Xie and Suh (2014) examined the function of perceived resource deficiency in SMEs' internationalization by emphasizing the importance of managerial perceptions in strategic decisions. Xie and Suh found perceived resource deficiency in knowledge-based resources is a key perceptual barrier in SMEs internationalization. Pinho and Martins (2012) stated underdeveloped technical infrastructure; including ICT might cause difficulties in identifying international business opportunities.

Bal and Kunday (2014) examined the SMEs in Turkey and concluded while some SMEs are seeking opportunities to internationalize, others do not have such concern. In a study conducted on Turkish manufacturing SMEs, Karabulut (2013) found Turkish SMEs are late in taking advantage of information technology and their leaders do not have previous experience in international markets, which obstructs the internationalization process. Karabulut concluded Turkish SME owners are hesitant to engage in foreign market operations due to international competition, economic disadvantages, legal factors, and higher technical standards. However, Turkish manufacturing SME owners do not see corruption, financial institutions, and infrastructure as barriers to internationalization (Karabulut, 2013).

Uner et al. (2013) conducted a study on Turkish SMEs, and found that tariffs as international trade barriers and competitive prices have lost their importance as obstructions to internationalization because of trade liberalization. Turkish SMEs perceive marketing and procedural barriers as the central barriers to internationalization (Uner et al., 2013). Additionally, due to lack of direct experience in internationalization, nonexporter SME leaders believe acquiring market knowledge from foreign markets is also a significant barrier to exporting for nonexporter Turkish SMEs (Uner et al., 2013). Findings also revealed as SMEs increase their export activities, the importance of information barriers decreases.

Turker and Konakli (2016) surveyed 235 SMEs in Turkey and argued the inability to communicate with potential customers abroad, identifying potential business opportunities overseas are the key barriers to internationalization. Consistent with Uner et al. (2013) the lack of knowledge of foreign markets and foreign customers is also a challenge for SME internationalization in Turkey (Turker & Konakli, 2016). Contrarily, foreign language incompetency is not a barrier because the SME leaders hire employees who possess foreign language, mostly English, skills (Turker & Konakli, 2016).

For Turkish SMEs involved in internationalization, identifying the business opportunities in foreign markets is a significant challenge (Karabulut, 2013; Turker & Konakli, 2016; Uner et al., 2013). One more barrier to internationalization for Turkish SMEs is the product development (Uner et al., 2013). Uner et al. (2013) reported under the current export assistance policy, Turkish government agencies provide barely enough financial support to SMEs to join international trade fairs. Uner et al. suggested a modification to existing government policies to address varying needs of SMEs based on firms' capabilities, resources, and experiences.

The World Bank (2011) report indicated developing new international markets and accessing international markets are the main difficulties for SME leaders in Turkey. To overcome these barriers, the World Bank officials suggested Turkish government improve SME public support programs by implementing international best practices, including stakeholder involvement in policy making, design, and implementation of public support programs. Similarly, in India, easing government controls has been a catalyzer to the internationalization of Indian service firms (Gaur et al., 2014).

In countries where political unrest is a reality, political risk is a huge factor impacting SMEs; ultimately leading skilled labor to leave the country and thus creating a labor shortage (Singh et al., 2010). Scott-Kennel and von Batenburg (2012) found firm size, inadequate resources, and physical distance from target markets make internationalization difficult for PSFs in knowledge-intensive industries. However, Karabulut (2013) found the prior international experience of an entrepreneur would decrease workforce and geographical distance related barriers in internationalization. Apfelthaler and Vaiman (2012) commented the internal and external barriers remain significant to the internationalization of PSFs. After conducting a study on service sector SMEs in France, Lejarraga and Oberhofer (2015) confirmed a rather low number of service sector SMEs engaged in foreign trade and advised trade policy makers to allocate scarce budget resources to address the barriers encountered when establishing the first export operation.

Leaders of young technology-intensive SMEs also encounter barriers in internationalization. Mainly, these obstacles are highly related to knowledge itself (Chaplin, 2013). Although early internationalization provides benefits to most technology SMEs, Schwens and Kabst (2011) argued entering foreign markets early might present significant disadvantages for young technology firms because of the limited experience and knowledge. When internationalizing, SMEs undertake challenges such as the costs of doing business abroad and obtaining information on conducting business in international markets (Chaplin, 2013). Deprey et al. (2012) identified the main challenge in service sector SME internationalization as achieving closeness between the firm, consumption, production, and customer. Oviatt and McDougall (1994) reasoned changes in the speed and quality of communication and transportation lessened blocks to enter international markets by reducing the transaction costs within businesses. Kumar (2012) pointed out the importance of SME leaders' knowledge of supply chain at an international level and suggested SME leaders close such knowledge gap on operational elements at the initial level of internationalization.

### **Turkish Economy and SMEs**

Turkey is strategically located between Asia and Europe and considered as a gateway to the Middle East and Central Asia markets. Since 2002, the Turkish economy, with a rapidly liberalizing market, has been growing at an accelerated rate, and the country has developed to be the 16th largest economy in the world with over 700 billion U.S. dollars (Central Intelligence Agency, 2016; Uner et al., 2013). However, GDP has dropped significantly to 2.9% in 2014 from 4.4% in 2013 (Central Intelligence Agency, 2016). The importance of service sector in Turkish economy is clear because service sector businesses generated approximately 63.9% of GDP in 2012 and 64.2% in 2015 (Central Intelligence Agency, 2016).

By the mid-1980s, the Turkish economy started its transformation to be an export oriented, open market economy. Turkey is home to many entrepreneurial companies with a great potential to expand businesses beyond national borders (Uner et al., 2013). Within the last 2 decades, Turkish companies experienced a significant internationalization by engaging foreign trade, FDI, mergers and acquisition (Erdil, 2012; Karabulut, 2013; Uner et al., 2013). If the exports are not included to gauge the degree of internationalization in Turkey, internationalization of Turkish companies is considerably new (Erdil, 2012). Erdil (2012) established accumulating knowledge from international experiences over time encourages Turkish SME leaders to internationalize their business operations and increase their commitment to international business.

Turkey is an emerging country with a recorded unemployment rate of 10.4% in 2015 (Central Intelligence Agency, 2016). To help reduce such high unemployment rate, SMEs need to grow economically because SMEs promote employment by employing the most of the workforce in Turkey (Karabulut, 2013). A growing SME sector would have a positive impact on economic growth, welfare of world population, and stability (Ulrich & Hollensen, 2014). Because SMEs in Turkey are losing their domestic market shares to large corporations (Bakar et al., 2014), and the local market in Turkey is too crowded

with domestic and foreign competition, increasing international activities to grow is a sensible alternative for SMEs, which ultimately will hire more employees to meet increased demand for their goods and services (Alon et al., 2013).

SME internationalization is even more of a necessity during economic turbulence times as internationalization positively affects firm performance, which might help SMEs to remain sustainable (Hilmersson, 2013). Despite an anticipated expansion in net exports, economic growth in Turkey weakened in 2014 to 2.9 % from 4.4 % in 2013 (Central Intelligence Agency, 2016). The economic downturn was largely because of a severe slowdown in private domestic consumption, which can be another reason for SMEs to expand internationally (Central Intelligence Agency, 2016).

## Transition

The purpose of this qualitative multiple case study was to explore the internationalization strategies that Turkish ICT SME leaders used because some Turkish ICT SME leaders lacked the strategies to internationalize their business operations. The central research question was: What strategies do Turkish ICT SME leaders use to internationalize their business operations? The conceptual framework of this study consisted of three internationalization theories: stage model, INV, and network model as detailed in the review of professional and academic literature section. Nature of the study section included the method and design of this research whereas the Significance of study section underlined how this research would find a place in the current literature and contribute to business and social change. Operational definitions contained brief descriptions of key terms included in this research. There were certain assumptions,

limitations, and delimitations to this study under Assumptions, limitations, and delimitations section.

A comprehensive literature review revealed the scholars' views of internationalization from different perspectives and offer different definitions for internationalization. In addition, the literature review section included an in-depth discussion of main internationalization theories introduced in conceptual framework section. Literature review contained detailed discussions of topics such as SMEs, SME internationalization, service, service internationalization, PSFs, ICTs, barriers, and strategies to internationalization. According to some researchers, SME internationalization was not receiving adequate attention from internationalization scholars. A similar argument was also valid for service firm, PSF, and ICT internationalization.

Section 2 includes a detailed account of the project method and design, including information about the role of the researcher, population and sampling method, research method and design, data collection instruments, organization tools, and techniques and data analysis followed by ethical considerations, reliability, and validity of the study. Section 3 includes a review of the purpose statement, the research question, summary of the findings and detailed discussion about the outcomes of this study as well as the application to the professional practice, recommendation for future research and action items, implications for social change, my own reflections, and conclusion of the study.

#### Section 2: The Project

A comprehensive literature review revealed information on internationalization strategies, motivation, and barriers to internationalization, SME internationalization, service firm internationalization, and internationalization of Turkish SMEs. Section 2 includes a detailed explanation of the processes of this research such as the methodology and design selection, population and sample selection, data collection, organization and analysis followed by validity and reliability confirmation for this study. Sinkovics and Alfoldi (2012) identified a 6-stage linear approach to the qualitative research process in mainstream methodology research. These stages are (a) getting started, (b) research design and research question development, (c) sample selection and context, (d) data collection, (e) data analysis, and (f) discussion. Sinkovics and Alfoldi asserted that qualitative researchers commonly accept the linear model when conducting a qualitative study. In this study, I followed the 6-stage linear model.

### **Purpose Statement**

The purpose of this qualitative multiple case study was to explore the strategies that Turkish ICT SME leaders used to internationalize their business operations. The target population for this research consisted of the Turkish ICT SME leaders who successfully implemented internationalization strategies in five SME organizations in Turkey. This population was appropriate for the study because Turkish ICT SME leaders were the decision makers who experienced the internationalization phenomenon and developed strategies for their businesses. The findings of this study may provide a positive social impact by improving perceptions of SME leaders in the ICT sector in Turkey to develop further internationalization strategies for their businesses. By successfully implementing internationalization strategies, SME leaders might increase profits and create positive social change by increasing employment and wealth levels within Turkey. Moreover, government agencies may use the findings of the study in developing programs to support internationalization efforts of SMEs in Turkey.

# **Role of the Researcher**

The primary role I had in this study was to be the main data collection instrument. In a qualitative study, the researcher collects, organizes, analyzes, and reports the data (Collins & Cooper, 2014). In this study, I conducted semistructured interviews via Skype with the ICT SME leaders in Turkey. I also reviewed company documents as the second source of data.

Marshall and Rossman (2016) argued using an interview protocol ensures researchers of consistency, reliability, and validity of the collected data through interviews. Using the same interview protocol with each participant institutes the reliability of data collected through semistructured interviews (Foley & O'Connor, 2013; Marshall & Rossman, 2016). Following Rundh (2015) and Zaefarian, Eng, and Tasavori (2016), I created and used an interview protocol containing a set of predetermined interview questions (see Appendix A) to serve as a guide for the interview process and to increase the reliability of this study.

When the research involves human subjects, researchers should adhere to ethical standards by following a code of conduct (McKee & Porter, 2012). One example of code of conduct is the Belmont Report (1979). Adopting the principles of the Belmont Report,

researchers can protect human participants in a research study. Following the principles of the Belmont Report, I maintained ethical standards by respecting participants' decisions, demonstrating beneficence for participants, and treating all participants fairly and equally.

Because of my work experience and related education, I possess expert knowledge and a strong interest in internationalization and SME management. In the early 1990s, I started and operated a service sector SME in Turkey. Following that, I worked at one of the largest international companies in Turkey as their foreign trade manager. In the United States, I have held management positions at service and manufacturing sector SMEs owned by Turkish business owners. I have been teaching small business management and international business courses since 2003 at higher education institutions.

Researchers have cautioned about bias during the entire research process (Harper & Cole, 2012; Miner-Romanoff, 2012). Leedy and Ormrod (2013) advised qualitative researchers to minimize bias or eliminate it all together, if possible. As the researcher, I was aware of the risk of bias in this study. However, my experience or education did not have any effect on any step of this study. The values, experiences, and perspectives of a researcher may result in bias (Giorgi, 2014). My personal experiences, beliefs, and knowledge did not influence this research. To reduce or eliminate bias, Giorgi (2012) advised researchers to bracket themselves. Bracketing refers to putting aside preconceived ideas, biases, and views of the researcher about the phenomenon (Giorgi, 2012). Bracketing is a challenge for researchers who have experienced the same

phenomenon first hand; however, bracketing helps researchers eliminate bias and preconceived notions, which might affect the outcome of the study (Leedy & Ormrod, 2013). I bracketed my opinions, experiences, and knowledge. Bracketing a researcher's opinions contributes to the reliability of the collected data (Reiners, 2012). I made sure this research process was bias free at every step. To diminish bias in this study, I (a) controlled my reactions to interviewees' responses to the questions during interviews, (b) used an interview protocol and asked each participant the same questions, and (c) used the member checking method to ensure the interpretations of interview data were the same as the participants described, not only as I viewed or understood. Member checking allows participants to review the interview data so that the participants can verify the correctness of the collected data and confirm whether the researcher viewed the data as the participant intended (Marshall & Rossman, 2016).

# **Participants**

The participants for this study included the leaders of ICT SMEs in Turkey who provided insights to the main research question of what strategies Turkish ICT SME leaders used to internationalize their business operations. The primary reason for selecting a specific population was that the participants had experienced the phenomenon (Marshall & Rossman, 2016) and were knowledgeable on the research subject (Elo et al., 2014). Because working with participants who could provide high-quality responses was critical to any qualitative study, selecting participants was a challenging practice (Rowley, 2012). The participants for this study were at least 18 years old and led a variety of hightech service SMEs operating in the ICT service sector in Turkey. The main criteria for participants in this study were their leadership status at their SMEs, experience, knowledge, and active role in internationalization strategies, and fluency in English. Selection of case companies occurred before selecting participants. An Internet search for the ICT SMEs in Turkey that have successfully internationalized revealed potential case companies. First, I searched the news for ICT internationalization in Turkey and recorded the names of the businesses involved. The second step was to search the websites of commerce organizations where each participant ICT SME was a member. LinkedIn was the third place I searched and collected the names of not only the potential case organizations. The case companies originated from Turkey and fit the SME definition stated by the Turkish government.

To extract the highest quality data during interviews, Al-Yateem (2012) advised researchers to extend their engagement with participants before interviews take place. To establish working relationships with the prospective participants, I sent an email (see Appendix B), in English, to the potential participants and asked if they would be interested in contributing to a research study about internationalization strategies of service sector SMEs within Turkish ICT firms. I followed up with a phone call within 3 business days after I sent the invitation email. Researchers can obtain informed consent using online tools such as email (Janghorban, Roudsari, & Taghipour, 2014). The invitation email contained the purpose of my study and process to obtain consent from the participants (see Appendix B). An informed consent form informs the prospective participants about the confidentiality of the study and the participants (Musoba, Jacob, & Robinson, 2014). The invitation email contained an inquiry (See Appendix C) about the demographic background of the participant (such as gender, age, education, related work experience, language skills, and occupation), and the company information. Once the participants agreed to take part in the study, each person received an email to schedule an interview.

## **Research Method and Design**

## **Research Method**

In this research, I used a qualitative approach as the research method. Researchers use the qualitative method to reveal the participants' values, beliefs, and perceptions about a phenomenon (Montero-Marín et al., 2013). Selecting a suitable research method warrants the accuracy of data and conclusions (Frels & Onwuegbuzie, 2013). This research was a qualitative study because qualitative studies allow an in-depth understanding of a complex phenomenon by collecting data in its natural setting (Fetters et al., 2013; Nelson & Evans, 2014; Thomas & Magilvy, 2011). Qualitative research extracts common themes from the participants' detailed and shared experiences (Bishop & Lexchin, 2013; Frels & Onwuegbuzie, 2013; Wisdom, Cavaleri, Onwuegbuzie, & Green, 2012). Researchers who employ qualitative studies aim to establish and outline conceptual frameworks and theories, which other researchers can generalize and use in alternative contexts (Sousa, 2014). Although qualitative studies always existed in international business research, quantitative studies have been the most popular choice with international business researchers, leaving qualitative methods as a marginal pursuit (Jormanainen & Koveshnikov, 2012). Jormanainen and Koveshnikov (2012) conducted a limited study and found 70% of international business studies were quantitative in nature whereas only 26% were qualitative studies, and 4% of other methods. International business researchers have been calling for theory-building, exploratory research in international business (Welch, Plakoyiannaki, Piekkari, & Paavilainen-Mäntymäki, 2013).

Researchers use the quantitative study method when the research problem requires testing theories or hypotheses to prove or disapprove them by examining the relationships between variables using numerical data (Bishop & Lexchin, 2013; Frels & Onwuegbuzie, 2013; Hoare & Hoe, 2013). Yin (2012) stated quantitative studies are appropriate for testing relationships, whereas the qualitative method is more appropriate for exploring a novel phenomenon. Qualitative researchers employ a more holistic approach to research and study the phenomenon in its own context (Welch et al., 2013). In social science, some researchers portrayed qualitative research as the polar opposite of quantitative research and debated about the superiority of one method over the other (Sinkovics & Alfoldi, 2012).

Both quantitative and qualitative methods contain different strengths and weaknesses, and each method might be an alternative to the other, but not mutually exclusive (Patton, 2002). Qualitative and quantitative research methods also differ in terms of the research goals (Barnham, 2012). The qualitative method relates to the knowledge and experience of the participants while the quantitative method involves numerical analysis (Marshall & Rossman, 2016). On a similar note, qualitative research methods have more variety than the quantitative research method in terms of data collection and data analysis (Bansal & Corley, 2012). Additionally, qualitative research might reveal more in-depth details of participants' experiences than quantitative research (Powell & Eddleston, 2013).

Jormanainen and Koveshnikov (2012) determined in international business, there exists a need for studies conducted with methodologies other than quantitative. Because the purpose of this study was not to test any internationalization theories or hypothesis, quantitative research was not a suitable method. While quantitative methods might generate meaningful data, qualitative research method was appropriate for exploring the answers to the research question of this study.

Mixed-method research refers to using both quantitative and qualitative methods within one research study (Thomas & Magilvy, 2011). Such a study requires an extensive time commitment, experience in both methods (Venkatesh, Brown, & Bala, 2013), and testing a hypothesis or a theory (Nelson & Evans, 2014). Although the mixed-method approach may have more benefits (Fielding, 2012), mixed-method research is suitable if the researchers need one method to support the other one or when neither quantitative nor qualitative research is sufficient enough to answer the research questions alone (Wisdom et al., 2012). Because the purpose of this exploratory research study was not to test any theories or hypothesis, mixed-method was not suitable for this study. The qualitative research method sufficed to explore answers to the research question of this study. Sinkovics and Alfoldi (2012) argued even though the business and management community recognizes the qualitative research method as messy and nonlinear, the qualitative research method has been gaining ground at a steady pace. Because researchers can use qualitative studies to find answers to questions about SME internationalization (Cardoza & Fornes, 2013; De Maeseneire & Claeys, 2012; Jormanainen & Koveshnikov, 2012), qualitative was the research method I used to explore the internationalization strategies of ICT SMEs in Turkey in this study.

## **Research Design**

The purpose of this multiple case study was to collect first-person experiences of ICT SME leaders in Turkey who developed successful internationalization strategies. Design refers to a plan that researchers use to explore answers to the research questions and derive conclusions from findings (Leedy & Ormrod, 2013). The case study design is the popular qualitative study design used in management and business studies (Anosike, Ehrich, & Ahmed, 2012).

For this study, I reviewed the following research designs: (a) phenomenology, (b) ethnography, and (c) case study (Petty et al., 2012). Phenomenology is a research design theorized in the early 1920s (Mayoh & Onwuegbuzie, 2015). Researchers use phenomenology to explore specific lived experiences of people and to delve into explicit details and meaning of the phenomenon (Mayoh & Onwuegbuzie, 2015). By using the phenomenology design, researchers reveal the essence of the phenomenon as shared meaning for individuals (Petty et al., 2012). Although phenomenology could have been a suitable design for this study, I might have encountered difficulties with attaining data

saturation because, in a phenomenological study, the only source of data was the interviews, and the sample size was small.

Ethnography researchers focus on the daily lives of a specific community or cultural group for a period of time and collect data by interviews and observations (Wagar, Roos, Ravald, & Edvardsson, 2012). Ethnography was not an applicable design for this study because the purpose of this study was not to study a group of people from a specific culture in their daily lives over time.

Case study design is another design researchers can choose in social science investigations (Yin, 2014). Case study is an effective design, if the aim of the researcher is to explore the distinctive and different aspects of a specific case such as an organization or a process (Marshall & Rossman, 2016). In a case study, data collection involves interviews, observations, and documents (Yin, 2014).

As a popular design in business research (Yin, 2014), case study is applicable when the researchers explore answers to research questions requiring an in-depth understanding of organizational processes (Moll, 2012), which aligned with the purpose of study. International business researchers also commonly use case study method to explore, describe, or explain the internationalization of smaller high-tech firms (Hajela & Akbar, 2013; Javalgi & Grossman, 2014).

Yin (2102) labeled case studies in three categories: (a) descriptive case studies, (b) explanatory case studies, and (c) exploratory case studies. In a descriptive case study, the researcher focuses on a phenomenon within the context in which the phenomenon takes place and explains the phenomenon from the evaluation perspective (Yin, 2014). In explanatory case studies the researchers attempt to explain the causal relationships that are too complicated to study by experimental designs (Yin, 2014). In exploratory case studies the researchers study a poorly researched phenomenon that has no clear outcomes to develop research questions and hypotheses (Yin, 2014).

Yin (2012, 2014) reasoned a case study design is more effective than other designs when the researcher studies a current phenomenon in its existing context where the researcher has no control over events. Multiple case study design is essential when exploring answers to a research question by comparing the findings of one case against another (Yin, 2104). Following this reasoning, I chose a multiple case study design for this study supported by the primary and secondary data to explore the internationalization strategies of ICT SME leaders and to understand how the successful ICT SMEs internationalize. Rundh (2015) argued by selecting a multiple case study design the researcher was able to provide more insights into internationalization processes of SMEs by pattern matching.

One distinctive property of case study is the case study protocol, comprising an overview of the study, data collection methods, interview and research questions, and a guide for the final report (Yin, 2014). Yin (2014) asserted a case study protocol is essential to any multiple case study design. Following Yin, a case study protocol was in use for this study to stay focused and to increase the reliability of the findings.

Semistructured interviews with owners, managers, and decision makers of ICT SMEs continued until data reached saturation. Data saturation refers to the ability to reach repetitive information through data collected during interviews (O'Reilly & Parker, 2012). In other words, data saturation occurs when each new datum becomes repetitive (Dworkin, 2012). Following Walker (2012) and Dworkin (2012), in this study, when the interview data did not add any new information, I concluded that the data attained saturation.

### **Population and Sampling**

Research population refers to a group of individuals whom the researchers specifically target to obtain answers to their research questions (Robinson, 2014). The population for this qualitative multiple case study consisted of service sector ICT SME leaders in Turkey who have successfully implemented internationalization strategies in their business operations from five organizations. The ICT SME leaders included the owners, general managers, and managers of trade departments who were conversant with the internationalization strategies of ICT SMEs. Because of the remoteness from the research participants, following Kalinic, Sarasvathy, and Forza (2014), I conducted Internet interviews via Skype with the SME leaders who were located in Turkey.

In order to sample participants, the first step was to identify the case ICT SMEs, which have already successfully internationalized. The potential case companies (a) originated from Turkey, (b) fit the SME definition stated by the Turkish government, (c) were already internationalized. Yin (2014) elucidated the question of how many case firms the researcher should use for research to be sufficient is a challenge for case study researchers. Moreover, Yin claimed the usual criteria for selecting a sufficient sample size is not relevant, and advised researchers to contemplate on how many case firms would be replicable. Yin reiterated the number of replicable case firms should depend on

the certainty level the researchers aim. In other words, in order to reach a greater certainty, the researchers should use a greater number of case firms. Furthermore, Yin reasoned five, six, or more replicable cases would provide enough credible findings. In this study, the anticipated degree of certainty determined the case number decision. In order to discern relevant themes and to conduct a multiple case analysis working with more than two or three firms was necessary. How many case firms one can adequately work within a limited time was also a determinant for this study's number of case study selection. Kalinic et al. (2014) considered the limitations due to cost and time constraints and limited the number of cases in their study to five firms. The last two cases did not provide substantial new insights but confirmed the outcomes of the first three cases (Kalinic et al., 2014). Therefore, to find replicable case firms, which provided sufficient data, I studied five different case firms.

The sample for this study contained ICT SME leaders who have successfully implemented internationalization strategies in their companies. Following Osei-Bonsu (2014), purposeful sampling was the choice of the sampling method to select participants for this study because a researcher can identify data abundant cases related to the research phenomenon by using purposeful sampling (Palinkas et al., 2013). As a widely used method in qualitative studies (Palinkas et al., 2013), purposeful sampling refers to intentionally selecting participants based on specific requirements defined by the researcher (Robinson, 2014). When the researcher uses the purposeful sampling method, the participants had the most accurate and comprehensive information about the research problem (Walker, 2012). Purposeful sampling, containing a small number of study participants (Frels & Onwuegbuzie, 2013) helps the researcher to take advantage of the rising opportunities on the spot, during data collection (Patton, 2002). When researchers select participants based on predetermined standards (Patton, 2002), researchers can capture a rich data accurately presenting participants' perceptions (Montero-Marín et al., 2013). The main criteria for participant selection were their unique leadership status, English language skills, knowledge, experience, and active role in internationalization of the company. Prospective participants for this study were at least 18 years old and leading a variety of high-tech service SMEs operating in ICT service sector.

Determining an appropriate sample size is vital for the success of any study (Rao, 2012) because the sample size has an impact on the possibility of errors and the accuracy of the evaluation as well as other significant issues related to the research (Bulley, Baku, & Allan, 2014). However, there is no consensus on limiting the sample size in a qualitative study (Patton, 2002). Many researchers use theoretical (data) saturation as a benchmark to determine the purposeful sample size (O'Reilly & Parker, 2012). O'Reilly and Parker (2012) stated the appropriateness of the data determines the adequacy of the sample size. However, I interviewed two participants from each case organization.

Participants had working knowledge of English language. Interviews with owners, managers, and decision makers of SMEs continued until data reached saturation (Marshall, Cardon, Poddar, & Fontenot, 2013; Marshall & Rossman, 2016). Data saturation refers to the ability to reach repetitive information through data collected during interviews (O'Reilly & Parker, 2012). Researchers use the data saturation point to determine the number of participants in purposeful sampling (Walker, 2012). Because saturation is the suggested guideline for purposeful sampling, using saturation to determine the number of participants was appropriate (Walker, 2012). Data saturation occurs when each new datum becomes repetitive (Dworkin, 2012). In other words, each new interview stops adding new material (Walker, 2012). In this study, when the interview data did not add any new information the data attained saturation.

In this study, each participant selected the time and date of the interviews. The interviews commenced over videoconference software Skype, a communication medium used to see and talk simultaneously amongst the callers from their distant locations ("Skype", 2016). Using an online data collection tool such as videoconference also allows researchers to accommodate study participants' schedules and remove challenges such as different time zones (Redlich-Amirav & Higginbottom, 2014). Before the interviews, I asked the interviewees to choose a location with minimal distractions. Following Hamilton (2014), I also considered distractions and conducted the online interviews from my home office where I controlled and eliminated any interruptions. Following Kontinen and Ojala (2012), I digitally recorded interviews using my computer from the first moment of connection. Al-Yateem (2012) recommended taking pen-and-paper notes during interviews. Tessier (2012) advised researchers to use such notes along with audio recordings to enrich the quality of the data. Following Al-Yateem and Tessier, along with the digital recording, pen and paper notes were also a part of recording in this study.

#### **Ethical Research**

Ethical practices in a research study refer to following a code of conduct when the research involves human subjects (McKee & Porter, 2012). Gordon (2012) advised

researchers to apply ethical principles such as respect, kindness, and integrity to their study. Protecting the privacy of the research participants must be a priority for responsible researchers (Atwater, Mumford, Schriesheim, & Yammarino, 2014). Social science researchers should comply with ethical standards by conducting their research in a manner to confirm ethical protection of research subjects throughout the whole research process (Gibson, Benson, & Brand, 2013). Protecting the human subjects in a study ensures: (a) participants understand the parameters of the study, (b) participation is voluntary, and (c) the researchers protect the identities of participants (Marshall & Rossman, 2016). Ethical research complies with the respect for participants, IRB (Institutional Review Board) permission principles, and confidentiality of participants (Aluwihare-Samaranayake, 2012).

Receiving IRB approval for ethical practices for a research study is the first step in the ethical process (Thomson et al., 2013). To initiate confidentiality and adhere to ethical standards, and warrant a successful consent process, I trailed these following steps: (1) received approval from the IRB of Walden University before reaching out to potential participants, (2) established a working relationship with the potential participants via Internet or phone, and (3) spoke with each participant who agreed to participate in this study via phone or Internet by using Skype, and (4) requested consent from the participants in the invitation email. An informed consent enlightens the prospective participants about the proposed research while underlining the confidentiality of the participants (Musoba et al., 2014). Walden University IRB approval number for this study is 11-18-16-0346549. All forms and documents were in English. Keeping the research subjects' information confidential is crucial from the participants' point of view (Atwater et al., 2014). Participants may provide honest information during interviews if they believe the recorded interviews will remain confidential (Ivey, 2012). In the invitation email (see Appendix B) to this research study and at the beginning of the interviews, I assured participants their personal information and their company names would not be revealed. Pollock (2012) advised researchers to continuously repeat the informed consent conditions during the entire research process. I removed the names of the participants and their organizations when I presented the findings. Following Bell's (2013) advice, coding and protecting participants' and organizations' names and identities in all documents ensured the confidentiality of participants.

Participation in this study was voluntary. I reminded the participants that they could stop answering the interview questions any time during the interview process. Following Gibson et al. (2013), participants, without any penalties, had the choice of withdrawing from this research by conveying their intention in writing. The participant who wished to withdraw from the study would have made a statement to confirm their withdrawal. No participant requested to withdraw from this study. Participants did not receive any compensation for their contribution to this study.

To ensure the ethical protection of research participants, Check, Wolf, Dame, and Beskow (2014) advised researchers to follow a procedure when storing data for their study. Following a protocol, I stored the electronic data in a password protected hard drive storage unit. The hard copies and the hard drive storage unit will remain in a fireresistant safe in my office for 5 years to ensure security. Five years after the completion date of this study, I will destroy the data including hard copies and electronic files.

### **Data Collection Instruments**

In this research, I was the main data collection instrument. Xu and Storr (2012) posited in a qualitative study, the researcher acts as the main data collection instrument. The credibility of the qualitative study heavily relies on the skills, thoroughness, and competence of the researcher (Patton, 2002). Following Kontinen and Ojala (2012), I conducted semistructured Skype interviews and reviewed company documents to fulfill the purpose of this study and to answer the main research question. Yin (2014) advised in a case study, a researcher can collect data from six different sources: (a) archives, (b) documents, (c) interviews, (d) observations, (e) participation, and (f) physical objects. Out of six available data sources, the researchers have to use at least two of them (Yin, 2012). Directly from SME sources, I collected the company documents that helped me explore answers to the research question. The document review consisted of an examination of the company website and the company documents regarding internationalization of operations. I worked with SME leaders to gain access to the documents such as networking events and marketing pertaining to the internationalization of their business operations.

In qualitative studies, interviewing is a popular technique to collect in-depth data from participants about the subject of a study (Petty et al., 2012; Rowley, 2012). Semistructured interviewing is the most effective method to gain comprehensive knowledge from an interviewee, while fully addressing a research question (Marshall & Rossman, 2016). In their research studies, Veilleux et al. (2012) and Zaefarian et al. (2016) used semistructured interview method to collect data. Following Veilleux et al. and Zaefarian et al., semistructured interview was the method of primary data collection for this study. I created and used an interview protocol (see Appendix A), which contained a set of predetermined interview questions. As Marshall and Rossman (2016) assured, using an interview protocol allowed me to ensure consistency, reliability, and validity of the collected data through interviews. Using the same interview protocol with each participant institutes reliability of data collected through semistructured interviews (Foley & O'Connor, 2013; Marshall & Rossman, 2016).

The interview protocol (see Appendix A) contained 11 open-ended interview questions. If the interviewee did not provide a full answer to an interview question or the participant's response was not clear, I asked follow-up questions. Researchers can gather precise, relevant, and detailed data from the participants by using probing follow-up questions (Marshall & Rossman, 2016). Questions were identical at each interview. Responses to interview questions provided a better understanding of the strategies that the ICT SME leaders in Turkey implemented for successful internationalization.

Because of the development of Internet and the changes in technology, the number of online interviews in qualitative studies increased, which reduced the issues related to face-to-face interviews (Hooley, Wellens, & Marriott, 2012). Hooley et al. (2012) identified emails and discussion groups as the most commonly used asynchronous online interview methods while videoconference, text-based chats, and instant messengers are the most commonly used asynchronous online interview methods in qualitative research. Since this study involved SME leaders located in Turkey, due to financial and time restraints site visits were not feasible. The interviews commenced over videoconferencing software Skype ("Skype", 2016). Skype is a no cost communication medium, which makes messaging, seeing, talking, and sharing simultaneously possible amongst the callers from their distant locations ("Skype", 2016). As a research tool, Skype is a novel interview medium for researchers to gather qualitative data (Deakin & Wakefield, 2013; Janghorban et al., 2014).

Houghton, Casey, Shaw, and Murphy (2013) advised researchers to allow research participants to review the interview data for member checking and accuracy. Researchers digitally record their interviews using smartphones and computers (Kontinen & Ojala, 2012). Beginning from the first moment of connection, I digitally recorded the interviews. After each interview, I transcribed the recorded interviews. Once I completed the data analysis, I compiled my interpretation of the interview data and shared it with each SME leader for member checking to confirm the accuracy. Sinkovics and Alfoldi (2012) argued member checking increases the validity and reliability of a study. Another method to ensure validity and reliability of a study is to use data from multiple sources (Houghton et al., 2013). After the interviews were over, I reviewed the company documents, which I obtained from SME sources to confirm interview data or identify any discrepancies. If the documents SME leaders shared had references to additional documents, I followed up with a request for those additional documents.

#### **Data Collection Technique**

The strength of case study approach stems from employment of multiple data sources (Yin, 2012). In this research study, the data came from both primary and secondary sources. Semistructured Skype interviews with the participating SME leaders constituted as the primary data, while the secondary data comprised of company documents (Kontinen & Ojala, 2012). Related documentation is a necessity when conducting a case study (Yin, 2014). Data collection through documents has cost and accessibility advantages (Bekhet & Zauszniewski, 2012). Once the document is available, the researcher can view as many times as necessary at a minimum or no cost. However, the documents can be inaccurate, partial, and time consuming (Marshall & Rossman, 2016; Thomas & Magilvy, 2011).

The primary data collection technique for this study is the in-depth semistructured Skype interviews with selected participants. Researchers can select from three types of interview techniques: unstructured, semistructured and structured (Petty et al., 2012). Following an interview protocol, I conducted semistructured interviews. Semistructured interview is the most effective strategy the researcher can use to explore answers to the research questions (Marshall & Rossman, 2016). By using semistructured interviews, researchers open a two-way communication when there is limited knowledge available on the research topic (Beerepoot & Roodheuvel, 2016). Rowley (2012) advised beginner researchers to use semistructured interviews with six to twelve questions, including two to four subquestions. Following Rowley by conducting semistructured interviews with planned questions, I was able to extract more details of participants' unique experiences

than conducting an interview with unplanned questions. Interviewing is a more advantageous data collection method than other available data collection methods such as questionnaires. Rowley posited potential participants with busy schedules are less likely to fill out questionnaires with details than they would provide in an interview. Conducted on a mutually agreed time, all interviews were in English. However, to prevent any language issues and data contamination due to translations, I shared the interview questions with the interviewee, written in Turkish as a separate document. Participants did not feel the need to speak in Turkish. Zaefarian et al. (2016) shared, when necessary, the interviewer can explain interview questions in participants' native language in which the participant is more comfortable. The length of the interviews depends on the participant's responses to the interview questions (Cronin-Gilmore, 2012). On average, interviews took between 30 to 45 minutes. Before the interview commenced, I greeted each participant and informed the interviewees of the digital recordings of the interviews, the purpose of the study, risks and benefits of participation, confidentiality of the interviewee, voluntary participation, and withdrawal.

In this study, I structured open-ended interview questions to inquire about the participating SME leaders' internationalization strategies for their firms. By using additional probing follow-up questions, I collected more information from the participants. If the participants ask questions, provide rich answers, and the researcher asks follow-up questions, the researcher will be able to gather more information during the interviews (Powell & Eddleston, 2013). Following Hulbert et al. (2013) who carried out another interview after the first one, I would request additional follow-up interviews

if the data required further clarification. Researchers might conduct additional interviews to ensure and attain data saturation (Marshall & Rossman, 2016). I did not need to conduct follow-up interviews. We communicated via email for further clarification of the interview data.

Videoconferencing has become increasingly popular since the 1990s because Internet became more accessible (Hanna, 2012). By videoconferencing, a researcher can reach the research subjects otherwise unreachable (Deakin & Wakefield, 2013). Deakin and Wakefield (2013) found potential research participants often did not have time for a face-to-face interview, but they did participate if there was an online option. Janghorban et al. (2014) stated interviews conducted via videoconferencing are more favorable than telephone interviews because the researcher can observe the participant and spot any visual prompts. Hanna (2012) argued interaction over Skype is similar to a face-to-face exchange. Interview via videoconferencing was particularly valuable to this study because, similar to the participants in Kalinic et al. (2014) study, the participants were SME leaders with unpredictable and busy schedules and located in a city that was not in close proximity. Using an online data collection tool such as videoconference also allows researchers to accommodate study participants' schedules and remove challenges such as different time zones (Redlich-Amirav & Higginbottom, 2014). However, online tools possess some disadvantages. For instance, online tools such as Skype, require a highspeed Internet connection to yield high-quality audio and video to ensure natural flow of interaction between participants during the interviews (Deakin & Wakefield, 2013). Slow Internet connection might disrupt the conversation and affect the quality of data provided by the interviewee (Deakin & Wakefield, 2013). To address this issue, participants confirmed the speed and quality of connection before the interviews and connected from a location where they can have access to high speed Internet. Another drawback of conducting online interviews is the interviewers cannot control the location where the interviewee is during the interview (Hamilton, 2014). Participant might be at work, at home or in a public place such as a coffee shop where the person might be exposed to a series of distractions from workplace, family members or general public (Hamilton, 2014). To reduce such distractions, I asked the interviewees to choose a location with minimal distractions and turn off cell phones, and not to respond to any email or text messages they might have received during the interview. Hamilton (2014) reminded in an online interview, the interviewer also faces similar distractions. To control and eliminate any distractions, I conducted the online interviews from my own home office.

If the participants cannot have high speed Internet or experience technical difficulties or prefer phone interviews, following Rundh (2015), the phone interviews would take place. Although some researchers express their reservations in using the telephone interviews for qualitative studies (Cachia & Millward, 2012), Cachia and Millward (2012) recommended the use of telephone as an interview medium. Cachia and Millward found telephone interviews have an agenda-driven plan controlled by the researcher and semistructured interviews with telephone as an interview medium complement each other. Since there were no technical difficulties, I did not need to conduct interviews over the phone.

Following Kontinen and Ojala (2012), I digitally recorded the interviews using my computer. Recordings began from the first moment of connection. Qualitative researchers usually record the interviews through audio or video capabilities, transcribe and then inspect for themes and patterns (Al-Yateem, 2012). Although researchers do not have a commonly accepted answer to if recording interviews has a noteworthy effect on the data, researchers use recording as a tool to ensure validity and reliability (Al-Yateem, 2012). Audio recordings capture the real conversations and eliminate discrepancies (Giduthuri et al., 2014). Recording interviews is essential for a researcher because the researcher can view or listen the recording repeatedly during data analysis or in case of any doubt (Al-Yateem, 2012). Although advanced mobile devices such as smartphone and tablets became increasingly popular in academic research (Giduthuri et al., 2014), Al-Yateem (2012) favored taking pen-and-paper notes to boost the quality of data collected during interviews. Tessier (2012) advised researchers to use such notes along with audio recordings to enrich the quality of the data. Following Al-Yateem and Tessier, along with digital recording, pen and paper notes were also a type of recording in this study.

A second data source complemented the interview data derived from participants' responses to interview questions (Yin, 2014). Following Kontinen and Ojala (2012), the company documents served as a second data source. Pairing secondary data with the primary data aligns with the case study design (Yin, 2014) and supports the methodological triangulation (Kontinen & Ojala, 2012). By comparing the participants' responses with the secondary sources, I was able to complement the data provided by the

participants. Corroborating the findings of a study with at least one other data source reduces the risk of a single interpretation shaping the results of a study (Verner & Abdullah, 2012).

Member checking ensured my participation in the interview process was not leading. Member checking allows participants to review the interview data as interpreted by the researcher so that the participants can verify the correctness and confirm whether the researcher viewed the data as the participant intended (Marshall & Rossman, 2016). The participants of this study had an opportunity to member check my interpretation of their responses to the interview questions to ensure the correctness of the data. The qualitative researchers use member checking to establish credibility (Lincoln & Guba, 1985). Using member checking ensured the validity of findings in this study. Following the practice of Kontinen and Ojala (2012), each participant received a copy of the interpretation of the interview data to confirm the accuracy. By applying member checking process, researchers can confirm the correctness of meanings as intended by the study participants (Houghton et al., 2013).

### **Data Organization Technique**

Data organization is one of the supporting methods researchers use to explore answers to the research questions (Basurto & Speer, 2012). Organizing large numbers of data from multiple sources effectively is essential in a case study (Yin, 2014). Using computer technology, I securely stored and saved the data in digital forms such as digital audio/video recordings of semistructured interviews, digital copies of secondary data sources. After scanning and saving them on my computer, I saved the handwritten notes in digital form and created backup files for all collected data to prevent loss.

Because NVivo system has tools to enable a researcher to organize and manage the collected data (Sotiriadou, Brouwers, & Le, 2014), following Menzies and Orr (2013), I used NVivo software application to organize data. NVivo is categorizing software that a researcher uses to segment data, create patterns, and identify themes based on the conceptual framework and literature review (Menzies & Orr, 2013). Sinkovics and Alfoldi (2012) reasoned using computer-assisted qualitative data analysis software such as NVivo helps researchers to document and manage the research process effectively. By using NVivo, researchers can develop files and folders systematically (Margarian, 2014).

After transcribing the interview data, following Hulbert et al. (2013) and Kontinen and Ojala (2012), I moved the secondary data and interview transcripts to NVivo in order to identify the inconsistencies and similarities among the data. Primary and secondary data remained in labeled, digital folders and subfolders. Categorizing and labeling data is essential for consistency (Marshall & Rossman, 2016). The folders contained data in following categories: (a) email invitations to participate in this study and responses from the prospective participants, (b) interpretation of data after member checking, (c) interview transcripts, (d) company documents, (e) government sources, (f) nonrefereed articles and news, and (g) interpretation of data before member checking.

I kept a research journal on my computer as another method to organize the collected data. Lamb (2013) encouraged business and management researchers to consider adopting a research journal and record the researchers' experiences during data

collection. Maintaining written records of a research process is essential to the researcher's journey and critical in validating the authenticity of the collected data (Lamb, 2013). A research journal has real time recordings of researcher's thoughts and ideas during the process of data collection (Vicary, Young, & Hicks, 2016; Yin, 2014). As I went through the interviews and collected secondary data, as well as analysis, I expressed my thoughts and experiences by typing them into a Word® document in my computer. Cui (2012) reasoned keeping a research journal helps researchers to further develop their study and facilitates a process for reflection. By reflecting on each interview, a researcher delves deeper into questioning and improve the overall quality of their research. Lamb suggested researchers' reflection after each interview improves the quality of the process as well as the collected data. By using a research journal, I reflected on each interview and further understand the data.

Check et al. (2014) recommended researchers to adopt a protocol when storing data of their study. Following a protocol, I stored the electronic data in a password protected hard drive storage unit. The hard copies and the hard drive storage unit will remain in a fire-resistant safe in my office for 5 years to ensure security. After 5 years of the completion of this study, I will destroy all of the data, both hard copies and electronic files.

### **Data Analysis**

Data analysis is another critical piece of research development when answering the research questions (Basurto & Speer, 2012). Data analysis refers to carefully studying the collected data to discover descriptions, themes, and patterns to answer the research questions (Yin, 2012). The intent of data analysis in this study was to identify themes from collected data to answer the research question of what strategies Turkish ICT SME leaders use to internationalize their business operations. The conceptual framework of stage model, NVT, and network theory created a contextual foundation for exploring answers to the central research question. The conceptual framework establishes a link between study findings and the literature review (Borrego, Foster, & Froyd, 2104). Themes become meaningful when researchers compare interview data with the conceptual framework (Borrego et al., 2014).

Yin (2014) encouraged researchers to make every effort to produce the highest quality data analysis and proposed four principles: (a) researchers should base their analysis on all relevant evidence, (b) researchers should include opposing explanations in their analysis, (c) researchers should report the significant finding of the study, and (d) researchers should use their prior expert knowledge to further the analysis. When analyzing data, researchers can use pen and paper, digital devices, computer applications such as Excel®,Word®, and data analysis software such as NVivo (Bedos, Loignon, Landry, Allison, & Richard, 2013; Dincer & Dincer, 2013; Kontinen & Ojala, 2012; Weih, 2014). NVivo qualitative data analysis software program was a supporting element in data analysis for this study, which assisted with data organization and data exploration by coding the data into categories, allowing the emergence of the themes (Bedos et al., 2013; Dincer & Dincer, 2013). By using NVivo software, researchers can compare the interview data and secondary data to verify their analysis (Scott-Kennel & von Batenburg, 2012). Following Menzies and Orr (2013), in this study I used methodological triangulation because methodological triangulation is critical in achieving validity and reliability in a research study (Tuncel & Bahtiyar, 2015). By using archival data, site visits, interviews, and related documents researchers can support methodological triangulation (Apak & Atay, 2014; Feldman & Lowe, 2015; Kontinen & Ojala, 2012) and point out the discrepancies in primary and secondary data (Miner-Romanoff, 2012).

Yin (2011) advised qualitative study researchers to follow a five-step method to analyze data. After collecting the data, the researcher should first organize the data (Yin, 2011). As the second step, the researcher should disassemble the data by dispersing into groups. The third step involves reassembling the data by regrouping into themes. Once the themes emerge, the researcher will induct meaning from the data as the fourth step. The final step is deriving conclusions from the data (Yin, 2011). Buchanan (2013), Edwards (2016) used Yin's five-step method in their studies. Rundh (2015) also used Yin's five-step method in his study of SME internationalization. Following Buchanan, Edwards, and Rundh, I used Yin's five-step method to data analysis.

# Step 1

Following Yin (2014)'s five-step method, the first step of the analysis was organizing the data by examining the notes, related documents, and interviews. Organizing data in categories eliminates the unrelated information and vague expressions (Giorgi, 2012). Transcription of the interviews took place in the first step of the analysis. Once the transcription process was complete, I uploaded the transcribed data file to NVivo to start the data analysis as suggested by Yin (2014).

# Step 2

The second step of the analysis started with coding the data. Coding refers to grouping the data after categorizing the data with descriptive names (Wilson, 2012). By coding, a researcher can classify, sort, and arrange data in an efficient way (Basurto & Speer, 2012). Using thematic coding enables researchers to segment data based on certain themes (Vaismoradi, Turumen, & Bondas, 2013). NVivo's auto-coding feature is a tool researcher use to identify the number of occurrences of keywords and phrases, which helps with the identification of themes in the collected data (Bedos et al., 2013).

## Step 3

After disassembling the data by dispersing the data into groups, the reassembling stage commenced by regrouping the data into themes. A theme can be a meaningful word, phrase, or sentence about what the data denote (Morse, 2015). In this stage, reassembling the data results in the emergence of themes (Yin, 2014). Frequent same or similar answers from the interviewees established such themes. Themes should be in line with the central research question, conceptual framework, and the literature review within a study (Marshall & Rossman, 2016). I used the query function in NVivo to identify the themes within transcripts. By using data analysis software such as NVivo, a researcher can easily identify the themes (Bedos et al., 2013).

## Step 4

Once the themes emerged, in the next stage, I interpreted the data by giving meaning to the coded information. A synthesis of the themes and patterns reveal the

meaning of the collected data (Giorgi, 2012). In this step, the researchers present their understanding of the topic by interpreting the data (Yin, 2014).

## Step 5

Deriving conclusions based on the meanings arising in the previous stages is the final stage of the analysis. In this stage, a researcher culminates the data from the previous four steps to reach conclusions (Morse, 2015). Based on the previous four stages of the data analysis, I developed the final statements by merging data from both primary and secondary sources. According to Denzin (2012), this final step was the point of methodological triangulation where the researcher merges data from all sources within a study and offers conclusions.

### **Reliability and Validity**

Selecting an effective research method, research design, and data collection instruments ensures the collection of correct data and formation of precise conclusions (Frels & Onwuegbuzie, 2013). Researchers who employ qualitative studies should always be cautious about the reliability and the validity of their studies while they design their research, collect the data for the studies, and finalize the data analysis (Patton, 2002).

# Reliability

Reliability refers to the assurance of a study's replicability when a new researcher attempts to conduct a similar study in a similar setting (Grossoehme, 2014). In other words, reliability of a research exists if another researcher can replicate a previous study within a setting similar to the original research and obtain similar outcomes. Although reliability and validity in a quantitative study are the corresponding concepts to dependability and credibility in a qualitative research (Munn, Porritt, Lockwood, Aromataris, & Pearson, 2014); skeptics have been questioning reliability and validity of qualitative research methods. Because of the flexible nature of qualitative studies, researchers are encouraged to embrace the qualitative methods; however, qualitative researchers need to employ certain techniques to ensure rigor of their studies (Houghton et al., 2013). Rigor refers to the methods establishing confidence in findings of a qualitative study (Thomas & Magilvy, 2011). Using one interview protocol for each interview institutes reliability of data collected through semistructured interviews (Foley & O'Connor, 2013; Marshall & Rossman, 2016). To ensure reliability, Grossoehme (2014) advised researchers to document the entire research process. Taking this advice, I documented the various stages of this research by providing detailed explanations of how to conduct each procedure at each research stage. Verner and Abdullah (2012) stated in a case study, methodological triangulation increases the validity of the study. Methodological triangulation confirms the similarities in a variety of data sources (Houghton et al., 2013). Corroborating the findings of a study with at least one other data source reduces the risk of a single interpretation shaping the results of a study (Verner & Abdullah, 2012). Additionally, using member checking ensured the validity of findings in this study, because the qualitative researchers use member checking to establish credibility (Lincoln & Guba, 1985). Before data analysis, reviewing the interview transcripts and member checking ensured my participation in the interview process was not leading. Member checking allows participants to review the interview data so that these participants can verify the correctness of collected data and confirm whether the

researcher viewed the data as the participant intended (Marshall & Rossman, 2016). The participants of this study had an opportunity to member check my interpretation of their responses to the interview questions to ensure the correctness of the data. Following Kontinen and Ojala (2012), each participant received a copy of the interview data to confirm the accuracy of the interpretations. By applying member checking process, researchers can confirm the accuracy of meanings as intended by the study participants (Houghton et al., 2013). Lincoln and Guba (1985) offered a framework to ensure trustworthiness in a qualitative study: dependability, credibility, transferability, and confirmability. Thomas and Magilvy (2011) advised researchers to focus on qualitative rigor and implement Lincoln and Guba's framework for trustworthiness from the beginning of their research.

Dependability refers to the reliability of the collected data and the research process (Elo et al., 2014; Houghton et al., 2013). Aligned with reliability, dependability directly relates to the quality of qualitative research (Onwuegbuzie et al., 2012). To achieve dependability in this research, I fully disclosed how to collect and organize the collected data (Kaufmann & Denk, 2011). Providing a detailed description of case study design and including Yin's (2014) case study protocol helped increase the dependability of this study (Thomas & Magilvy, 2011).

Reflexivity refers to keeping records of personal contributions and personal responses of the researcher (Houghton et al., 2013). Because Patton (2002) considers the researcher as the data collection instrument in a qualitative study, dependability of the research heavily relies on the skills, thoroughness, and competence of the researcher.

Bracketing technique of suspending judgment about the experiences of SME leaders also ensured to keep data clear from distortion. Bracketing is putting aside biased ideas and views of the researcher about the phenomenon (Giorgi, 2012). When the researchers suspend all assumptions and biases, what is left is the pure data provided by the participants (Anosike et al., 2012).

In this research, 6-stage linear approach identified by Sinkovics and Alfoldi (2012) was in place to stay on track by following a decision path. Using NVivo software for data organization and analysis also enhanced the rigor of a qualitative study by presenting a comprehensive track of decisions during data collection and data analysis phases (Houghton et al., 2013). The ability to run queries within NVivo data analysis software also increased the confirmability and dependability of the data by identifying shared experiences of the SME leaders about the internationalization phenomenon (Houghton et al., 2013). I also conducted a data andit to examine the data collection stages and data analysis stages to avoid potential bias or data contamination.

### Validity

Validity is a synonym for data trustworthiness in qualitative studies (Thomas & Magilvy, 2011). Validity is about the accuracy of findings of a qualitative study (Thomas & Magilvy). Credibility is about the believability of findings in a research (Lincoln & Guba, 1985). Lincoln and Guba (1985) suggested clearly identifying the limitations to the research, which are uncontrollable and potentially contaminating aspects of the study increases credibility. Following this suggestion, I reported the weaknesses of this study under limitations section to increase credibility. Lincoln and Guba suggested four

strategies to achieve credibility: prolonged and persistent engagement, triangulation, peer debriefing, and member checking. Prolonged and persistent engagement refers to spending sufficient time to gain a complete understanding of the phenomenon (Lincoln & Guba, 1985). Houghton et al. (2013) advised engagement with participants should continue until the researcher reaches data saturation, which occurs when data become repetitive. Following Kontinen and Ojala (2012), interviewing the SME leaders until no new data emerge and staying engaged to clarify any discrepancies between interview data and secondary data ensured the credibility of this study.

Another method researchers can use to enhance credibility is triangulation, which refers to using multiple data collection methods, multiple investigators, multiple data sources, and multiple interviews with the same interviewee over time or multiple theories to confirm the accuracy of the data (Denzin, 2012). By applying triangulation, researchers confirm the data (Houghton et al., 2013). Researchers can apply (a) data triangulation, (b) investigator triangulation, (c) methodological triangulation, and (d) theoretical triangulation (Azulai & Rankin, 2012).

I used theoretical triangulation method to increase credibility of this study. Theoretical triangulation refers to using multiple theories to explore a phenomenon to view the study from multiple lenses (Azulai & Rankin, 2012). I explored internationalization phenomenon from the perspective of three internationalization frameworks: stages theory, NVT, and network theory. By discussing the findings within these three triangulated frameworks, I increased the credibility of findings. In addition to theoretical triangulation, following Menzies and Orr (2013) and Tuncel and Bahtiyar (2015), methodological triangulation by collecting data from a variety of sources to enhance validity will be in place in this study (Tuncel & Bahtiyar, 2015). Researchers can reach a more comprehensive data by using methodological triangulation than they can do by using a single source of data (Heale & Forbes, 2013).

Another method to increase credibility is to conduct an extant literature review to ensure the research is necessary (Kaufmann & Denk, 2011). To add to the credibility of this study, I conducted a thorough literature review of internationalization phenomenon. To increase the credibility, Elo et al. (2014) suggested researchers should choose the best data collection method to collect responses to the research questions and study the interview recordings and transcripts carefully to avoid bias and leading participants to the desired answers. Following Eloe at al. and Kontinen and Ojala (2012), I asked openended, nonleading questions during the interviews. Each participant answered the same set of interview questions. Before data analysis and member checking, reviewing the interview recordings and transcripts ensured my participation in the interview process was not leading.

In addition, I gave participants an opportunity to member check my interpretation of their responses to the interview questions to ensure the correctness of the data. After transcribing the interview data, following Hulbert et al. (2013) and Kontinen and Ojala (2012), I contacted the participants and confirmed the accuracy of the interview data with them. Each participant received a copy of the findings to check and confirm the accuracy of the interpretations. Member checking is an opportunity for interviewees to review and verify their responses to the interview questions (Harper & Cole, 2012). By applying member checking process researchers can confirm the accuracy of meanings as intended by the study participants (Houghton et al., 2013).

Transferability refers to the degree to which another individual can apply findings or settings in other contexts (Kaufmann & Denk, 2011). A successful qualitative research contains thick descriptions of the research context and methods, including the geographic boundaries and demographics helping researchers to decide if a study is transferable to other contexts (Thomas & Magilvy, 2011). In this study, I provided thick descriptions of the context and methods, which will help future researchers to make a decision about the transferability of this study. Clearly identifying the assumptions and describing the research context so that the other researchers might transfer this research to other contexts and settings will enhance transferability of this study. The new researcher, not the original one judges the transferability of the study. Lincoln and Guba (1985) explained generalization burden is not on the original researcher, but on the person who is considering applying the original research. Clearly identifying the assumptions and describing the research context so that the other researchers might transfer this research to other contexts and settings enhanced transferability of this study.

Confirmability refers to the neutrality and accuracy of the collected data (Houghton et al., 2013). Researchers can use two strategies to ensure confirmability of the data: audit trail and reflexivity (Houghton et al., 2013). Researchers use an audit trail strategy to increase confirmability of qualitative research (Houghton et al., 2013). The audit trail included the purpose of this study; method, and reasoning for selecting the specific SMEs and the SME leaders who participated in this study, data collection and organization, discussion and presentation of findings along with the techniques I used to ensure trustworthiness for this research (Thomas & Magilvy, 2011). Outlining the research process and the decisions made during entire research process brings clarity to methodological judgments and support confirmability of the research study by presenting the process, which produced the findings (Houghton et al., 2013).

## Transition

The purpose of this qualitative multiple case study was to explore the strategies that Turkish ICT SME leaders used to internationalize their business operations. Section 2 included the process in place to fulfill the purpose of this study. In Section 2, after reiterating the purpose of this study, I discussed my role as a researcher, the participants, and sample size selection followed by a detailed explanation of research method and design selection. Section 2 also covered data collection instrument, data organization and analysis techniques and tools, ethical considerations, reliability and validity concerns within this research. As the researcher I collected and analyzed the data and served as the main data collection instrument. The population for this qualitative multiple case study consisted of service sector ICT SME leaders in Turkey who have successfully implemented internationalization strategies in their business operations. In addition to leading successfully internationalized SMEs, participants had a working knowledge of English language. Purposeful sampling was the choice of sample selection method to identify participants for this study. Interviews with owners, managers, and decision makers of SMEs continued until data reach saturation. After the interviews and member checking, the data analysis stage began. In Section 2, I also discussed the concepts of

reliability and validity of a study and how dependability, credibility, confirmability, and transferability standards applied to this study.

In Section 3, I will present a review of the findings based on the interview data and company documents, how the findings relate to conceptual framework, how the findings might support business practice and contribute to social change. Additionally, Section 3 includes my personal reflections and recommendations for future research, and

the conclusion of the study.

Section 3: Application to Professional Practice and Implications for Change

### Introduction

The purpose of this qualitative multiple case study was to explore the strategies that Turkish ICT SME leaders used to internationalize their business operations. The findings revealed that successfully internationalized SMEs have leaders who were actively pursuing internationalization. Such leaders had a positive and supportive attitude towards internationalization and they used their personal and business relationships as a strategy to internationalize their businesses. Geographical distance and culture influenced the internationalization decisions of these SME leaders. These leaders selected low commitment entry methods such as direct exports at the earlier stages of internationalization.

#### **Presentation of Findings**

In this qualitative multiple case study, my goal was to answer the central research question: What strategies do Turkish ICT SME leaders use to internationalize their business operations? Using semistructured interviews, I collected data from 10 participants who are the owners or managers of ICT SMEs in Turkey. I also reviewed the company and government documents, including online publications, to triangulate the interview data and increase the validity of the findings.

After the data analysis, I identified five themes: (a) Turkish SME leader as a strategist, (b) geographical distance and culture as internationalization strategies, (c) managerial attitude forms the internationalization strategy, (d) low commitment entry methods as internationalization strategies, and (e) role of relationships in

internationalization strategy. Table 1 shows the details of the five case SMEs in this study.

Table 1

Detailed Information of Case SMEs

	Year of foundation	Number of employees	Areas of focus	Active foreign markets
SME1	2003	200	Security system software	Middle East, North Africa, Asia, Europe
SME2	2000	70	Speech and	Middle East, North
			communication	Africa, United States,
			technology	Europe
SME3	1992	150	Mobile business solutions	Far East Asia, Caspian
				Region, Eastern Europe,
				Middle East, North Africa
SME4	1998	110	Package software	Africa, Middle East,
			solutions, integrated	Turkic countries
			management solutions	
SME5	1992	80	Networking, unified	Australia, Europe, Middle
			communications	East, Nordic countries,
				Turkic countries

# SME1

Established in 2003, SME1 has been providing IT/ICT services to international markets, mainly in the Middle East, Northern Africa, and some parts of Asia, since 2008. The company has 170 employees. With a research and development center in Turkey, as well as its headquarters in Istanbul, Turkey, regional offices in Ankara, Turkey, in Qatar, and in Pakistan, the main areas of function are systems integration and software and systems development. SME1 owners and managers are organizers of prominent conferences in IT/ICT in Turkey. SME1 is active in the Middle East, North Africa, Asia, and Europe.

### SME2

Established in 2000, SME2 is a speech and communication technology company. SME2 has been actively offering solutions in international markets since 2013. 70 people work at the headquarters and the research and development centers in Turkey, regional offices in Scotland, in the United States, and in the United Arab Emirates. SME2 is active in North Africa, Europe, the Middle East, and the United States.

# SME3

Established in 1992, SME3 offers mobile business solutions in international markets. SME3 employs 150 employees. Working with foreign companies, SME3's internationalization started in 1997 as the company leaders started working with foreign capital to develop solutions for foreign markets. The products of SME3 are selling in 22 countries. SME3 is active in Far East Asia, Caspian Region, Eastern European countries, the Middle East, and North Africa.

# SME4

Established in 1998, SME4 offers business software solutions. Located in a technology park, SME4 has 110 employees out of which 70 employees, including 50 software developers work at SME4 headquarters. Additionally, 40 employees work in other regional offices. Although the company has had foreign customers since 2006, the SME leaders consider the company internationalized since 2014 when the founding partners created a department for internationalization activities and opened an office in Ireland. SME4 is active in Africa, the Middle East, and the Turkic countries.

### SME5

Established in 1992, SME5 functions as a systems integrator. With its 80 employees, the company has been operating in middle and eastern parts of Europe. In 1997, SME5 leaders initiated internationalization by committing to imports. Starting in 2002, SME5 became an exporter of its products. SME5 is active in Australia, Europe, the Middle East, Nordic countries, and Turkic countries.

#### **Internationalization Strategies**

Internationalization is one of the most important and complicated decisions that business leaders have to make (Atik, 2012). SME leaders with strategic focus advance their businesses from a local to global level (Kalinic & Forza, 2012). The participants of this study who are the leaders of successfully internationalized ICT SMEs in Turkey developed successful internationalization strategies to expand business operations cross borders. Table 2 provides an overview of the internationalization strategies, foreign market entry methods, which the case SME leaders adopted, the year of first internationalization activity, and the relation of internationalization method to the

conceptual framework.

Table 2

Internationalization Overview

	Year (Foundation)	Year	Internationalization	Framework
		(internationalization)	strategies	
SME1	2003	2008	Direct export, direct	Gradual
			entry	
SME2	2000	2013	Direct export, direct	Gradual
			entry, indirect entry	
SME3	1992	2012	Direct export,	Gradual
			systems export,	
			indirect entry	
SME4	1998	2014	Direct export,	Gradual
			systems export,	
			indirect entry	
SME5	1992	1997/2002	Direct export,	Gradual
			systems export,	
			indirect entry	

During the interviews, the participants from successfully internationalized SMEs mentioned most SMEs in Turkey fail to internationalize, because the leaders do not have internationalization strategies. According to P1, although most Turkish ICT SME owners

and managers attend international events to network, the teams do not come prepared to create business with international partners. P1 argued that by lacking an internationalization strategy and using a trial and error method, these SME leaders not only hurt their own businesses, but also ruin the reputation of all Turkish SMEs in international markets. As P1 explained, "You should have a good picture of what you can do, how much you can handle, and how much support you can get." Openly published statements from SME2 leaders support P1's argument. The press releases and annual reports published revealed that SME2 leaders have a plan, and they are open about these plans for further internationalization, their new products, and market entry strategies. In more than one spot on the company website, it is possible to view the vision of the founders and their company related goals for the future. Similar to P1, P8 also stated the importance of business planning and mentioned the importance of "doing a lot of homework before going to the international markets." Criticizing Turkish SME leaders, P9 admitted that most Turkish companies are "without coordination from the top, or weak coordination from the top, which weakens the influence of Turkish businesses abroad." According to the company documents provided by SME1 leaders, even during the economic downturn in Turkey, SME1 grew 48% because of international business. Considering the fact that internationalization was not a goal of the founders when they ventured SME1 and did not even initiate international activities until 2008, internationalization was proven to be an aggressive method to grow their SME.

Although all 10 participants in this study developed a strategy that led to internationalization of their SMEs, I concluded that the larger the size of the SMEs, the

more professionally their leaders approach to internationalization. The quality and professionalism of the company websites, marketing materials, and social media instruments also correlates with the size of the SME. Out of 10 participants, only P1, P3, P7, and P9 talked about a structured strategy towards internationalization where these leaders were able to dedicate human resources to the development of such strategies.

Participating and sponsoring events such as conferences, trade shows, award ceremonies, training and development workshops was a strategy shared by all participants. For instance, SME2 hosted a conference in San Francisco on technology advancements in 2017, which was only one of many events that SME2 employees and leaders either attended or hosted. The company blog and the newsletter have a list of events available to the public. Most of the events were and will be held outside of Turkey. By engaging social media, which included the company blog, Twitter, and YouTube accounts, SME2 expanded its network and relationships. SME4 also had an extensive usage of social media channels such as YouTube and LinkedIn. Their online presence is strong and engaging, which was a strategy SME4 leader used to reach out to potential clients internationally. According to the references submitted by the international clients, training videos on YouTube are very informative and effective.

At SME3, pricing was a strategy that the leaders used in internationalization. P6 commented, "Big companies like Oracle and SAP ask for hundreds of thousands of dollars for a single report and our services are incredibly cheap compared to them." P7 also used pricing as an internationalization strategy and explained how they conducted price analysis for competing products in the potential international markets, and the

leaders made their decisions based on projected values. Similarly, P1 mentioned the advantage of low-cost production in Turkey compared to the other competing countries such as India. Similarly, another source reported that SME2 offered their platform free of charge for 2 months to potential customers which also helped increase their international presence. Using low-cost production as a competitive advantage, P8 and the team offered great products and service at relatively cheaper prices and gained foreign customers. Similarly, P1 recalled selling their products at relatively low prices to gain market share in the first few years of internationalization process. Although SME2 was not operating at the desired levels of profits, lower prices helped P8 and the team to gain market share and eventually become the market leader of in the field of speech technologies.

P9 and P3 stressed the importance of choosing the right location for the company headquarters as part of a successful internationalization strategy. Located in Istanbul, SME1 employees at the headquarters have access to two international airports, which is convenient when the employees or their foreign partners and customers need to travel. P1 also mentioned the importance of location as part of any internationalization strategy where qualified employees such as engineers work at reasonable costs.

P7 acknowledged the significant influence of foreign partners on SME leaders' internationalization decisions in international markets. As an example, P1 noted following the competitors and their business activities were significant to their internationalization efforts, because SME2's strategy was to fill in the areas where the competitors failed. P1 and the team developed and marketed products and services that the competitors failed to do successfully.

Parente et al. (2013) studied the internationalization strategies of business firms and explained the companies with strong product development choose to internationalize by diversifying products globally. Ravelomanana, Yan, Mahazomanana, and Miarisoa (2015) also argued that managers need to design a strategy for each product and for each potential international market. However, developing a product for each market might not be a preferred strategy for all Turkish ICT SMEs. Only SME2 leaders have been developing a product for each customer. At SME2, for the first two years of internationalization process, P1 was more occupied with product development, including finding desirable names for the products to align with customer demands, than internationalization efforts. To P1, positioning strategy was the key to success in internationalization as well as successful delivery of products and follow-up service. Review of company documents supported P1's position on product development as an internationalization strategy. For instance, the engineers at SME2 were working with Apple computer on a product referred as voice signature which was listed in their global catalog. This app will be compatible with Apple's iPhone and allow people to manage Internet of things in their own language or with their accent in a different language. The leaders of SME1, SME3, SME4, and SME5 mentioned that they offered products that can be customized to customers' needs but the product is essentially the same for all clients. However, all participants mentioned a desire to develop cutting-edge products to give their SMEs a comparative advantage. SME1 was able to achieve such development. The company literature and news mentioned a product, which the SME1 developers designed specifically for Saudi Arabia, a smart ID card, but the unsettled events in Saudi Arabia

put the product delivery on hold. P1 reiterated the importance of offering high-quality products and product development even such processes delayed the internationalization of SME2. However, according to company reports and press release, in May 2017, SME2 has registered three patents for new applications and processes with the U.S. Patent and Trademark Office which means regardless of how late the business was internationalized, with effectively designed product strategy internationalization becomes a successful venture. Li et al. (2012) stressed the importance of factors such as research and development for internationalization. Similarly, P2, P3, and P10 also revealed that to be able to develop such cutting-edge products with comparative advantage, their businesses participated in joint research programs in Europe. The company activity report indicated that two there are two ongoing research projects with European Union.

Paul and Gupta (2013) observed a higher propensity of risk taking in IT companies; however, P10 argued that Turkish ICT SME leaders are afraid of taking risks. In P10's opinion, Turkish ICT SME leaders wait for new technology to develop and business models to mature. Once the product and the model find acceptance in the markets, then these SME leaders make investments into the proven product and business model. However, P10 claimed, such delays leave Turkish businesses at a disadvantage because their international competitors already reach new markets, mature new technology, and satisfy the market demand.

Financial resources: Out of 10 participants, six of them (P1, P2, P3, P7, P9, and P10) named financial resources as a necessary resource for internationalization. In SME2, there is a budget specifically allocated to internationalization efforts such as attending

events, hiring specialized people, including consultants. P1 talked about a regional budget allocation, specifically targeted to the areas where SME2 has regional offices. P10 considers financial resources as necessary to support marketing efforts. When I asked about the resources they used for internationalization, P2 answered, "Money and time." It was interesting that only P2 had considered time as a resource needed for internationalization. P3 talked about the importance of having financial liberties at the SMEs to lead internationalization. For instance in SME1, the leaders did not place restrictions on international phone calls and international travel expenses even when Turkish economy was in recession and business leaders were tightening budgets. P9 stressed the power of using financial resources to increase the possibility of expanding territory and meeting new partners. P9 also explained to endure economic fluctuations in Turkey, SMEs need strong financials, because, it would be very hard to maintain relationships and expand businesses outside of Turkey, which the SMEs need more when the Turkish economy takes a downturn.

#### Theme 1: SME Leader as a Strategist

Turkish SME leaders have an active role in internationalization. Musso and Francioni (2014) argued that because of the limited knowledge or limited access to resources most SME leaders do not have a systematic selection process when it comes to foreign market for internationalization. Musso and Francioni identified two approaches to internationalization by SMEs: active behavior and passive behavior. Based on the participant responses in this study, only the leaders of SME1 and SME2 adapted an active behavior when selecting the foreign markets where their SMEs would operate. Active behavior refers to the comparison of market entry modes, cost analysis, location analysis, development of competitive advantage, and ownership (Musso & Francioni, 2014). P1 talked about in detail how at SME2, the leadership team worked on location and cost analysis after they decided to internationalize. Additionally, P1 talked about the importance of developing products and services that granted a competitive advantage to SME2. P1 revealed the process of developing cutting-edge products was the reason why SME2 was not an active participant in international markets for a longer time compared to the other SMEs. The leadership team wanted to develop such products and offer exceptional service that would give SME2 a competitive advantage over their competitors in international markets. At SME1, P9 and the team also focused on developing cutting-edge products to gain competitive advantage in the market. To develop such high-end, competitive products, the internationalization team diligently worked on finding the best companies and countries to position their SMEs.

As an example of active behavior, P1 also commented that their strategy was to find countries where SME2 would be the first in the market to offer its products and services. When P1 and the leadership team decided to open a regional office in Dubai, United Arab Emirates (UAE), the decision was strategic. Although Dubai was not the largest market, it was the city where SME2's largest business partners were located, P1 explained. P1 and the management team foresaw that SME2's international operations could spread from Dubai faster than they would from Turkey. P1 credited most of the business partnerships in Europe to their efforts in Dubai: "Because of the events in Dubai, we have partners based in Europe and also in the Middle East." Similarly, selection of Belgium as a foreign market to operate in was the result of another strategic decision. As stated by P1, "Belgium market is almost as virgin as the Middle East once was."

P10 stated the importance of research and market data because the leadership team tried to understand the market segments and how their product portfolio fit into those market segments. P10 also explained that the management team evaluated (a) the market size in the foreign country, (b) if the leadership team should extend operations to that country, and (c) the entry mode that would be the most effective for that specific market. Aligned with P10, P3 also mentioned the value of research and market analysis in their company: "We look for places where they offer high, cutting-edge, unique technologies where people seek project partners." Additionally, P7 mentioned the financial expectations and explained that when choosing foreign markets, the SME leaders made decisions based on financial predictions such as estimated return on investment in the proposed foreign market. The efforts reported in this study are indication of an active foreign market selection behavior as described by Musso and Francioni (2014).

Passive behavior does not involve a planned choice but a simple response to an external factor such as agreements with already existing partners including importers, distributors, and agents to conduct business or fulfillments of unsolicited orders from clients (Musso & Francioni, 2014). Existing and new relationships and international contacts influence market entry decisions (Ibeh & Kasem, 2011). Other than SME1 and SME2, the leaders at SME3, SME4, and SME5 described foreign market selection

processes that are in line with the passive behavior of foreign market selection process. These leaders mostly followed a partner or a client to foreign markets or tried to internationalize in countries within proximity to Turkey both in distance and culture.

### Theme 2: Geographical Distance and Culture as Internationalization Strategies

The second theme revealed that for SME leaders, geographical distance and culture are the main factors of consideration when developing internationalization strategies. Ojala (2015) identified two factors that would influence foreign market selection: (a) market size, (b) proximity and the ideal foreign market for any SME is the largest market within the closest distance. This theory is in line with the findings of this study. Turkish ICT SME leaders generally entered the markets in foreign countries within close distance.

For instance, P4 mentioned, "We have to market to the foreign countries where we feel comfortable ourselves." Similarly, P5 argued in foreign market selection "Closeness and effortlessness is the key." Likewise, P8 selected foreign markets, which do not require much effort to enter. P8 mentioned because the leaders at SME4 knew those countries very well and understood the customers in those countries effortlessly; they simply initiated internationalization in the countries nearest to Turkey. For P6, foreign market selection was based on the SME3's product portfolio. P6 asserted as long as there is demand for their products, the leaders of SME3 can operate in any developing and culturally close foreign country. P6 mentioned the leaders of SME3 believe that their SME has a better chance of being successful in less developed markets where the leaders know "exactly" how to do business instead of "well-established developed and culturally not-so-close countries." Review of company documents supported P6's comments. Starting in 1997, SME3's international activities took place in countries such as Kazakhstan, Tunisia, Tanzania, Romania, Greece, and Macedonia. Even when the strategy was to follow a global market leader from a developed country, the business was always conducted in less developed and developing countries.

## **Geographical Distance**

Geographical distance refers to the physical distance between stakeholders such as buyer and seller in business (Ojala, 2015). Geographical distance has a significant impact on a firm's internationalization process (Johanson & Vahlne, 1977). Because SMEs have limited resources available, SME leaders tend to enter the markets within close distance (Oviatt & McDougall, 1994). Out of 10 participants who answered the question about the importance of geographical distance in their internationalization decisions, P2, P3, and P4 mentioned that geographical distance had not affected their decision making when these SME leaders developed internationalization strategies and selected foreign markets for internationalization. However, P3 and P4 have internationalized their businesses in countries within close distance to Turkey. One interesting finding is that both participants, P3 and P4 were more concerned about the time difference between countries and jetlag after long flights than the physical distance between Turkey and the foreign country in which the internationalization takes place.

P2 mentioned due to the advances in technology, especially in communication technologies including the Internet, geographical distance is not a concern for IT companies when internationalizing. Contradicting P2's argument, Gooris and Peeters

(2014) found the improvements in technology, transportation, and Internet did not eliminate the influence of geographical distance on international trade decisions. Gooris and Peeter's argument supports the statements from participants P5, P6, P7, P8, P9, and P10 who stressed the significance of geographical distance in their decision making. Only P1 revealed a different account about the role of geographical distance when the leaders select foreign markets. P1 did not consider geographical distance as important at the presales stage. P1 mentioned the distance was irrelevant because of the technological advancements. P1 claimed his employees would be able to market their products anywhere around the world regardless of the distance. However, Pladmitted geographical distance becomes important after sales because his clients and partners would like to be in constant communication to maintain a healthy relationship. P1 talked about taking the clients and partners out to lunch, or visiting for a cup of coffee so that the clients and partners would know that SME2 is continuously supporting them. P1 asserted SME2's presence in the host country instilled trust in foreign partners and clients. "Partner wants to see you around," P1 said. In line with P1's reasoning, Beerepoot and Roodheuvel (2016) suggested although an SME can work with a client from a distance, during some stages of the business relationship, close proximity between the client and the SME is necessary.

P10 mentioned the importance of geographical distance depends on the product that the company sells. P10 stated if the SME is producing an online service or an application that can be sold using the Internet and the client can be serviced online, the SME and the client do not have to be in close distance. However, P10 explained that if the SME is in the business of building a solution, which involves integration, the customer and the SME need to be geographically close. Company documents support P10's explanation because SME5 has offices only in Turkey, but they were able to serve their clients beyond Turkey. P10 concluded when the customer has specific needs and the SME offers a product addressing such specific needs, then the geographical distance is a point of consideration in internationalization. The goal of SME5's leader was to "groom their business by overcoming geographical distance parameter and post parameter associated with that."

Contradicting P10, P5 believed proximity is especially important to their business because some of the services need to be provided on the clients' worksite. P5 argued traveling long distance to reach a foreign customer might not yield the best service experience and leave room for satisfaction on client's part. The organization has three different locations around the world. Aligned with P5 comments, P7 added geographical distance equates to cultural distance, which is why proximity is important for P7 when designing internationalization strategy. For P8, geographical closeness is the key factor for success in business as well: "Because customer service is very important in software business, customer connection is easier in near markets than the ones at long distance. They understand what we want to do and we understand what they want from us. We can do much better for our customers in foreign markets when they are close." Compared to the traditional services, in software development, customer and the supplier need to communicate intensively for services (Beerepoot & Roodheuvel, 2016), which supports the opinion of P1 who believed being in close proximity to the clients and partners, and P6 who mentioned "Even if it is 3am, when the customer calls, we need to get on a plane and be there." After reviewing the company documents, related news, online press releases, I found support for participants' statements.

# Culture

Ojala (2015) defined cultural distance as the differences between sub-groups of people in terms of values, communication, and stereotypes. When asked what role culture played in their internationalization decision, eight of the participant SME leaders, (P3, P4, P5, P6, P7, P8, P9, and P10) acknowledged that culture and cultural differences had a significant importance in their decision making. Only two participants, P1 and P2, stated culture was not a factor to consider when these leaders developed internationalization strategies. It is evident that the Turkish ICT SME leaders have a difference of opinions about the role of culture in internationalization strategy development.

P10 considered cultural similarities important because people with same values have the same understanding, which brings efficiency to the business. P5 argued culture is very important as "Human beings love to communicate with what they feel close to." P6 found it difficult to conduct business in a foreign country where the SME leaders have less experience about that country's culture. For this reason, P6 selected the foreign countries and businesses based on the closeness of culture to both Turkish culture and their own company culture. P6 explained that if the cultures are similar, both parties in business know what to expect from each other. P6 argued that by conducting business in the Middle East, SME3 has a better chance at success than operating in advanced countries of Europe. After a review of the company activity reports, I found as of 2017, SME3 is currently operating in 22 countries including Kazakhstan, Tunisia, Tanzania, Romania, Greece, China, Macedonia, Russia, Poland, and India. P6 added, "Start with close by countries that are similar to you in the way they conduct business." P8 also favored doing business with companies in close cultures such as Azerbaijan or Turkmenistan. P8 stated that in software business after-sale support is very important and similar cultures make support operations easier for SME4 employees. According to P9, "Business is an interpersonal thing", and the partners' mentalities should match, which is easier if both parties are from close cultures. P9 viewed Turkish culture as "in-between," because of some similarities with both European and Arabic culture and mentality. For this reason, P9 found culture as a very important factor to consider in internationalization.

Along with culture, P9 viewed language as an important factor of internationalization. Cultural proximity and language affinity are the factors that influence internationalization of SMEs (Parola, Satta, Persico, & Di Bella, 2013). In line with this statement, P9 argued existing language barriers are just as important as cultural differences in international business. Language barriers have a negative impact on market entry of SMEs in the software industry (Puthusserry, Child, & Rodrigues, 2014).

Culture has deep implications for the market entry (Parola et al., 2013). P3 mentioned SME1 mainly operates in MENA (the Middle East and North Africa) region because executing business in MENA region is easier for Turkish companies. P3 added that the skeptic approach of European business people "Makes it a little trickier to do business with"; however, personally P3 prefers to cultivate business relationships with Europeans because of P3's personal international experience in Europe. Similarly, P4 preferred to conduct business with Nordic Countries (Denmark, Finland, Iceland, Norway, and Sweden) where "the culture is opposite of Turkish culture." P4 preferred not to conduct business with Mediterranean countries because of the work culture where people might not honor their promises and cause delays in delivery.

An interesting finding that P1 stated was the culture of the foreign country where the business will be expanded is not as important as the service and the product that the company offers. P1 believes, "Cultural similarities only give the SME an edge after a job well done." However, SME2 leaders first attempted to internationalize SME2 in the Middle East where most SME leaders who participated in this study considered as culturally close to Turkey. According to company documents, SME2 is most active in United Arab Emirates, the Middle East, especially Saudi Arabia. Although most SME leaders who participated in this study stated culture is a determining decision factor when they selected the countries they wanted to enter, all five SMEs are also active in European markets where they consider culturally different than Turkey. However, one common theme revealed in this study is that these SME leaders' first choice of region to expand was the Middle East where many cultural similarities exist. Based on this finding, one can argue culture is an important factor to consider at the initial stages of internationalization when the SME is new to those foreign markets. Once the SME leaders gain experience and knowledge, they might feel more confident to enter markets that are not culturally close. Supporting this argument, although culture is a factor P3 regards as important in internationalization, P3 explained how hiring local people in foreign markets reduced the issues that might have arisen due to cultural differences. P1

also mentioned the same strategy of hiring local employees to overcome cultural issues for their operations abroad. Because of this reason, P1 argued that the culture was not a factor when P1 selected foreign markets to operate in.

### **Theme 3: Managerial Attitude Forms the Internationalization Strategy**

Managerial attitude supports internationalization. Galkina and Chetty (2015) claimed that most SME leaders have difficulty remembering when exactly they made a decision to internationalize and how the SME operations started in foreign markets because internationalization is an organic process. Although this is similar to what most SME leaders who participated in this study acknowledged, P2, P4, and P10 stated that internationalization of their SMEs had been their target and motivation since they started working at their respected SMEs. These leaders' decisions and business strategies aimed at internationalizing their businesses from the beginning. For instance, in the company literature, SME3 leaders clearly stated their goal as "By 2020, 50% of the gross revenue will be generated from international activities in EMEA and CIS region, excluding Turkey." Similarly, in the company literature, the founder of SME2 made his vision very clear: to be a global market maker in speech technology field. Reported in the company documents, SME4 leaders also aimed to generate 50% of the revenue from exports within 5 years. This statement was developed in 2010 and the participants revealed and the reports confirmed that SME4 has three offices outside of Turkey, in Ireland, United Arab Emirates, and the Netherlands.

Karabulut (2013) found the prior international experience of an entrepreneur would decrease workforce and geographical distance related barriers in internationalization. If the leader of the SME has previous internationalization experience, most likely geographical distance is not a factor to consider in internationalization (Karabulut, 2013). Supporting Karabulut, both participants, P2 and P3 did not view geographical distance as a factor to consider when internationalizing. P2 and P3 have extensive international experience as both studied and worked abroad for an extended period. However, contradicting Karabulut's findings, P6, P8, P9, and P10 factor in geographical distance when they make internationalization strategy decisions. Each participant (P6, P8, P9, and P10) has lived abroad for a period of time for both work and academic reasons, however, the physical distance between home and host countries carry a significant weight for these SME leaders in terms of international operations.

The findings of this study point out not only the culture in different countries but also the manager's perception of cultural closeness determines the internationalization strategy including the foreign country selection. Living abroad for an expanded period of time might affect this perception. P2, P3, P6, P8, P9, and P10 have lived outside of Turkey for long periods of time. P2 found no similarities between Turkish and Middle Eastern culture and argued especially the work culture is completely different. One finding of this study is that the SME leaders choose to internationalize into countries where they have lived before and where they feel culturally close. For instance, because culture is very important, P3 preferred to do business with people from Germany where P3 worked for many years. Similarly, shared in the news, SME4 opened a new office in Netherlands where P8 had lived for many years before returning to Turkey. The new office will serve as a hub in Europe and P8 will serve as the managing director. An important note is that culture and geographical distance are relative concepts depending on the leaders' perception (Puthusserry et al., 2014). When one leader considers a country as a close culture to Turkey, the other one might think otherwise. For instance, P2 does not think that Turkish culture and Middle Eastern culture are close whereas P6 find both cultures almost identical and P9 regards Turkish culture as "inbetween" European and Arabic cultures. Finally, due to the developments in technology, communication, and transportation, leaders' perception of physical (Puthusserry et al., 2014), and cultural (Ojala, 2015) distance changes. People travel easily and interact more with each other using the Internet which changes the perception of distance.

### Theme 4: Low Commitment Entry Methods as Internationalization Strategies

Turkish ICT SME leaders choose low commitment entry methods when entering foreign markets. Polat and Mutlu (2013) categorized internationalization activities as indirect exports, direct exports, exports through agents, joint ventures, licensing, strategic alliances, franchising, and FDI, which are in line with the foreign market entry modes the participant Turkish ICT SME leaders adopted when their ICT SMEs internationalization strategies: (a) direct export in which the service provider travels to the international market where the consumer is, (b) systems export in which the service provider follows the local client to an international market, and (c) direct entry such as launching operations in international markets in which the service firm moves abroad but operates from home, (d) indirect entry in which the service company forms an alliance or partnership with a local company without being exposed to the risks of direct entry, and

(e) electronic marketing in which the service firm provides access to its products by using technology.

ICT firms are knowledge-intensive professional service firms (Abdelhazer, 2012; Lu et al., 2012). According to the findings of this study, participating Turkish ICT SME leaders employed a blend of all entry modes identified by Grönroos (2016). The participants and the document review revealed that all five case SMEs used direct exports as a market entry mode, SME3, SME4, and SME5 used systems export, SME1 and SME2 used direct entry mode, SME2, SME3, SME4, and SME5 used indirect entry mode as their internationalization strategy.

Service SMEs have more opportunities for entering a foreign market because service firms do not need to open a physical location in foreign markets (Lewin & Volberda, 2011). This argument is in line with the opinion of P2 and P10 who claimed employees and the businesses do not need to be on physical location because their product and service is in ICT field. However, P1 contradicted this argument because in P1's experience, the clients and partners want the provider SME to be accessible. Hence being in the same region and the same country if possible, is very important for ICT business. Additionally, P8 stated although the entry mode for the business is important, reaching out to the right customers and right partners is crucial for successful internationalization and continuation of business.

Erdil (2012) found Turkish companies start to internationalize by way of direct exports and evolve into more complex methods of market entry as the leaders cumulate more market knowledge and experience. Erdil added that since the beginning of the

2000s, leaders of Turkish leaders have been internationalizing their businesses by using entry modes such as agreements, direct investments, and acquisitions more than other entry modes such as joint ventures. Although the leaders of all five case SMEs revealed that they all used direct exports as an entry mode to internationalization, the leaders of SME5 started with an inward internationalization by importing from abroad in 1997. The timeline report indicated their first trade with an American market maker. Agreeing with Erdil's findings, the leaders of SME1 and SME2 started using direct entry modes after direct exports. However, the leaders of SME2, SME3, SME4, and SME5 used indirect entry modes such as licensing and joint-ventures more than direct investments, which contradicted Erdil (2012). One reason for this contradiction is the different factors that influenced the SME leaders' entry mode decisions. For instance P8 made it clear that the entry mode decisions vary based on the foreign country, the leaders' experience in that foreign country, and the desire to reach the right customers and partners. SME3 leaders, as stated in their international activity reports, followed market leaders from developed countries to developing countries. The uncertainty of customer, necessity of local presence, the complexity of service process, and the range of service offerings determine the internationalization strategy service firms use (Meyer et al., 2015).

Direct export refers to SME employees' physical presence in the international markets to serve foreign clients (Grönroos, 2016). SME1, SME2, SME3, SME4, and SME5 leaders used direct exports as the entry mode strategy. P8 revealed that if there was limited knowledge on how to conduct business in a foreign country when entering the first time, P8 and the leadership team chose to internationalize via direct exports. The

sales-people of SME4 traveled to the foreign market and conducted business in-person. P8's statement is in line with Erdil's (2012) findings. Turkish companies first enter neighboring countries by way of exporting, later in the process, Turkish firms involve in different modes of entry by using market knowledge and practices (Erdil, 2012). Sousa and Novello (2012) also recognized exporting as particularly popular internationalization strategy for SMEs because of the minimal resource commitment and a greater degree of flexibility. P6 has a small team, and the team delivers the product and services personally to the clients in international markets, especially if SME3 does not have any resellers in that country. The team travels to clients' locations to install the software, ensures that the system is running. After installation, the team travels back to Turkey and keep providing ongoing support. Review of a sample service agreement revealed that the SME3 team promises to provide "on-call" service after the installation of the solutions. In this study, all five SMEs involved in direct exports, which shows that for Turkish ICT SMEs, direct export is the common method of internationalization strategies.

At times, SMEs are forced to move into international markets. For instance, domestic clients might require SMEs to perform services in international markets (Grönroos, 2016). One example is SME3. P6 described one of the entry modes the team adopted at SME3 is to follow customers to international markets. As indicated in the company literature, the first occurrence in 1997, an existing client from the Far East requested SME3 team to work in another international market in Caspian Sea region, which Grönroos (2016) identified as client following and systems export. As a general practice, if SME3 has no resellers or partners in a foreign market, P6 and the team of employees travel to that foreign market and complete the sale, delivery, and service.

SME5 followed a similar path. As P4 explained and timeline in activity reports confirmed, one of the entry modes in place for their company was to develop relationships with a multinational market leader such as Oracle, Cisco, or Juniper and follow them to the international markets as a strategic partner. P4 and the team created a new client base by using these strategic partnerships. P4 argued the client does not have to be an international business. After developing solutions for a mobile service provider in Turkey, SME5 leaders followed their Turkish client to the international markets and provided solutions for them in foreign countries. Through those relationships, SME5 became a prevalent name in the foreign markets where more demand was created organically. Similarly, SME4 leaders also followed a domestic client from Turkey to international markets and provided services in the same manner.

Direct entry method refers to establishing a local, service-producing company to produce and deliver the service in the foreign market (Grönroos, 2016). Erdil (2012) found once the Turkish businesses make a presence in international markets, direct investments and partnerships are the next mode of entry for internationalization. The findings of this study are partially in line with this argument because although six SME leaders mentioned establishing partnerships, only the leaders of SME1, SME2, and SME4 advanced their internationalization strategies to include a direct entry strategy. All three case SMEs opened regional offices abroad and provided support services to their international clients from their regional offices. SME1 has two regional offices located in

Qatar and Pakistan. SME2 also has two offices outside of Turkey, located in the United States, and the United Arab Emirates. In a press release, SME4 informed the public of their new joint venture agreement in Netherlands. As indicated in the quarterly company report and the newsletter, s of May 2016, SME4 has an official location in Europe. Leaders from both SMEs argued their decision was based on the need to be around both current and potential customers. P1 stated selecting Dubai, UAE as a regional hub was a very smart decision. From this location, P1 believed that they are reaching to more customers than they can from Turkey. P1 argued working only from Turkey is not as marketable as before due to the recent political developments in the home country. P1 also argued that their product is better produced and customers are better served if they can produce it in the country where they are going to sell their product. Supporting P1's argument, Indian ICT company leaders also formed regional offices and service delivery facilities in foreign markets to satisfy clients and search for new business prospects (Beerepoot & Roodheuvel, 2016). Beerepoot and Roodheuvel (2016) suggested launching local offices in European countries creates the discernment of being an international competitor, which increases the likelihood of securing contracts from foreign firms. Agreeing with this argument, SME4 also had a regional office outside of Turkey, in Dublin, Ireland. Similarly, P1 mentioned that opening regional offices in Dubai and the United States has the same affect for their firm. According to P1, "Instead of saying we are from Turkey, we say we have offices in Dubai and Chicago, which is more impressive for potential foreign partners." Investing in a foreign country boosts the possibility of acceptance of the firm's products in that country (Chari & Acikgoz, 2016).

In line with his reasoning, the leaders of SME1, SME2, and SME4 moved their internationalization efforts to the next level and opened regional offices in foreign markets and started providing services from their regional offices, instead of producing in Turkey and distributing from regional offices. In agreement, both P1 and P9 commented this change in strategy helped their businesses to get more recognition and increased sales in foreign markets. The regional office in Dubai led to the opening of the office in Chicago for SME 2. For SME1, regional office in Qatar led to another office in Pakistan.

Although a firm wants to establish a permanent presence in a foreign market, the firm minimizes risk by not establishing a local operation that is wholly or partly owned by the firm, which is referred as indirect entry strategy (Grönroos, 2016). P1 explained, at the beginning of internationalization process, before the leadership team decided to open the regional office outside of Turkey, the company used agency agreements because they did not want to deal with the customers directly. Because SME2 lacked the local resources and support to provide customers, indirect entry was the most logical internationalization strategy for SME2 leaders. Indirect entry can be in the form of full ownership of a local subsidiary in a foreign country, a joint venture agreement with a foreign partner, licensing agreements, or franchising (Grönroos).

P10 elicited their market entry strategy as "Quite straight-forward: we license it either through partnerships or using online means." Similarly, P2 also established licensing agreements both inward and outward along with technology partnerships with other internet service providers from other countries. P9 explained that the leaders of SME1 made entry mode decisions based on the projects and the risks associated with the projects. Parola et al. (2013) suggested international experience stimulates the service firms to favor joint ventures. Aligned with such reasoning, P9 preferred entering joint venture agreements with local business people in the foreign markets to reduce the potential risks. Furthermore, Parola et al. argued that, in the presence of high international experience, the leaders might decide to reduce the degree of control over foreign subsidiaries. Agreeing with Parola et al., P9 had a significant amount of international and internationalization experience in both business and personal life, which were reflected in the selection of internationalization mode. In SME4, P8 mentioned the entry mode decisions were based on the country they plan to internationalize their operations. In some countries, SME4 leaders chose to enter the market via partnership agreements with local businesses. However, in some countries, SME4 sales team traveled to the foreign country to learn how to conduct business in that foreign market. In such countries, customers required SME4 employees' physical presence, which Grönroos (2016) considers as direct exports.

In some special instances, as P8 described, SME4 enters into licensing agreements with the foreign business partners. P4 explained SME5 is still involved in both inward and outward internationalization by buying licenses from global software companies and selling licenses to foreign clients. As outlined in their activity report, P6 explained, due to the product and service portfolio of SME3, they sell licenses to their clients and allow them to use their products for a period of time. However, the on-site support, from installation to trouble-shooting, is still available when the foreign customers need it. Out of five participating SMEs, only SME3 internationalized through franchising. P6 reasoned in order to provide franchising, financials and the brand had to be very strong as such that "You do not have to convince people, they want you to work with them."

The Internet allows businesses to communicate their product offerings, list the products for sale, collect information about customers and competitors, and collaborate with partners to deliver the product and collect payments (Grönroos, 2016). All 10 participants of this study mentioned the importance of using electronic marketing as part of their internationalization strategy. However, while Grönroos (2016) named electronic marketing as a market entry strategy, Turkish ICT SME leaders use electronic marketing as a tool to internationalize their business operations, not as a market entry strategy.

P9 stated SME's IT structure is very important. In SME1, employees use tablets, cell phones, laptops to connect with the rest of the world and remain in touch with the business partners. P9 added electronic devices give the employees the option of mobility, which is, in P9's opinion, an important requirement for internationalization. P8 and P1 stressed the importance of digital marketing material as well as hard copies. P8 and the marketing team use video testimonials of customer success stories, value propositions on their website and their YouTube channel. P8 revealed this is the most important step for preparation before attempting to enter a foreign market. A review of social media outlets confirmed P8's argument. All documents, videos, and posts were in English and professionally created. Aligned with P8, P4 also stated using YouTube in addition to LinkedIn as well as emails to reach out to potential customers and offering partnerships worked well for their business. In addition to LinkedIn, P6 also uses Facebook to

promote internationalization. Sinkovics et al. (2013) confirmed that Internet supports internationalization as a marketing channel. Electronic marketing removes the boundary caused by location, however, the firm needs local partners in foreign markets to help with delivery and payments (Grönroos, 2016), which is why P1, P2, P3, P4, P8, P9, and P10 stated that they rely on the foreign partners.

### Theme 5: Role of Relationships in Internationalization Strategy

Relationships are the main resource the Turkish ICT SME leaders rely on when internationalizing. Ibeh and Kasem (2011) reasoned for high-tech SMEs both social and business networks are important. Social networks are influential during the beginning stages of internationalization whereas the business networks are more prevailing afterward (Ibeh & Kasem, 2011). In this study, participants shared that their personal connections and social networks were imperative at the initial stages of internationalization process. Hermel and Khayat (2011) explained the significance of network connections with external groups, including professional forums, industry networks, former colleagues, and friends. Contradicting Hermel and Khayat, most participants revealed that they would contact their personal connections before they reach out to any professional network. For instance, P10, P6, P2, P3, P9, and P8 have long personal histories abroad where these leaders developed personal and business relationships, which they utilize in their careers in Turkey. P3 explained when an opportunity arose, the first people to go to were P3's personal contacts rather than professional forums and industry networks as suggested by Hermel and Khayat.

On the other hand, P6 used business partners and companies they deal with as network sources. P1 suggested devolving regional references increased SME2's chances of becoming more successful internationally. Network theory researchers argued distributors, marketing agents, and foreign partners in the network support firm's internationalization (Hermel & Khayat, 2011). In agreement with this argument, P4 confirmed using market makers as a network partner worked for SME5. P4 commented, "For instance, Cisco goes to another company and says there is this company, they are honest, and they deliver what they promise, and it worked for us." Reports confirmed Cisco, as one of the foreign partners in SME5's network, supported internationalization of SME5.

P4 considered the global partnerships and SME5's own human resources as the most valuable network. Similarly, at SME3, leaders publicly acknowledged their employees as their most valuable asset. In fact, out of 10 participants, five of them (P1, P4, P5, P7, and P9) have mentioned the importance of human resources during internationalization. A market research revealed that SME3 had a very low employee turnover. The company won a prestigious award two times in the human resources field. P1 and P3 believed one of the main reasons why human resources are the most valuable assets is because in their experience, when employees switch companies, they bring their relationships with them which presents new opportunities for the company.

P1 believed the person who is in charge of internationalization should be able to develop and handle such personal relationships. P1 was the first manager SME2 has hired to support internationalization activities. P1 argued working with an experienced higher level senior executive is very important during internationalization. In addition to the companies' internal human resources, P1 favored working with external consultants because of the consultants' extensive knowledge in their specialization. This argument is in agreement with Cumming et al. (2015) who recommended hiring professional advisors with necessary skills and knowledge to augment internationalization. Similarly, Lahti (2012) also argued providing SMEs with skilled and knowledgeable advisors would support SMEs during internationalization.

P8 associated SME4's success in international markets to hiring the people who specialized in sales and marketing. According to P8, the right people are the key ingredient for any successful organization. In all five cases, SME leaders have dedicated personnel to their internationalization efforts. In SME1, for the regional offices outside of Turkey, the leaders preferred to hire local people from host countries. According to P9, those employees with different backgrounds but from the same culture and have the same mentality as the host country firms are high valued assets to SME1 managers.

Emerging market SME leaders use domestic and international business ties as well as their personal connections to internationalize (Kazlauskaitė, Autio, Šarapovas et al., 2015). I also found that the SME leaders chose to network with the communities and cultures where these leaders had previous personal and business experiences. For instance, P3 who lived in Germany for an extended period of time prefers to connect and network with German business people, whereas P4 who lived in different cities in a number of European countries prefers connections with Nordic business people, and P6's main connections are in neighboring countries because he had lived in the area in the past.

Internationalization is undeniably important to the ICT SMEs in Turkey. The most successfully internationalized SMEs are the ones that have the leaders who believe in innovation, who are not afraid of taking risks, who embrace competition, and who have personal and business experience outside of Turkey. These leaders take an active role in their SMEs' pursuit of internationalization. As strategy developers, SME leaders consider culture and geographical distance when they make decisions about the foreign markets to enter. At the early stages of internationalization, SME leaders choose to enter foreign markets by using low commitment methods which will require the least amount of resources. As these leaders embark on internationalization, the most important resource they utilize is their personal and business relationships.

#### **Conceptual Framework Discussion**

Each SME leader who participated in this study had a different approach to internationalization. When internationalizing, some firms follow the traditional stage model of internationalization, while others start working with foreign businesses right at or shortly after inception (Su, 2013). Supporting Su's (2013) findings, Turkish ICT SMEs internationalized gradually. Although some internationalized relatively shorter after inception compared to the other case SMEs, none of the case SMEs can be considered as a born-global firm. Tanev (2012) claimed high-tech firms are born-global firms because these firms can lose their competitive edge quickly if they do not internationalize early enough. However, Turkish ICT SMEs do not fit in that framework as underlined by Tanev. NVT does not apply to current study and internationalization of ICT SMEs in Turkey. To collect data for this study, I contacted more than 400 potential participants who were owners and managers of ICT SMEs in Turkey. Those who declined to participate were mostly from new ventures and declared that they have not internationalized their operations yet. However, Turkish ICT SME leaders heavily rely on their personal and business networks and network theory applies to Turkish ICT SME internationalization.

### **Stage Model: Gradual Internationalization**

Based on the findings, all five case SMEs internationalized gradually; hence, I concluded that the stage model of internationalization applies to the internationalization of Turkish ICT SMEs. SME1 was established in 2003. SME1's first international operations took place 5 years after its inception. Within 9 years after the first internationalization activities, SME1 team opened regional offices in two foreign countries, Qatar and Pakistan. As P9 and P3 explained, internationalization of SME1 was a rather gradual process. P9 admitted that SME1 leaders did not have an international focus initially; however, SME1 gradually became more internationalized. A review of company documents confirmed that the mission of SME1 was not only to generate revenue but also to create internationalization mindset and methodology while gaining more knowledge in foreign markets, which supports the founding belief of gradual internationalization. According to stage theory, companies increase their foreign market commitment as they accumulate more knowledge of the markets and experience (Johanson & Vahlne, 1977).

SME2 was established in 2000 and the leaders took their operations to international markets in 2013. SME2's internationalization has also been a gradual process. The first internationalization activities were through agents and foreign partners. The lack of knowledge, insufficient resources, and weak support system pushed P1 to make such decisions. However, as P1 stated, "At a certain point, we saw the lights and then we started opening foreign offices. First in Dubai, and then in Edinburgh, and finally in the United States." Because their product is country specific, P1 commented that it took them years to develop the product to a level where it can be marketed in international markets. P1 also added that the planning, knowledge accumulation, and learning curve delayed the internationalization of SME2. In 4 years, SME2 leaders opened regional offices in three countries. Reports confirmed, in 2016, around 20% of the revenues were generated from the international sales.

SME3 was founded in 1992, and it was not until 2012 that the leaders of SME3 started international business operations. According to P6, their product was only marketable where agriculture is a way of life and those countries needed to develop to a certain economic and technological level before the SME3 leaders can initiate internationalization. SME3 leaders' internationalization mentality supports slow but sustainable growth. P6 added, after 5 years internationalization, 20% of the revenues come from international markets.

SME4 was established in 1998. As P8 explained, although the founding partners' vision was to be international from inception, internationalization became a gradual process for SME4 as well. "Internationalization requires knowledge and resources, which

may not be acquired in a short period of time," said P6, "that is why internationalization is not a quick process." Following some local clients to international markets, SME4 leaders initiated internationalization in 2014. After 3 years of internationalization, SME4 has an office in Ireland and Netherlands to manage regional business, and 15% of revenues come from international markets.

SME5 was established in 1992. SME5 leaders' first attempt to internationalize their business took place in 1997, 5 years after inception. The main activity was importing. In 2002, SME5 leaders started to export their products to international markets. The leaders of SME5 established this business only to import technology to Turkey. However, as the leaders gained more knowledge and experience, opportunities revealed themselves, as P4 called it, the leaders decided to follow a local client to international markets. As the team gained more knowledge and experience, the SME5 leaders started exporting their technology to international clients. After 15 years of being active participant in international markets, 10% of SME5's revenues come from international business operations.

In stage models, internationalization is a process in which firms increase commitment to foreign activities in foreign markets (Erdil, 2012). This statement is in line with the findings of this study. For instance, agreeing with Erdil (2012), P6's internationalization strategy was to start with one customer in one country and grow organically. Supporting the gradual internationalization stage model, P6 commented that, "Because internationalization is not a day's job, you have to invest many years." One of the reasons why firms choose to internationalize in stages is to eliminate high levels of

uncertainty (Krull et al., 2012). Agreeing with this statement, P6 explained how as the managing partners, the business did not expand into more than two countries at the beginning because the leadership team wanted to see how the SME would progress in those countries. Once they became successful, they moved into the third country. In the same manner, to address uncertainty, SME3's operations took place in the countries where the business is similar to Turkish system in terms of time commitment, setting expectations, and business culture. SME3 leaders do not attempt to internationalize in another country unless SME3 becomes successful in the country they operate in. P8 preferred to conduct business in the nearest international markets first, because knowledge was already available. P8 stated, "We transformed our business in nearest markets with less uncertainty first, because we know nearest countries so well. It is easy to understand customers." In summary, because, knowledge gained from international activities drove the internationalization processes of Turkish companies (Erdil, 2012), Turkish SMEs internationalize gradually (Karabulut, 2013). The findings of this study are aligned with both Erdil's and Karabulut's (2013) findings.

Knowledge-intensive firms employ a recurrent strategy with increasing increments of internationalization (Shukla & Dow, 2010). This statement is in agreement with the strategies used by Turkish ICT SME leaders. For instance, P1, P9, and P6 stressed the importance of knowledge accumulation until these leaders felt comfortable with doing business in foreign markets. P1 commented first few years after inception at SME2 were all about marketing and product development targeted to operate in international markets. P1 also explained that during the first few years of internationalization efforts, they would close deals domestically, in Turkey, through their connections in the Middle East region. P3 commented their internationalization strategy involved developing a catalog of potential clients and partners that P3 and the team might have liked to work with on certain international projects. P9 explained that at first, internationalization started with small projects in foreign countries. After these projects are successfully completed, the team started to boost the volume of operations in that foreign country. The list of finished and ongoing projects is listed in their website for review.

According to Erdil (2012), later in the internationalization process, Turkish firms involve in more FDI than joint ventures abroad. This argument is consistent with the internationalization of SME1, because after accomplishing their goals of successfully completing small projects and gradually increasing their business volume, P3 and P9 both reported that SME1 is currently involved in joint ventures and FDI in two countries outside of Turkey. Although not from inception, compared to the other three SME cases, the leaders of SME1 and SME5 have started internationalization efforts relatively earlier. SME5 leaders viewed importing as a way to open their business to international markets. After developing the high-quality products, gaining market knowledge, and having 5 years of importing experience, in 2002, the leaders of SME5 leaders signed a strategic alliance and partnership agreement with a partner from Europe, which accelerated their internationalization activities. Schwens and Kabst (2011) argued entering foreign markets early might present significant disadvantages for young technology firms, because of their limited experience and knowledge. Agreeing with this suggestion, P1stated the management team made the best decision by prolonging their internationalization, which gave them time to develop better products and develop strong relationships with potential partners and international markets. The participating SME leaders explained that they have been developing their own IT solutions and marketing them in international markets; however, P1 and P9 stated this process requires time and study of international markets. "Culminating market knowledge takes time, knowing your customer takes time. You cannot just dive in and hope the best," said P1.

# NVT

The findings of this study do not support NVT. At the beginning of this study, based on the literature review on ICT firms and their internationalization, my expectation was Turkish ICT SME internationalization would conform to NVT. However, contradicting NVT and the definition of born-global, Turkish ICT SMEs are not bornglobal firms. Born-global firms are the firms, which involve in international business with multiple countries within 3 years or less from the time of their inception (Li et al., 2012). None of the five case SMEs in this study have been active in international markets within 3 years of their inception. Additionally, Grönroos (2016) argued that most service firms are born-global firms and the Internet, digitalization, and mobile technologies enabled the acceleration of born global firms. Even though the participating SMEs are service firms and their leaders used technology and digital marketing to expand their businesses internationally, these SMEs are not born-globals and NVT does not apply to this study, which contradicted Grönroos's argument.

Oviatt and McDougall (1994) observed technology SMEs internationalize rapidly rather than gradually because these firms produce high-tech products, which can easily reach anywhere around the world. Similarly, Kuivalainen et al. (2012) viewed the small technology firms as born-global, and Tanev (2012) pointed out a trend suggesting the majority of technology companies are born-global firms. However, based on the findings of this study, Turkish ICT SMEs do not internationalize rapidly, and their internationalization behavior contradicts with NVT theory. Out of the five SME cases, the ones that internationalized earliest were SME1 and SME5, and both were internationalize right after inception so that they can have access to the resources (Oviatt & McDougall, 1994). Oviatt and McDougall's statement is another argument contradicted with the findings of this study because the lack of such resources and the need for time to develop such resources delayed the internationalization of participating Turkish ICT SMEs internationalization processes.

Cannone and Ughetto (2014) and Tanev (2012) claimed IT firms internationalize from inception, and these SMEs are already stimulated towards international markets regardless of the size or years in business (Talebi et al., 2012). Similarly, Philippe and Leo (2011) reported the service sector companies are internationalizing faster as a consequence of the advances in ICT and the shift to the knowledge-based, technologydriven service economies from manufacturing economies. However, agreeing with Abdelhazer (2012) who found ICT firms follow a more cautious approach to internationalization, and Paul and Gupta (2013) who found most IT service firms in India internationalize gradually, the participants of this study, the Turkish ICT SME leaders were cautious when it came to internationalization of their businesses. Contrary to NVT, participants in this study did not attempt to internationalize their business operations right after inception. P10 mentioned one of the reasons why Turkish ICT SMEs are not in the international markets right after inception is because the international customers do not expect high-tech products to come out of that part of the world. P10 was referring to MENA region. Convincing the world and generating a customer base takes more time than their counterparts in the Western world, P10 added.

Proficiency in a foreign language is a factor enabling ICT firms to internationalize from inception (Cannone & Ughetto, 2014). However, foreign language proficiency is an issue for the Turkish ICT SMEs as pointed out by P9 and P10 who observed lack of language skills cause problems in negotiations and marketing. P1 reasoned hiring local employees from the host countries might be a solution to this problem; however, not all SMEs have the financial resources to open regional offices. SME owners delay the internationalization until business operations generate significant revenue to hire people who are sufficient in the language of the country where the SME leaders intend to conduct business.

Cannone and Ughetto (2014) argued if the domestic market is small, the start-ups in high-tech ICT sectors internationalize from the foundation, which contradicts the findings of this study because although Turkish market is small, as reported by all 10 participants, the participating SMEs were not present in the international markets at least 5 years after their inception. The findings of this study also contradicted Kazlauskaitė, Autio, Gelbūda et al. (2015) who observed NVT extensively applies to emerging economy SMEs' internationalization. Although Turkish economy is considered an emerging one, based on the findings of this study, NVT does not apply to ICT SME internationalization in Turkey.

### **Network Theory**

Oviatt and McDougall (1994) pointed out the importance of networks for new ventures and their accelerated internationalization. Although Turkish ICT SMEs in this study were not born-global firms, their leaders who participated in this study stressed the significant role of networks in their internationalization processes. According to network theory researchers, firms internationalize by using their business networks because in such networks company leaders obtain information, as well as financial, human, and capital resources (Johanson & Vahlne, 2009). Network theorists emphasized the importance of establishing networks as a business strategy while internationalizing (Ibeh & Kasem, 2011; Tang, 2011). In this study, findings confirmed that the network theory applies to the internationalization of ICT SMEs in Turkey. Out of 10 participants, nine SME leaders agreed that the networks have a significant role in their internationalization efforts. These nine participants explained how valuable networks and relationships in their internationalization process. These findings are in agreement with Kislali and Tastan Boz (2016) who concluded international networks are significant for Turkish SME internationalization.

Although P6 would still consult with the network connections when there is an opportunity to enter the international markets, P6 mentioned the networks might not be reliable in internationalization. According to Ciravegna et al. (2014), existing networks have limited or zero effect on internationalization of Chinese SMEs, if the SME owners have extensive international experience and they are actively searching for international business opportunities. P6's view of networks is consistent with Ciravegna et al.'s argument. P6 had lived abroad more than a decade and had been working in international business more than 20 years, which constitutes extensive international experience.

Especially for the information technology sector SMEs, networks extending beyond borders are imperative, and not a choice (Erdil, 2012). The findings of this study are in line with this view. P1 stressed the importance of networks and suggested all Turkish ICT SMEs should create a network outside of Turkey to accelerate internationalization. Developing country SMEs should make networking a priority to accelerate internationalization process (Ibeh & Kasem, 2011). For market seeking firms, participating in local networks in host countries and gaining local legitimacy is a necessity (Beerepoot & Roodheuvel, 2016). Supporting this argument, P10 preferred to create relationships with the international companies such as MNEs operating in Turkey and utilize them as a source to internationalize in foreign markets. Through the channels of these MNEs, P10 found business partners in international markets. For P10, networks are a source of marketing. Agreeing with P10's view of networks, P5 also preferred to network with the people from international companies located in Turkey, as P5 believed that those relationships are the key for developing international business outside of Turkey. Similarly, SME5 leaders established a partnership agreement with a European company, which helped P4 and the team to expand their network to include European connections. While SME5 enters European markets using the partner's network, their European partner enters MENA region by using SME5's network. Document review revealed that all websites of 5 case SMEs have separate sections dedicated to references and partnerships where they display their international stakeholders.

P4 argued networks made it easier for SME5 to internationalize. P4 quoted a statistic, which was influential to the internationalization decisions for SME5. P4 stated based on the statistics, in ICT area, an employee works about a year and a half in a company before they change jobs. P4 argued this turnover rate helped them because each new employee on-boarded at SME5 became a connection to a number of other businesses.

International contacts as well as existing and new relationships enable SME internationalization by offering new market opportunities (Ibeh & Kasem, 2011). P8 established networks in the countries where there are potential target markets existed. P8 used networks to contact people who are strong in the target market and who can help develop strategies within those countries. For P8, connecting with the right people is the key, because knowing the inner workings of all countries is not possible. However, the leaders and employees can use their networks to accumulate knowledge and make business connections that might lead to international partnerships.

Emerging market SMEs have to navigate around economic and political instability (Gaur et al., 2014). Therefore, internationalizing emerging market SME

leaders are likely to network and enter into relationships with business groups to cope with such risks and have access to critical resources (Kazlauskaite, Abramavicius et al., 2015). This is a valid argument that is in consistent with the findings of this study. The participants view Turkish political and economic environment as unstable and as P3 does, use networks to access resources. P1, P2, and P4 explained how politics affect the business climate in Turkey, which leads to currency fluctuations creating an unstable economic environment. P2 and P9 also talked about the shrinking Turkish economy and stagnation while P4 stated, "Although the Turkish economy seems like growing, we believe it is unstable." Agreeing with Kazlauskaite, Abramavicius et al., P3 mentioned that the networks help cover whatever SME1 is lacking. For instance, if a potential client asks for an IT solution and SME1 does not have the technology, P3 reaches out to the network connections and acquire resources and technology to produce their products. In a way, networks make up for whatever SME1 is "coming short," P3 said. Graves and Shan (2014) also argued the international networks enable SME leaders to remedy the negatives caused by limited managerial and financial resources.

According to the findings of this study, one interesting method that Turkish ICT SME leaders use to eliminate the risks associated with being a Turkish ICT SME is to open offices in other countries and use that office as a hub for business. P1, P4, P5, and P6 stated reputation has a significant value in the international business. P1 explained the effect of Dubai office on internationalization acceleration. P1 said although potential partners from foreign countries would ask if they are not a Turkish company, answering "Yes, we are, but we operate from Dubai" was a game changer. In line with P1's reasoning, P8 also mentioned the importance of being an international company instead of a Turkish SME in order to increase sales in the international markets. SMEs from emerging economies are likely to use their reputation for internationalization (Kazlauskaitė, Abramavicius at al., 2015). As the Turkish economy and political climate worsened, SME4 is increased its geographical locations to reach out to more international customers and partners. To do so, P8 recently joined a network of IT business professionals in Europe and "Extending the network is already paying off," P8 said.

### **Applications to Professional Practice**

In this study, I explored the internationalization strategies that the Turkish ICT SME leaders use to internationalize their business operations in Turkey. As researchers pointed out, fewer studies have focused on internationalization of PSFs such as ICT firms (Rosenbaum & Madsen, 2012). The findings contribute to the international business literature in the field of SME internationalization. The findings of this study indicated different strategies that the ICT SME leaders can implement to internationalize their businesses. Implementing such strategies can assist ICT SME leaders to further their businesses in international markets.

The first theme was about SME leaders' active involvement in the internationalization process. SME leaders can elect to pursue active or passive approach to internationalization (Musso & Francioni, 2014). If the SME leaders actively involved in market selection and entry mode selection processes, their SMEs internationalized successfully. The leaders' involvement also led to higher quality, cutting-edge products,

and intense market research. SME leaders who plan to internationalize their businesses should start the process by focusing on product development.

Similarly, the second theme indicated the attitude of the SME leaders toward internationalization determines the success of internationalization. Prior internationalization experience affects entrepreneurs' perception of internationalization (Karabulut, 2013). According to the findings of this study, the leaders who had international business and personal experiences tended to internationalize their businesses successfully. Hiring consultants or advisors with proper skills and knowledge in their field can be a strategy that benefits SMEs in the pursuit of internationalization (Cumming et al., 2015). Those SME leaders who aim to successfully internationalize their businesses can hire managers for their SMEs who have personal and business international experiences.

The third theme was about the cultural and geographical closeness to home country in internationalization. As a first attempt to internationalization, ICT SME leaders can enter those markets that are physically close to Turkey. Even though it is possible to work with a client from a distance, at some stages of business relationship, close proximity to client might be necessary (Beerepoot & Roodheuvel, 2016). On the same note, choosing countries with similar cultures to Turkish culture can also help SME leaders to accelerate internationalization. Culture influences internationalization decisions of SME leaders (Parola et al., 2013).

Based on the fourth theme, SME leaders who plan to internationalize can choose low commitment internationalization methods at the initial stages of internationalization. The most popular method of entry for Turkish SME leaders is direct exports (Karabulut, 2013), which requires the service provider to be at the location of the customer. Factors such as uncertainty, need for local presence, service types and complexity determine the internationalization strategy of service firms (Meyer et al., 2015). SME leaders can increase their commitment level in international markets to direct entry methods once their teams have sufficient knowledge and experience.

Final theme indicated the personal and business relationships were crucial to ICT SME internationalization in Turkey. SME leaders in emerging markets use their personal connections, domestic and international business relations in the pursuit of internationalization (Kazlauskaitė, Abramavicius et al., 2015). Those SME leaders who plan to internationalize should develop relationships with potential stakeholders such as suppliers, clients, agents, and distributors. To do so, these leaders can attend international events and conferences where they can advertise and present their SMEs.

This study may generate interest in the internationalization of different service areas such as hospitality, tourism, travel, or food industry. SME leaders who are considering internationalizing their businesses can use the findings of this study to develop their own internationalization strategies. Government officials can also use the findings of this study to support SMEs in internationalization efforts in Turkey. The findings of this study may contribute to business practices of SMEs outside of Turkey. Although this study was targeted to ICT SMEs in Turkey, ICT SMEs in other emerging countries that are culturally similar to Turkey might benefit from the findings and implement internationalization strategies explored in this study.

#### **Implications for Social Change**

Close to 3 million SMEs in Turkey, employing 75.8% of the labor force and generating 54.5% of wages and salaries (Turkish Statistical Institute, 2014) are losing their domestic market shares to large corporations (Bakar et al., 2014). The economic downturn in Turkey, beginning 2014, was largely because of a severe slowdown in private domestic consumption, which provided another reason for SME leaders to expand their businesses internationally (Central Intelligence Agency, 2016). Internationalization increases SMEs' survival rate and profit potential (Atik, 2012; Lee et al., 2012). Because the local market in Turkey is too crowded with domestic and foreign competition, increasing international activities to grow their business is a sensible alternative for SME leaders in Turkey (Alon et al., 2013). Ultimately, the expansion of business activities will lead to hiring more employees to meet the increased demand for their goods and services (Alon et al., 2013).

Turkey is an emerging country with a recorded unemployment rate of 10.4% in 2015 (Central Intelligence Agency, 2016). Growing SMEs economically will help reduce such high unemployment rate, because SMEs promote employment by employing the most of the workforce in Turkey (Karabulut, 2013). A growing SME sector would have a positive impact on economic growth, population welfare, and financial stability (Ulrich & Hollensen, 2014).

The findings of this study may provide a positive social impact by improving perceptions of SME leaders in the ICT sector in Turkey to develop further internationalization strategies for their businesses. By successfully implementing internationalization strategies, SME leaders may increase profits and create positive social change by increasing employment and wealth levels within Turkey. Internationalizing in foreign countries via direct investments may help increase employment and wealth levels of surrounding and host countries as well. Moreover, Turkish government agencies may use the findings of this study to develop support programs for SMEs in the process of internationalization.

#### **Recommendations for Action**

In this study, I explored the internationalization strategies that the ICT SME leaders used when they internationalized their business operations. Findings of this study might benefit the ICT SME leaders who plan to internationalize their own businesses. In internationalization the mindset and role of the SME leaders are undeniable. An entrepreneurially minded owner who is also the manager with a unique personal management style creates the SME (Hulbert et al., 2013). The leaders should have an active role in internationalization. The SME leaders should involve in decision making processes such as market selection and entry mode selection. Management's attitude has an impact on internationalization of knowledge-based service firms (Javalgi & Grossman, 2014)

Based on the findings, one recommendation is to recruit and work with the leaders and employees, who have both personal and business international experiences. Even if the founders do not have any internationalization experiences themselves, the recommendation is to recruit employees with international backgrounds. Hiring consultants or professional advisors is also recommended (Cumming et al., 2015). An additional recommendation for those SME leaders who aim to internationalize their businesses is to develop structured internationalization strategies. Having a professional approach and a global mindset instead of applying a trial and error method proved successful for those leaders who successfully internationalized their businesses. In order to successfully internationalize their businesses, the SME leaders should have a global mindset. To adopt an internationalization strategy, SME leaders need to change the production mindset to customer orientation and appoint skilled and experienced managers who might also be owners (Osei-Bonsu, 2014)

Another recommendation is to develop a strong product and provide exceptional service that will remain competitive in international markets. If the SME leaders do not have such strong products, they can choose to follow a market leader to international markets. To be able to perform such actions, the SME leaders and employees need to expand business networks, develop strong personal and business relationships with current and potential clients and suppliers. For market seeking firms, participating in local networks in host countries and gaining local legitimacy is a necessity (Beerepoot & Roodheuvel, 2016). In the end, international networks are significant for Turkish SME internationalization (Karabulut, 2013). For small businesses, owners' and managers' relationships are imperative for survival, especially in advancement to international markets.

Furthermore, attending international trade events would have a positive effect on internationalization, if the SME leaders and management teams came ready to engage with potential business partners and customers while they participate in those events.

SME leaders should attend international fairs and events to develop international networks because gaining foreign partners would help cover some of the resources SMEs lack to internationalize (Osei-Bonsu, 2014). Before attending such events, the attendees should do in-depth work on the participants, potential clients, and the market, and be ready to finalize any business deals that might emerge. Employees who represent the SMEs should be knowledgeable about the products and services offered by the SME and answer all questions from interested parties. One recommendation is to invest in not only electronic marketing materials but also in-print marketing materials. As explained by the participants in this study, high-quality marketing materials that tell the story of the SME and its products and services, including client testimonials, are crucial to internationalization efforts.

If the SME is financially strong, pricing can be a strategy that would help SME leaders to penetrate international markets. The company can offer its products at a lower price levels than its competitors' or include added services after sales to gain customers in the market. Another recommendation concerns location selection. PSFs have location advantages (Faulconbridge & Muzio, 2016) and the decision makers should choose the right location for the headquarters as well as foreign offices. Both places should be located in airport accessible vicinity where people can travel easily.

At the initial stages of internationalization, SME leaders should aim to enter the foreign markets that are both geographically and culturally close to their home country. Ideal foreign market for any SME is the largest market within the closest distance (Ojala, 2015). The method of entry should be a low commitment one such as direct exports and

systems exports. As the leaders and managers gain knowledge in international markets, the commitment level can be elevated to joint ventures and foreign direct investments. Turkish SME leaders attempt more complex methods of internationalization, gradually increasing their commitments and risk tolerance levels, as they gain more experience and knowledge (Erdil, 2012; Karabulut, 2013). My conversations with the participants revealed the need for government support and training for internationalization. Participants commented that most SME leaders were not aware of the support that certain government organizations provide for internationalization because the government did not advertise any available activities or opportunities. One recommendation might be for government officials to extend outreach efforts to SMEs in ICT field and SME personnel to remain in touch with such organizations by joining or obtaining memberships.

Because of the increasing competition in the international markets, Varga et al. (2013) suggested the governments actively support SME internationalization and survival by providing state aid. A review of government sources revealed a number of subsidies and incentives available to ICT SMEs in Turkey. ICT SMEs can take advantage of support offered by KOSGEB, a government organization that provides guidance and support to SMEs in Turkey. There are funds available for:

- Foreign market research, up to \$7,500 to cover the cost of travel, lodging, and rental car;
- Foreign market entry, up to \$200,000, under the guidance of a consultant;
- 50% of the costs for marketing efforts abroad, up to \$300,000;

- Employee recruitment, up to three years, based on the gross salaries of employees;
- A consultant, up to \$50,000;
- 70% of the training costs, up to \$20,000;
- 60% of the costs to establish an office abroad.

The list above is a small sample of what type of support available to ICT SMEs in Turkey. The SME leaders can conduct their own research and find more support for their companies and internationalize their businesses. Additionally, I aim to publish my study in academic journals in Turkey. I will also attempt to publish my study through the governmental department responsible for SMEs. After the interviews, the participants who stayed in touch with me declared their interest in the findings of this study. They voiced their enthusiasm for this study because as far as they know, there is no report or academic study that attempted to answer the research question I posed. I also received invitations to conferences and workshops to present my work in Turkey and in the United Arab Emirates.

### **Recommendations for Further Research**

During the early stages of this study, while I was reviewing the available literature, I realized there were few studies on internationalization of SMEs in Turkey. The research was nonexistent on ICT internationalization in Turkey, and thus, this study might fill a gap in the literature and lead the way for further research. For instance, during the interviews, participants tended to talk about the barriers that hampered their internationalization efforts. Therefore, one recommendation for future researchers is to further delve into this topic by conducting qualitative and quantitative studies to understand the barriers to internationalization of ICT SMEs in Turkey.

Similarly, researchers can reproduce this study with any population in a specific industry or location and a variety of alternative themes might emerge. For instance, this research can be replicated to understand internationalization strategies of SMEs in other service industries such as hospitality, food, or travel in Turkey. One interesting suggestion might include using a mixed method to create an in-depth analysis of barriers and strategies of internationalization that SME leaders use. Finally, future researchers may replicate this research in other emerging countries to explore internationalization strategies of ICT SMEs.

## Reflections

In this study, my role was to be the main data collection instrument. In a qualitative study, the researcher collects, organizes, analyzes, and reports the data (Collins & Cooper, 2014). I conducted semistructured interviews with the ICT SME leaders in Turkey via Skype. I reviewed company documents, related online publications, and government publications. I organized the data by using NVivo software, which was educational. To be able to use this program, I had to teach myself how to use NVivo.

I decided to explore the internationalization strategies of SMEs in service industry in Turkey because there was not enough knowledge on the topic. I talked to some entrepreneurs and managers about internationalization and realized there was no structure in the way they were managing internationalization. The feedback from such conversations encouraged me to further my studies on this topic. By conducting this study, I aimed to help ICT SMEs in Turkey to initiate and finalize their internationalization processes, which might increase the possibility of their survival while they contribute to the overall wellbeing of the Turkish economy.

The findings were unexpected. While I was reading through the literature before I collected the data, I assumed the Turkish ICT SMEs would be born-global firms and internationalize from inception. On the contrary, I found the participating SMEs internationalized gradually. Similarly, I assumed the ICT/IT products would not be influenced by culture and geographic distance; however, culture and geographical distance had influenced the internationalization strategies of Turkish ICT SME leaders.

One major challenge I endured was to find participants. Although I am of Turkish origin, and I do have life and work experience in Turkey, I did not realize how Turkish business leaders had changed and had become utterly skeptical and untrusting because of the latest political events took place in Turkey. Even though all necessary measures to protect confidentiality were in place, and I assured the potential participants of the protective measures I have taken, both verbally and in writing as outlined in the confidentiality agreement, most SME leaders I approached were reluctant to participate in this study. Although this doctoral study process has been an utterly challenging and demanding process, I am pleased to complete this study with the hopes of making a positive change in some organizations in Turkey.

### Conclusion

In developing countries, such as Turkey, SMEs have a strong role in economic development and internationalization has positive effect on SME growth and

performance. However, Turkish ICT SMEs do not internationalize fast enough, because their leaders lack the strategies to internationalize their businesses beyond borders. The purpose of this study was to explore the strategies that Turkish ICT SME leaders used to internationalize their business operations. The findings of this study may assist Turkish ICT SME leaders to develop and implement successful and effective internationalization strategies.

Because Turkish economy has been shrinking and SMEs in Turkey have been losing their market share to larger businesses, internationalization is vital for SMEs in Turkey. Turkish ICT SME leaders should increase their efforts to internationalize their businesses. According to the findings of this study, the SME leaders' attitude towards internationalization is significant in development and implementation of successful internationalization strategies. SME leaders should take an active role in their SMEs and be open to internationalization. The leadership teams should hire the expert employees and consultants who can help develop a structured internationalization strategy for their businesses. Initiating internationalization in countries that are both geographically and culturally close to Turkey and Turkish culture would help those SME leaders who will attempt to internationalize for the first time. By choosing low commitment market entry methods such as direct exports and systems exports, SME leaders can reduce the risk of market failure and increase their SMEs' chances of success in international markets. Cultivating strong relationships with potential clients and other stakeholders has a strong impact on ICT SME internationalization. Similarly, using relationships developed in the past with friends, colleagues, classmates, by attending international events in ICT field,

hosting such events in Turkey, obtaining memberships in international industry organizations SME leaders can increase the likelihood of successful internationalization of their businesses.

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### Appendix A: Interview Protocol

- Greetings and introductions
- I will inform the interviewees about the digital recordings of the interviews
- I will turn on the recorder
- I will thank participants for taking time to participate
- I will reiterate of the purpose of the study, risks and benefits of participation, confidentiality of the interviewee, voluntary participation, and withdrawal from the study
- I will remind participants to turn off their cell phones and not to respond to any email or text messages they might receive during the interview
- I will state the date, time, company, and participant information
- I will start asking the interview questions
  - 1. How do you describe your personal internationalization experience?
  - 2. How do you describe your business internationalization experience?
  - 3. What strategies do you use when selecting the foreign markets in which you want to operate?
  - 4. What role do cultural similarities play when you develop strategies to pursue new international markets?
  - 5. What role does geographical distance play when you develop strategies to select new international markets?
  - 6. Which entry modes do you use to enter foreign markets?

- 7. What role does your firm's international network play when you develop internationalization strategies your business operations?
- 8. What type of resources does your company use to internationalize?
- 9. What are the internal factors that influence your strategy decisions on internationalization?
- 10. What are the external factors that influence your strategy decisions on internationalization?
- 11. What further information would you like to add that is relevant to internationalization strategies of ICT SMEs in Turkey?
- Closing remarks.
  - I will thank the participants for their time and valuable contributions to my study.
  - 2. I will explain the member checking process and the follow-up interviews if need be.
  - 3. I will remind the participants that I can share my complete study with them if they have any interest in reading it

#### Appendix B: Invitation to the Study

Greetings,

My name is ASLIHAN CAKMAK and I am a student, pursuing a Doctorate of Business Administration degree at Walden University. I am conducting a research on "Internationalization Strategies of Service Sector Small and Medium Enterprises in Turkey." To participate in this voluntary study, I am looking for SME leaders who:

- are at least 18 years old
- lead a high-tech service SME operating in ICT service sector in Turkey
- speak English fluently
- have successfully internationalized the business operations of their SMEs
   Background:

The purpose of this study is to explore the strategies that Turkish ICT SME leaders use to successfully internationalize their business operations. Given the economic significance of SMEs globally and competitive pressures in the international markets, exploring what strategies the SME leaders use to internationalize their businesses is managerially relevant.

You are receiving this invitation because you are the leader of a successfully internationalized SME in Information Communication Technology (ICT) sector in Turkey. I am inviting you to participate in a semistructured interview via Skype or telephone. As the researcher, I will ask you open-ended questions and digitally record our conversation. Your company name and any related information that would reveal your personal identity will be kept confidential. Attached to this email you will find:

- 1- "Informed consent form" containing the information such as IRB approval number from Walden University, confidentiality of participants' company and personal information, compensation, voluntary participation, and withdrawal from the study without penalty to assist you in your decision to participate in this study,
- 2- "Demographic questionnaire" containing questions such as age, gender, education, related work experience, and language skills and information about your SME.

If you agree to participate in this study, please fill out the document attached to this email and send it back to me by responding to this email, using the phrase "I consent". This will confirm your voluntary participation in this study. For further questions, please contact me at....

Thank you in advance for your consideration. I look forward to hearing from you.

## Appendix C: Inquiry

## **Demographic Information of the Participant**

Age:

Education

Highest degree attained:

Major:

Position at the SME:

Years at the SME:

Prior work experience (years and industry):

Previous international business experience (Please provide details):

English language proficiency level:

# **Company information:**

Number of employees:

Annual Sales (YTL):

Percentage (%) of sales from international business operations:

Year of foundation: