



# The emergence of international small digital ventures (ISDVs): Reaching beyond Born Globals and INVs

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## Introduction

The decades of 1980s and 1990s witnessed the dawn of new era in international business with the appearance of Born Globals, international new venture (INVs), and other forms of internationalizing SME (iSMEs). These breeds of enterprises differed from their predecessor institutions of the past, including the multinational enterprises (MNEs), as they deployed potent internationalization strategies in their youth, operated more agile business models, and internationalized much faster than their older and larger counterparts — i.e., the MNEs — and the received theories could not explain them well at the time (McDougall et al. 1994 and Shrader et al. 2000) and even their survival were questioned (Mudambi and Zahra 2007). More importantly, they posed new theoretical questions to, and challenges for, the received theory then. With the extensive developments in the Internet, communication and information technologies (CITs), and the Internet-based capabilities (IBCs), we seem to be witnessing enhanced competencies and capabilities (Tarafdar and Gordon 2007; Skylar Powell and Lim 2021; Sambamurthy et al. 2003). The early signs of another new era rising in the horizon — i.e., the international small digitized ventures (ISDVs) reflect the new developments (Petersen et al. 2002 and Poon and Jevons 1997). Their true emergence seems to have started with the appearance and rapid growth of multi-sided online platforms in need of increasing number of digitized suppliers, to which some SMEs aspiring to grow rapidly responded by their contribution to the supply chains (Bernhard et al. 2006) of the earlier platforms such as Alibaba.com and Amazon.com, which had relied on the Internet and Information Technology (Benitez-Amado et al. 2010; Chari et al. 2008; Dale Stoel and Muhanna 2009). Such early involvement in out-sourcing of parts, or complete products, soon led to the emergence, if not the realization of, indirect internationalization of an increasingly larger number of exporting ISDVs seeking international growth with efficient operations and globally competitive product(s) offerings (Bernard and

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Jensen 1999; Cadogan et al. 2005; Knight and Liesch 2002; Poon and Jevons 1997). However, these newly emerging ISDVs differ from their earlier counterparts due to their heavier reliance on collaborative and digitization strategies through the use of advancing communication and information technologies (Porter 2001). We seem to be facing the dawn of new development through the increasing appearance and rapid internationalization of these small, digitized ventures (ISDVs).

The early issues of *Journal of International Entrepreneurship* (JIEN) responded to the practical and theoretical issues surrounding the rapid emergence of iSMEs in the early days of the new millennia. After some two to three decades since the appearance of the earlier breed of iSMEs (e.g., Born Globals and INVs) in the late twentieth century, the journal's twentieth birthday seems to be witnessing the appearance of an advancing and evolving breed of embryonic institutions that differ from their earlier counterparts — the other iSMEs. Accordingly, the overall theme of this first issue of the JIEN's 20th volume is to examine the recent developments and evolving trends of the past two to three decades that have brought us here in order to possibly peer into, and possibly pre-view, the processes of what is currently developing, and is likely to continue-on in the near future and farther horizon, which are likely to dominate our collective scholarly attention in the next decade or two as born global and INVs did in the past. This first article of the 20th volume will, therefore, examine relatively recent advances and developments in strategies that have contributed to solidifying the internationalization strategies of the small and medium size enterprises digitized enterprises that seem to differ from those of their past counterparts. Their strategies emanate from their strategic orientation (Aragón-Sánchez, and Sánchez-Marín 2005) and seem to rely on their acquisition of new layers of strategic capabilities, such as digitization for more effective information and knowledge management (Makadok 2001 and Oh and Pinsonneault 2007 Koellinger 2008, Melville et al. 2004, Pavlou and El Sawy 2006), which are mainly based on, and complemented by, the highly advanced, and rapidly advancing CITs, and the Internet-based technologies (IBTs) (Petersen et al. 2002), “cloud” storage for massive information data base management, among many others that enable and sustain the international growth of a host of suppliers (Quelch and Klein 1996) to the globally oriented online platform operations supporting the operations and the growth of ISDVs (Poon and Jevons 1997 and Prashantham and Berry 2004, Rai et al. 2006). Furthermore, it will discuss the significant international success of both the larger and smaller platforms involving a variety of products and services provided by the smaller and larger enterprises for eventual sale to ultimate individuals in international markets. It will also highlight the basic forces driving the rapidly internationalizing ISDVs that use their digitized capabilities and collaborative arrangements to further enable them to take advantage of empowering CITs, IBTs, IBCs and online multi-sided platforms (simply platforms).

A brief review and comparison of the use of rapidly advancing CITs and IBTs in the older predecessor of the current platforms (e.g., Alibaba and Amazon, Expedia, Price line, among others) over the past three decades starting from Ebay.com, Expedia.com, Priceline.com, and their contemporaries point to newly emerging strategic pathway(s) that have contributed to the appearance and near dominance of recent platform operations supported by ISDVs. Similar to the influence of Born Globals, INVs, and iSMEs that posed challenges to received theories of internationalization

three decades ago, the presence and international impact of online platform operations raise questions and pose challenges to older internationalization processes; and they also point out that the newly internationalizing SMEs are devising and using novel strategic orientation (Aragón-Sánchez, and Sánchez-Marín, 2005) that merit our attention.

*The aim and objectives* of this article are to explore the newly emerging customer-centric value (CCV) creation business models that appear to support the internationalization of ISDVs and drive platform operations. Furthermore, it will be elucidating on the symbiotic and synergistic characteristics of such internationalization arrangements based on collaboration between relatively smaller digitized entrepreneurial iSMEs and the larger digital and Internet-based multi-sided platforms to reach and compete in international markets. As stated earlier, the iSMEs' internationalization through platforms seem to differ from their past counterparts, which point to a need to identify and examine those differences.

*Structurally*, this article consists of two parts, where the examination of typical ISDV-Platform interactions and transactions are presented in part one, while part two will highlight the next four complementary articles included in this issue. Following the above introduction, a brief review of the background literature as well as the evolutionary strategic and technological developments over the past decades that have led to the current arrangements is discussed next. The next section will examine the nature of typical ISDV-platform interactions highlighted by four typical cases studies of relatively young and smaller online platforms, all growing very rapidly — i.e., Door Dash, Shopify, Spotify and Wayfair — in order to provide a few case examples pointing to increasingly more collaborative, synergistic, and possibly symbiotic (Dana et al. 2000, 2003; Etemad 2005, Etemad 2004a, b), typical iSMEs-Platform relations that are supporting their mutual growth and transactions worldwide are presented next. A comparative analysis of the empirical case-studies is presented in Table 1 that will follow brief case descriptions. Discussions of the Part I arguments appear before Part II, while the conclusion and implications are presented after Part II. Part II will be briefly highlighting the other four accepted articles included in this issue.

## Developments

A countless number of small and medium size enterprises have already internationalized, and others continue to follow very rapidly, without facing much difficulties and challenges of the traditional internationalization processes. In some cases, their participation in an internationalized supply chain seems to be more important to them than the fact that they are indirectly internationalizing through supplying components to internationally outsourced supply chain and involves collaboration and cooperation with, and contribution to, the internationalized supply chain (Bernhard, Angerhofer, Angelides 2006), regardless of their orientation and nature of contributions. Even a minor contribution to an international supply chain, may give rise to the creation of a new product and allows for learning with, and from, their mutual cooperation, and possibly learning about international customer preferences as well.

In turn, and depending on the product and the nature of cooperation, the supplying enterprise may consider developing its own international brand(s) and compete in international market on its own later on, or through a platform earlier on. In short, and in contrast to the prolonged processes involved in outsourcing and participation in internationalized supply chains, the digitized supplying enterprises can become an integral part of the platform's supply chain and participate in the platforms international sales. Furthermore, they may even advance further to create their own international enterprise and its own international brand with much less difficulty and challenges based on their experiential learning with platforms. Therefore, the question before us is: how such developments have come about and form a basis for internationalization, or further growth of smaller entrepreneurially oriented firm? The basic answer seems to lie in the combination of a family of related collaborative and synergistic arrangements (Etemad 2004a, b) with larger online companies (e.g., the "online multi-sided platforms") who have developed massive Internet based dynamic capabilities (Eisenhardt and Martin 2000; Tallon and Pinsonneault 2011; Teece 2007, Teece et al. 1997; Verona and Ravasi 2003), have internationalized already and need to diversify their supply chains with a variety of supplies to expand their product offerings through new suppliers by a larger diversity and richer choice to broaden their customer base for enriching their online marketplace and further expanding globally. Naturally, such cooperation(s) could be synergistic at the minimum and possibly symbiotic based on mutual needs and agreements.

### **Collaboration advantage and strategic alliance**

The idea of collaborative arrangements and strategic alliances were formally proposed a long time ago. The Concept of collaborative arrangements pointed to *gaining incremental competitive advantages* (Porter 1997) through, and resulting from, collaboration due to mutually enhancing related activities, including the pooling of capabilities and resources (Tarafdar and Gordon 2007; Skylar Powell and Lim 2021; Sambamurthy et al. 2003), sharing information, among other joint or shared activities. The basic logic supporting cooperation is that it would generate more incremental value than its corresponding costs, and it is, therefore, mostly synergistic (Dana et al. 2000, 2003; Etemad 2005, Etemad 2004a, b) when both collaborating parties benefit. Furthermore, when collaborating parties depend vitally on one another, the relationship could become symbiotic (Etemad 2004a, b, 2005) as well. Frequently, generating *significant incremental value* is not possible without combining complementary capabilities and resources (Ravi-chandran and Lertwongsatien 2005; Ray et al. 2005) of collaborators that may in turn depend on the extent of their interdependence, which at the extreme may turn into symbiotic relations (i.e., When each partner's existential wellbeing would depend on their mutual interdependence). Although, incremental advantage, and synergies, have been observed in many business cases, even in collaboration between previous competitors, total symbiosis is less prevalent in typical business environments, while a higher one-way-dependence of one party on the other (e.g., the higher, even total dependence of, supplier(s) on a monopsonic

firm) is observed and documented more frequently. Generally, a combination of synergistic and some degree of symbiotic relations are present in the marketplace. For example, when value is defined by customers — i.e., the customer-centric value (CCV) — suppliers need to cooperate with buyers in order to learn about the attributes that increase customers' CCVs. Ideally, targeted consumers could be invited to be an integral part of the supplying firm's collaborative network by providing information about their preferences to the supplier(s).

Consider, for example, the case of General Motors and Toyota Motors collaboration in establishing the "New United Motor Manufacturing, Inc. (*NUMMI*) in Fremont, California, for manufacturing, assembling, and sale of competitive products to compete with other car manufacturers. Toyota's version was the mid-sized car, branded as Toyota Matrix, and the GM's version was sold as Vibe by GM's Pontiac Division, both of which were assembled side-by-side and their cooperation on manufacturing technologies and combined scale economies offered competitive advantages to both collaborators against other car companies. Consequently, other car makers emulated — e.g., the US Ford and Japanese Mazda Motor companies, as well as the US Chrysler and the German Daimler Benz Companies collaborations.

Such collaborations have not been limited to auto industry alone. Electronic Industry, for example, formed very large alliances for manufacturing highly advanced Chips (called MIPS), which was 10 times faster at one tenth of a regular chip's cost, but required a rich diversity of capabilities in addition to large capital investments that could be supplied only through collaboration among willing parties. As a result, other electronic firms, regardless of their size, had to form their own alliances or join other operating alliances by offering to contribute some enhancing resources to the alliance to better compete against other alliances, including MIPS, effectively.

Similar to collaborative arrangements, strategic alliances (Lee et al. 2012) have also attracted our attention for a long time. They simply suggested that a proper strategic orientation towards alliance between partner(s), could for example, efficiently and quickly act as a newly found resource (Barney 1991; Grant 1996; Makadok 2001) to cover the weaknesses of one partner with the strength(s) of the other, making the alliance *synergistic*, which also served as a basis for selecting a strategic partner and evaluating the potential success of the partnership in terms their consequent synergistic outcomes (Etemad 2004a, b). However, such selection criteria and evaluation methods neither guaranteed equal benefit to the partner(s) and stakeholder(s); nor could it indicate if the alliance would necessarily be, or become, *symbiotic* in most cases. Frequently, the perceived unequal distribution of benefits resulted in the dissolution of some strategic alliances.

Although a quest for higher competitiveness for global competition has not been the main driver in most alliance (Lee et al. 2012); but few complementary factors, including the potential benefits of larger scale and scope economies, or access to advancing technologies, enabled and possibly forced enterprises, especially the smaller ones, to explore strategic alliances or collaborative arrangements for becoming more competitive to survive in highly competitive markets, partly due to larger scale and scope economies enabling higher global competitiveness, which was

also possible by collaboration through outsourcing from developing nations with lower costs in general (e.g., lower labour costs), and specialized SMEs in particular.

Similarly, technological advances contributed to more efficient and increasingly less costly logistics as well as larger and more efficient shipping worldwide. These, and other similar arrangements, enabled SMEs based in lower cost environments to become efficient suppliers to larger enterprises, such as MNEs, which used to produce all components of their products through their own sister subsidiary networks operating in lower cost environments for distribution worldwide. Consider for example, that Honda Motor Company has established more than 40 parts manufacturing or assembly, operations globally. These operations were either fully or partially owned buy Honda, using the architecture of the “Global product mandates” (Etemad 1986; Etemad and Seguin-Dulude 1986a, b) for producing common parts, or products with regional or global focus to avoid multiple shipping of sub-assemblies and higher logistic costs. In contrast, however, nearly all of Honda’s luxury product lines (the Acura brand family of cars) were produced in Japan for global distribution; while most of Honda’s full sized family cars (e.g., the Accord brand) were produced in US for the large North American Markets. Similarly, Honda’s mid-sizes cars (e.g., the Civic brand) were produced in Canada for sale in the entire of the North American markets. Honda’s production for sale in Europe and Asia were not very different, where cost–benefit ratios were optimized.

In contrast to the above cases involving the use of company’s own production of certain products, the largest global platform operations, such as alibaba.com or Amazon.com, among many others, manufactured very little, if any, and rarely owned, or operated, manufacturing and production companies of their own. They routinely relied (and still do) on collaboration with other independent suppliers that would in turn need efficient and timely access to large and diverse international markets to enable their internationalization and efficient growth, for which large platform operations could easily provide. In short, the long-standing mutual need, dependence, and synergistic benefits could be effectively attained if the large platform operations and relatively smaller suppliers could *strategically collaborate* to generate mutual benefits by supplying what the other lacked or could not acquire efficiently. Such dependence and needs are easily and readily observable already and documented in case studies presented in a later section.

Therefore, the earlier research question regarding the internationalizing smaller digitized enterprises with or through larger online multi-sided platform is transformed to: how could the supply chain of one enterprise — e.g., a platform — can be enhanced, or enriched, by cooperation and possible alliance, with that of the other(s) enterprises — e.g., ISDVs? To start, consider, that online platforms’ need increasing larger and diversified supply of products for sale on their Platform’s marketplace on the one hand, and to alliance with various supplier to provide for the platform’s need to offer a range of competitive products on its international marketplace to both enable their internationalization and provide for its customers’ higher perceived CCVs on the other hand. Consequently, an increasingly larger network of relatively smaller suppliers, mostly with highly specialized and competitive products from the four corners of the world, would satisfy the needs of the platform and its customer worldwide seeking to optimize their own respective (and different) CCVs

at the same time. On the other side of the ledger, SMEs aspiring to sell globally could accomplish their objectives by supplying to the platform operations (e.g., Alibaba, Amazon, Shopify, Spotify, WayFair, Zalando, among many others) to grow internationally and generate *mutual benefits for all stake-holders* simultaneously.

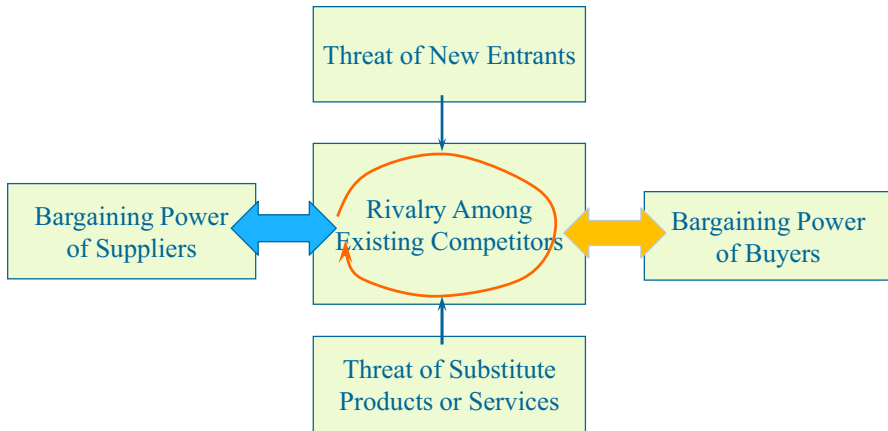
In favor of time and space, this paper will only examine the business operations of relatively younger and familiar platform operations in online platforms, such as Door Dash (California, US-based), Shopify (Canadian-based), Spotify (Swedish-based), Wayfair (Boston, Massachusetts-based), in addition to briefly referring to a few others, which have enabled the internationalization of countless digitized iSMEs, through their mutual collaboration(s) and alliances. As it will be discussed below, such internationalizations differ from arrangements of the past, including MNE-subsidiary networks (Etemad 1986; Etemad and Seguin-Dulude 1986a), exporting and licensing strategies, independently or through intermediaries, such as importers and international trading companies that assisted the internationalization of Born Globals, international new ventures (INVs), rapidly internationalizing enterprises (RIFs) (Etemad and Wu 2013; Keen and Etemad 2011, 2012) and even micro multinationals (Dimitratos et al. 2014).

## **Brief review of technological developments and corresponding empirical evidence**

The early instrumental theoretical framework leading to the development of platform-iSMEs' synergistic collaborations, and possibly symbiotic arrangements, can be traced back to Porter's analysis of competitive advantages and competitive forces (popularly called the four forces) (Porter 1997) and should be considered as one of the early frameworks, which paved the road for further developments for firms' gaining incremental competitive advantage(s). The context and the focus of Porter's analysis was comparative and global competitive advantage, based on an agent's (e.g., buyers, suppliers, competitor or collaborator) "bargaining power" for gaining competitive power from others within a highly competitive and zero-sum gaming context, where every agent would compete to maximize its own advantages at the cost to others.

In a collaborative framework, as discussed above, collaborators could capitalize on the strengths or advantage of each others, or lend their strength to their collaborator(s) for their coalition to become more competitive against others to grow jointly, as opposed to taking advantage of a competitor's weakness with the expectation of becoming relatively more competitive in reference to intra-industry and possible global competition. Schematically, this early framework is shown in Fig. 1. As shown in Fig. 1, for example, buyers can lend support to suppliers by informing them of their preference(s) to maximize their own customer-centric values (CCVs) through their simple feedback, or collaboration, which in turn could make the supplying firm more competitive by delivering more value and as a result gaining market share at the same time, which could in turn lead to more true competitiveness due to larger scale and scope economies. Conversely, suppliers can collaborate, even





**Fig. 1** Simplified interaction of competitive forces. Source: modified Michael Porter's forces of Competitive Strategies

co-create, with potential buyers to deliver higher perceived consumer-centric value not only at no incremental cost, but more benefits, to themselves. Such enriching collaborative relationship is schematically shown with two sided arrows connecting buyers to suppliers and vice versa, in their value chain in Fig. 1.

### The early application of the above and similar strategic frameworks

The very early operations that appear to relate to, and possibly based on, a modified Porter's competitive analysis (Porter 1997 and 2001), and our discussion of cooperative arguments is found in the operations of companies such as EBay.com in its peer to peer (P2P) transactions, Priceline.com and many other online travel agencies, such as Expedia.com among others, for selling airline ticket, reserving hotel rooms, and selecting a holiday destination all through customers dealing with the early semblance of online platforms competing with the past travel agencies. As the traditional travel agencies could not offer similar CCVs, they were eventually eliminated due to their progressively declining, and the eventual lack of, competitive power against air liners on the one hand, and the increasing bargaining power of online travel agents and their ability to scan all airline offerings to offer their customers a larger number of possibilities for higher CCV on the other hand. These processes could be viewed as collaboration along the air travel supply chain for optimizing transactions to offer higher CCVs to travelling clients in terms of costs, ease and convenience of travel arrangements. The essence of such early operations was based on effective matching of buyers' expectation and competing airlines' offering an overall flight option(s). Furthermore, the online travel platforms offered and integrated the necessary complementary services through cooperating network of local transportation, hotel operators, and vacation sites, which resulted in a higher, and possibly the highest, perceived CVC to a customer based on their declared desires and preferences. As expected, air lines were eventually forced to either collaborate



with the online travel agency platforms (e.g., Expedia, or booking.com) by offering similar, and possibly higher, CCVs to remain competitive.

Similarly, and from the airlines' perspective, the scale-dependent nature of air-line operations had to rely on services of small regional airlines, or local transport companies, to take the passengers to international airports conveniently to maximize their CCV, which in turn, forced formalized collaboration and coordination among them on issues such as luggage handling, convenient scheduling (e.g., through code-sharing among airlines) and eventual formal airline alliances, such as the Star Alliance. From an international entrepreneurial perspectives, two points are noteworthy: i) Many aspects of international travel, when the travelers pay with currencies of their origin for the foreign components of their travel itinerary — e.g., when local hotel receiving international tourists' payment in international funds — resemble and in most cases are identical to exports; and ii) Local businesses that supply goods and services to satisfy the local components to complete the travelers' international itinerary end-to-end are also *internationalizing their own business indirectly by supplying goods and services to their international collaborators*, or partners, who are paid by foreign currencies of international travelers.

### **Inception of the earlier and broader collaborative platforms based on the evolving implication of frameworks: The case of Apple iTunes operations**

The prevailing operating business models of a handful of larger global music companies at the time was through “signing up musicians” exclusively and not allowing them to sign-up with other competitors to increase the sale of their music or selling their music on their own. Apple Computer company proposed a collaborative operation to the members of the music Industry to supply music tunes for Apple's online sale, marketing, and delivery of single music tunes worldwide at the fixed price of \$0.99 through its iTunes Platform without obliging a music lover to buy the entire vinyl record (or the CD) containing one or two of their desired tunes along with other tunes on the record for somewhere between \$7 and \$15 at the time. Understandably, the large members of the oligopolistic Music Industry rejected Apple's proposal. Although the Apple's iTunes proposal resembled the online international travel agency platforms, without “signing-up restrictions” of the music industry, the music companies refused Apple's offer of removing restriction on suppliers, the creators of music tunes. As intermediaries, similar to the traditional travel agents, the music companies' refusal to supply music to both Apple and other independent music companies may have expedited their declines. As a result of the disagreement, Apple had to try hard to reach musicians directly by *providing incentives to them*, especially to the younger and not yet well established musicians, in order to dissuade them from allowing the large music companies to monopolize and decide for them, which took longer than expected for Apple iTunes to become a true online global marketplace and compete with the traditional music companies (E.g., BMG, Capitol, CBS, Columbia Records, EMI PolyGram, WEA and MCA, Republic, Warner, among others) by globally offering its growing and popular offerings of single music tunes at the time. In short, Apple iTunes platform's business-model was a wide-open

collaboration between Apple and musicians as direct suppliers of music to populate Apple's iTunes platform for unrestricted sale of a single tune worldwide. With the increasing digitization of music, Apple iTunes became an early international marketplace for single music tunes. Consequently and expectedly, the large oligopolistic music companies declined in the process. Naturally, the wheel of technological innovation would not stop with Apple iTunes and would further spin over time to create other evolving platform for music and other forms of digitized entertainments.<sup>1</sup> Expectedly, a more technologically advanced Spotify.com with more diverse and richer offerings than Apple iTunes appeared soon.

Advances in online technological capabilities have increased significantly since the appearance of earlier platform operations such as Apple iTunes, Air B&B, and Uber, among many others. Highly specialized platforms with faster and higher capabilities have begun to operate with increasingly higher capabilities and technological advances. High technology platform companies, such as Spotify,<sup>2</sup> not only have musicians joining their respective platforms, but also the creators of entertainment, instructional, music, and other digitized products and service are supplying them to global customers through Spotify's international marketplace. Spotify's further evolution through innovation in its business plans allows for offering certain services free of charge to those who agreed to receive advertisement interspersed in their use (see the case of Spotify, below). Spotify also shares a percentage of its revenues with its collaborative suppliers — i.e., both the independent musicians, or other supplying companies with legal rights to their offerings. Stated differently, the collaborative arrangement between Spotify and its suppliers of music, and other forms of online entertainments, are making them available to the masses of music lovers at minimal charge, and even for free of charge when combined with some advertising.

The question of how does the business plan of Spotify generate funds to cover its operating expenses as well as compensating collaborators with a portion of revenues without "selling" their music tunes, or other entertainment products, for a low fixed price as it was generally done prior to Spotify (e.g., by Apple iTunes)? In short, Spotify offers two choices to music lovers, and other customers worldwide: i) It charges a reasonable fee for unlimited access to music online *free of any advertising or disruptions* along with a few enhancing arrangements, such as enabling the formation of playlist of music from its massive list of international music tunes, and ii) Making music and other online entertainment products available free of charge to another segment of music lovers that are interspersed with advertisements, for which the Spotify charges their respective advertiser. One can think of a musician, or a band of music creators, as a very small enterprise trying to reach global music lovers and generate international revenues, which is a challenging task under the best

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<sup>1</sup> Briefly, Spotify platform operations borrowed a page from Apple's early strategy and enhanced it by offering a much larger variety of entertainment services online, including music, along with rich and popular features (e.g., one's own play list) at low to no cost to music lovers.

<sup>2</sup> For more detailed information, see the Websites of Spotify free of charge online music at: <https://open.spotify.com/>, for free of advertising music at <https://www.spotify.com/ca-en/premium/>, and for musicians at <https://artists.spotify.com/>

circumstances. However, the digitalization of music enables musicians to upload their digital music onto the Spotify's platform, which in turn will enable Spotify to generate revenues and share a portion of the proceeds with them, in the absence of which the internationalization of music by small music producing enterprises, would have been nearly impossible.<sup>3</sup> The noteworthy point is that the collaboration between the lead musician(s), or music band(s), through Spotify's platform is not very different from a typical example of business models in other online platform operations, such as Shopify, Wayfair, Zalando and even larger, or older, platforms such as Ali Baba, Amazon, AirB&B, and Uber among others.

As shown in the schematic representations of the pre- and post iTunes collaborative platforms in Figs. 2 and 3, the previously low bargaining power of musicians increased as music intermediaries were excluded from the value chain by Apple and similar platforms that followed it. We suggest that the current platform operations are disintermediating and removing intermediaries as barriers (e.g., the large Music companies) to enabling the direct internationalization of suppliers (e.g., SMEs striving to internationalize), regardless of their size and experiential knowledge of international markets at much faster pace. We will further build on these arguments in a later section, below.

### **Further developments beyond digitized music: Examples of Air B&B and Uber**

The next level of evolutionary improvements beyond music, involving typical physical goods and services, is represented by operations such as Airbnb, Uber, Wayfair and other similar operations later on (e.g., Uber Eats,<sup>4</sup> Door dash,<sup>5</sup> Shopify, etc.) by creating online international marketplaces offering to match supplies of physical goods and services to their respective consumers' demands and expectations. Similar to the earlier cases, suppliers of goods, but mainly services, agreed to collaborate and be incorporated into the newly emerging platform operations. Air B&B, for example, created a marketplace for offering a range of choice in lodging facilities in various locations in the world to potential international customers. Potential customers signed up and specified their desired, preferred, and expected characteristics for lodging. The platform facilitated the matching of a customer's preferred specifications with a range of similar facilities by mostly matching, and at times surpassing, their desired expectations at a location(s). Initially, Airbnb did not own any of the locations listed on its platform; but their collaborative arrangement with supplier of lodging facilities enabled both the AirB&B and its suppliers of local lodging to

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<sup>3</sup> A large number of musicians and creators of the other forms of entertainment, which would have probably remained local or unknown, generate substantial revenues through the proceeds of the Spotify. Furthermore, their listing and presence on the Spotify platform is informing potential global customers of their creations, which should be considered as international advertising that a local musician would be unable to do.

<sup>4</sup> Uber Eats is an Uber's specialized online food ordering and delivery company. It will be discussed in the later section discussing platform case studies.

<sup>5</sup> Similar to Uber Eats, Door Dash Inc is a B to C in on-demand food delivery. It will be discussed in the later section discussing platform case studies.

compete with the local and international hotel and lodging operations. As a direct result, local supplies of lodging facilities, regardless of size and location, were sold to international customers and thus their suppliers were internationalized.

Similarly, Uber provided transportation services, mostly by independent drivers driving their own, or rented, cars that were not owned by Uber. Potential passenger signed-up, specified their transportation need and Uber matched them with the proper driver and transport vehicle. Stated differently, Airbnb, Uber and similar platform operations connected potential buyers seeking their desired goods and services with suppliers of such services, who were ready to deliver the demanded goods and services conveniently and at competitive costs to the buying customers in the four corners of the world by simple enlisting of buyers and suppliers on Uber's platform void of any intermediary.

AirB&B, for example, initiated its matching and revenue generating operations without owning, or managing, the lodging facilities (e.g., rental residential housing, etc.), mainly based on its collaboration and contractual agreements with lodging suppliers, all of which were *at least synergistic, if not symbiotic*, as both relied heavily on each other. Uber drivers' dependence on the Uber platform was symbiotic as they needed assignment from the Uber platform as much as Uber needed their services at the right time and location ready to provide the requested transportation services. The relationship between AirB&B and the local rental facilities, residential or commercial, was not very different. The owner of lodging facilities depended on AirB&B for directing rental customers to their lodging facilities through the AirB&B's platform and the AirB&B was equally dependent on local accommodations in different locations. In short, small enterprises in all of the above cases internationalized without leaving home, or bearing the traditional internationalization cost, foreign and newness risks, lack of local experiential knowledge, no local networks in foreign markets and with no foreign direct investments (FDI), among requirements the traditional internationalization (Zucchella et al. 2007). More importantly, their internationalization process was based on, and could start with, entering into a collaborative agreement and was nearly complete when they formalized their agreements with the platform operator(s). Therefore, their mutually collaborative co-operations offered far more superior internationalization processes to SMEs, especially to smaller enterprises, without the requisite experience, networks, resources, risk tolerance, and time, nor did they have to manage their international transactions directly, as the platforms performed them on their behalf for an agreed-upon fee structure at a fundamental strategic difference between the SMEs' independent traditional internationalization and internationalization through collaboration with platform operations seem to be some of in SMEs' independent decision making and managing their international operations. Conversely, they gained the benefits of symbiotic interdependence in return, when each partner fully relied on the other based on their extreme mutual dependence — i.e., symbiosis.

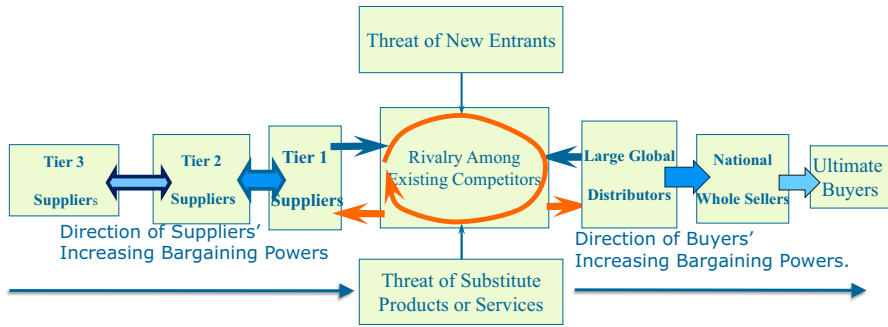


Fig. 2 Interaction of competitive forces influencing competition in a global industry at micro levels

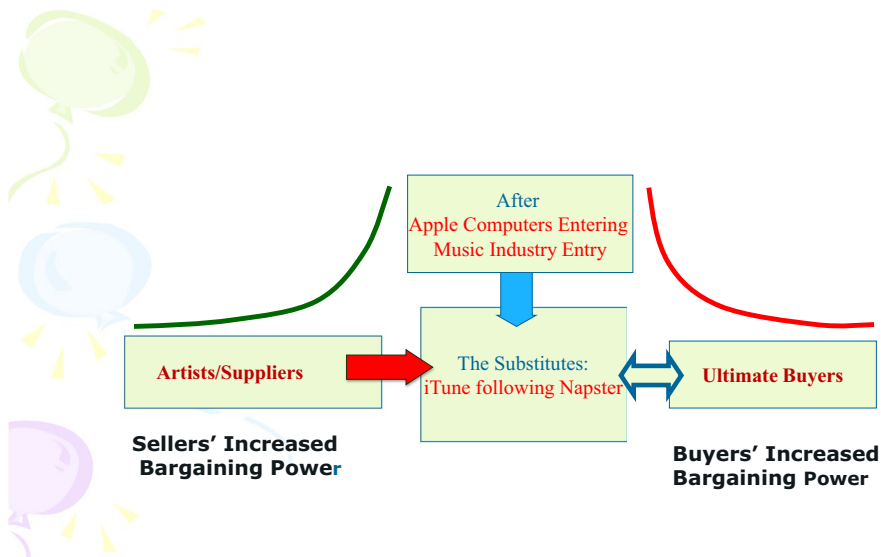


Fig. 3 Progression of relations and change in bargaining powers of suppliers and buyers in music industry after entry of Apple iTunes in July 2001

### Other evolutionary technological developments

Although the technological development supporting the massive and rapid growth of platform operations globally is truly technical, their characters portray the older virtual metaphor of an “information highway”, which is capable of creating ever increasing and wider information lanes for heavier information-loaded vehicles carrying ever larger volume of information and traveling ever-faster from the informations’ origin(s) to their corresponding destinations at a very short period of time, if

not instantaneously. As for the platforms, their cloud-based data-base management is capable of retrieving the required information from their massive memory and stored data-bases for speedy communication within their wide-open information universe and make them available to anyone requiring it. On the buying side, the desired, or required, information can be accessed through fingertips striking a few keys on the keyboard of potential buyers, or suppliers, located in the far corners of the world trying to reach each other or simply learn about their relevant information. Naturally, such operations are costly and far beyond the reach of smaller iSMEs that need to compete with their larger counter parts side-by-side.

In contrast to the above virtual world, the physical aspects of an iSME's local operations in foreign markets presenting and then delivering a particular product(s) directly and quickly to a buyer from its local warehouse(s) is likely to be quicker and more efficient than that of a platform receiving, warehousing, assorting, labeling and pricing supplies in order to ship them to their potential buyer somewhere in the world in a timely fashion. Such international sale processes could pose challenges even to large platform operations and their further discussion of costs, management and benefits are mainly within the purview of rapidly advancing logistics and management of supply chains (Yen et al. 2002) that are far beyond the scope of this article. It suffices to add that the management of logistics and trans-shipment in larger platform operations have also benefited from rapidly advancing CITs and IBTs deployed readily by logistic suppliers of platforms (Zhang et al. 2008; Yen et al. 2002); and pose nearly no conceptual or theoretical challenge to the Platform-digitized iSME collaborative operations. The noteworthy point, however, is that the essence of success in SMEs' internationalization through platform operations depends on the nature of their mutually agreed collaboration and strategic alliances, which are expected to be synergistic and possibly symbiotic for both parties, as discussed earlier. Furthermore, all parties involved in a particular transaction, including the ultimate buyers, prefer faster, more convenient, and more reliable logistic services than otherwise. More importantly, the ultimate buyers seem to attribute higher CCVs to more efficient logistics delivering their order quickly. Therefore, effective and timely deliveries through efficient logistics enabling proper deliveries is becoming one of the necessary conditions for the continued success of online platform operations. Consider, for example, that Amazon has set up its own logistic and delivery systems with its own transportation company to avoid complication of third-party deliveries and potential losses in the corresponding CCVs, especially in the last local mile. Amazon's seamless logistics and delivery operations, especially for its "prime customer", is at times more convenient and more efficient than personal shopping at comparable local outlets, which could positively influence one's next purchase(s) in favor of online purchases in general and Amazon, or similar platforms, in particular. In short, and despite some superior advantages of large online platforms, as briefly discussed above, the local presence of iSMEs in international markets could be very appealing to some local customers who prefer personal interactions and physical examinations, regardless of their higher costs.

## Empirical evidence of five diverse typical online platform case studies

This section presents brief descriptions of five diverse and typical platforms in terms of their inception, logic and operations to provide a broader perspective on such operations. The highlights of these five case studies of the younger and relatively smaller multi-sided platforms, including Door Dash (California based), Uber Eats, Shopify (Canadian based), Wayfair (Boston, Mass. Based), and Spotify (Swedish-based) point to their diverse capabilities and relations. In favor of time and space, *only a brief overview* of Spotify is included, as some of its operational details were discussed earlier. Furthermore, a comparative table of the operational characteristics and the profiles of four of the above cases are presented in Table 1, below, as follows:

1. **Door Dash** ([doordash.com](https://doordash.com)<sup>6</sup>) is a young business to consumer (B2C) in on-demand food delivery operations. It is based in Palo Alto, California, and its business is delivering services related to on-demand prepared food to the customers in a timely manner, whereby customers put-in their food order with their selected restaurant, or through Door Dash, and it is then delivered to their specific location by Door Dash. It was founded in May 2013 by Stanford University students responding to delivery restrictions, similar to COVID-19 lock-down restricting customers dining in their desired restaurant and the restaurants that could not deliver due to distance, lack of sufficient time, and other difficult operational challenges. During COVID lock downs, for example, some food suppliers nearly shut-down their local restaurant operations. Door Dash provides full logistics services, including the delivery of customers' on-demand orders of food from a restaurant to customers' door-steps by its own employee drivers. It expanded very rapidly to more than 4,000 cities in three countries and charges less than 10% of the order's cost. In 2020, it offered its services to some 340,000 stores across the United States, Canada, and Australia. In the absence of a service, such as DoorDash, which was immediately replicated by Uber Eats, countless number of local operations in need of delivery would suffer and possibly disappear. Although, the restaurant clients have not internationalized; both the restaurants and their respective customers have established a synergistic relationship through DoorDash platform, which have enabled DoorDash drivers to provide reliable and timely delivery services. The relationship between its suppliers and Door Dash are at least synergistic and symbiotic for retardants that heavily rely on Door Dash delivery and logistic services.

<sup>6</sup> For more detailed information, see the Website of Door Dash describing delivering food to your door at: [https://www.doordash.com/?irclickid=3bNRaRjfyITocyqFXJXxlUkGWn-UwZR2R0Y0&irgwc=1&pid=52269&utm\\_source=Google&utm\\_medium=SEM&utm\\_campaign=CX\\_CA\\_SE\\_GX\\_ACQ\\_1491XX\\_13695917406\\_+MTL-EN-PerformanceMax-TIER1-2&gclid=CjwKCAiA4KaRBhBdEiwAZi1zzmElvB8C6JXc97UjPAUiHfBTZkYxE3BXoXtpHtLdmbz49rqPjo\\_RnBoCMFsQAvD\\_BwE&glsrsrc=aw.ds](https://www.doordash.com/?irclickid=3bNRaRjfyITocyqFXJXxlUkGWn-UwZR2R0Y0&irgwc=1&pid=52269&utm_source=Google&utm_medium=SEM&utm_campaign=CX_CA_SE_GX_ACQ_1491XX_13695917406_+MTL-EN-PerformanceMax-TIER1-2&gclid=CjwKCAiA4KaRBhBdEiwAZi1zzmElvB8C6JXc97UjPAUiHfBTZkYxE3BXoXtpHtLdmbz49rqPjo_RnBoCMFsQAvD_BwE&glsrsrc=aw.ds)



2. Similar to Door Dash, Uber Eats<sup>7</sup> is an online service platform for food ordering and delivery to its customers. It was launched by Uber in August 2014, nearly emulating the Door Dash services by building a mirror image services on its own transportation platform. In order to be attractive and competitive, it also offers complementary services, some of which were not offered by Door Dash earlier. For example, its users can access menus, reviews, and ratings before selecting a restaurant, order, and pay for food prepared by a participating restaurants by signing up through the use of an application, or through a web browser, connecting to the Uber Eats platform. It offers a near complete service at a service charge of about 7% and users can also specify a tip for the delivery. It is based in San Francisco, California, and its operating patent is owned by its parent company, the Uber Technologies Inc.<sup>8</sup> The difference between Door Dash and Uber Eats business models are the provisions of complementary information-based services that enable customers to attain a higher perceived CCV related to the delivery of their on-demand food to their location using independent drivers and transport services, which are not Uber Eats employees. The noteworthy point about Uber Eats operations is that its restaurants and drivers are both synergistic and verging on symbiosis as they are highly dependent on Uber Eat's complementary and delivery services.
3. *Shopify's* (Shopify.ca or Shopify.com)<sup>9</sup> operations resemble Spotify's platform's operations, briefly discussed earlier. It is also a proprietary e-commerce platform for setting up one's own online store and retail point-of-sale systems to transact globally. However, its offerings are much broader than that of Spotify's, as it carries and offers a large list of goods and services, beyond music and entertainment services. It is also operates a complete two-sided platform, where its enterprise clients can use the Shopify's platform to: i) Set-up their own online stores on Shopify platform, ii) Buy products in a business-to-business transaction (B2B) for their own online local and international distribution and sales, and iii) Also sell as suppliers to Shopify (in a B2B fashion) for sale to other enterprises and individuals across the world. As stated earlier, Shopify Inc. is a Canadian multinational e-commerce company based in Ottawa, Canada, which was founded in 2006 and currently has more than 10,000 and increasing number of employees now. The Shopify platform supports its online buyers, supplies and retailers with a complete range of services, including collection of payments, marketing, shipping and customer engagement tools for customers in more than 175 countries,

<sup>7</sup> For more detailed information, see Website of Uber Eats Delivering food to your door steps at: [https://www.ubereats.com/ca?utm\\_source=AdWords\\_Brand&utm\\_campaign=CM2040311-search-google-brand\\_32\\_-99\\_CA-National\\_e\\_web\\_acq\\_cpc\\_en\\_Generics\\_Exact\\_uber%20eats\\_kwd-125079392186\\_546346941313\\_99207324422\\_e\\_c&campaign\\_id=10157756097&adg\\_id=99207324422&fi\\_id=&match=e&net=g&dev=c&dev\\_m=&ad\\_id=546346941313&cre=546346941313&kwid=kwd-125079392186&kw=uber%20eats&placement=&tar=&gclid=CjwKCAiA4KaRbHbDewAZi1zzvEylLpJwX-hzEts2CdGv\\_nD2MBo3enGYUHG8jx-N\\_8qP9kg9LDtZhoCWI4QAvD\\_BwE&gclsrc=aw.ds](https://www.ubereats.com/ca?utm_source=AdWords_Brand&utm_campaign=CM2040311-search-google-brand_32_-99_CA-National_e_web_acq_cpc_en_Generics_Exact_uber%20eats_kwd-125079392186_546346941313_99207324422_e_c&campaign_id=10157756097&adg_id=99207324422&fi_id=&match=e&net=g&dev=c&dev_m=&ad_id=546346941313&cre=546346941313&kwid=kwd-125079392186&kw=uber%20eats&placement=&tar=&gclid=CjwKCAiA4KaRbHbDewAZi1zzvEylLpJwX-hzEts2CdGv_nD2MBo3enGYUHG8jx-N_8qP9kg9LDtZhoCWI4QAvD_BwE&gclsrc=aw.ds)

<sup>8</sup> For a detailed comparison of Door Dash and Uber Eats operation see: <https://fooddeliveryguru.com/door-dash-vs-ubereats/>

<sup>9</sup> For more detailed information, see the introductory Website of Shopify.com at: [https://www.shopify.com/free-trial?ref=rrs1&utm\\_campaign=feb2022](https://www.shopify.com/free-trial?ref=rrs1&utm_campaign=feb2022)

most of which are at least synergistic, whereby both parties benefit from their partnership beyond their other relationships.

The company reported that it had more than 1,700,000 businesses in approximately 175 countries using Shopfy.ca, or Shopify.Com, platforms as of May 2021. Its total gross merchandise volume exceeded US\$61 billion in 2019 calendar year and its revenues for the full year of 2020 reached US\$2.929 billion.

As of 2022, in less than 16 years from its founding in 2006, Shopify's market capitalization of \$70.9 Billion (as of March 2022) placed it among the top 10 largest publicly traded Canadian companies in Canada and at 201<sup>st</sup> place worldwide. In short, Shopify carries its suppliers and retailer on its platform and supports their international and domestic transactions online. Its relations with its clients are at least collaborative and synergistic. Some of the iSMEs that are set-up on Shopify platform rely so heavily on Shopify that their relationship with Shopify is verging on symbiosis.

4. **Wayfair.Com** is a Boston-based online platform company. It was founded in 2002 and has grown rapidly. It offers about 14 million items (more than 50 times the Walmart's annual SKUs), most of which are supplied by its more than 11,000 global suppliers. It has 17,000 employees and its revenues exceeded \$14 billion in 2021 with income of \$185 million. It promotes its large number of products, and its international marketplace, very heavily on most browsers and is easily reachable with a click on any of its advertised products. Its online platform marketplace is actively present in North America and Europe (i.e., USA, Canada, Germany, Ireland, and United Kingdom) with effective market size of about 500 million customers (from a total population about 700 million). It allows most of its small suppliers to offer their branded products through the Wayfair online marketplace under their own brand names and compete with other suppliers for potential customers' purchases side-by-side (i.e., Similar to the traditional markets). The collaborative relationship of Wayfair with its suppliers is at least synergistic, as they generate mutual benefits for each other. For some suppliers who heavily rely on Wayfair and its massive advertising for attracting ever larger number of customers, their reliance on, and relationship with, Wayfair is bordering symbiotic. This is more true for smaller suppliers to Wayfair's online marketplace for its heavy promotions far beyond the ability of small enterprises, but Wayfair is not necessarily dependent on some of its suppliers in other cases. Once a potential customer searches for a product category on the wayfair.com's website, all branded products in that category are presented on the same page for the customer finalizing its selection as if the product would be bought from a traditional store presenting them side-by-side; but they are bought directly from the Wayfair similar to the traditional e-commerce transaction. Such a side-by-side presentation of branded products on the same product category page allows for the customer selecting a product with a perception of high CCV, which also indirectly associates the selected brand with that of the Wayfair and possibly creates a CCV assessment closer to the co-branding of the supplier's and Wayfair' brands. Such perceived co-branding is much more valuable to smaller supplier than to Wayfair, transforming the relationship more to a one-way dependence of the supplier (or one-way symbiosis for gaining a higher suppliers brand equity),

while both benefit from their synergistic collaboration. More importantly, however, Wayfair's platform enables each of its smaller suppliers to become an iSME (e.g., a born global, INV or RIE) once they register and comply with Wayfair's requirements to become a supplier to the platform at nearly zero risk, minimal cost and efforts, and in much shorter time. Therefore, once a supplier establishes an online collaborative relation with Wayfair platform, it is on its way to become an iSME as it will be shortly present and reachable by potential customers in Wayfair's five significant international markets, and possibly reachable by other online customers far beyond.

5. **Spotify.Com.** In light of the earlier discussion of Spotify's platform operations and in favor of time and space, we refrain from further detailed descriptions of Spotify's platform operations. It is noteworthy that, Spotify has been offering a wide range of music tunes of worldwide origins to music lovers across the world, in addition to other rich complementary services on its platform. Spotify's has expanded its global reach and primary service over time as well as becoming the dominant international marketplace for music tune and entertainment packages offerings its related services to nearly all suppliers and buyers. In comparison with other platform case studies, discussed above, Spotify's basic characteristics are both synergistic and symbiotic on the supply side and indispensable for that segment of internal music lovers who do not want to pay a fee for accessing their desired music, forming their own playlist, and enjoying other complementary services offered by Spotify. A comparison of basic characteristics of the above platforms, except for Uber Eats, are presented in Table 1, below.

## Differences between the traditional platforms' international operations

Generally, and as documented above, platform companies do not produce products, but manage the corresponding information supplied to them by the manufacturers, or of the products that they can sell globally, which are similar to the case of musicians creating a piece of music and submitting its corresponding information file to the platform, such as Apple's iTunes or Spotify, for generating global e-commerce sales as discussed earlier. Consequently, similar to the individual musicians reaching global market, small and medium sized enterprises, can avoid the traditional internationalization challenges, by using platform operations to allow potential buyers to examine the information available on a platform (or Platforms) in order to select products or services, and generate revenues of foreign origins, which amount to their internationalization indirectly. The noteworthy point here is that such internationalizations are similar to, for example, exports that generate revenues from sales in international markets, a part of its net revenues is repatriated back to the firm or the enterprise that created it, which is identical to, for example, to the traditional international marketing. The significant difference between the international sales through online platform arrangements and the traditional international operations of the past through the traditional mechanisms, including sister subsidiary operations, born globals, international new ventures, and rapidly internationalizing enterprises,

**Table 1** Comparative table of the four selective platform operations

Order	Online platforms	Initial orientation, scope and nature of mutual transactions	Brief description of tasks	Nature of relations with buyers and suppliers	Costs and benefits to smaller enterprises	Remarks
1	Door Dash.com	-An intermediary: matching consumer information for delivering food to them from restaurants	-Receiving orders for the selected restaurants and delivering their on-demand food by its own drivers (at 7 to 10% charge) to customer's door- steps	-Timely delivery of on-demand and selected service(s) to customers -Supplying delivery and logistic services to its supplier, which could not afford delivery by employees of their own or other independent delivery systems	-Nearly minimal to no incremental costs to buyers and suppliers -Benefiting from reliable and timely delivery -Reliance on DoorDash for reaching customers beyond their previous catchment region	Door Dash & Restaurants operate within a combination of synergistic & symbiotic relations
2	Shopify.com	-An Intermediary: matching consumer demand information to its online supplying firms' products and delivering them -Supporting suppliers' own online store	-Demand-supply matching -Optimizing logistics, fund collection -Supporting suppliers' online stores on its Shopify marketplace	-Buying from suppliers for global markets -Supplying products for local, regional and global market sales -Supporting clients' own store on its platform on both buying and selling sides	-Nearly minimal to no incremental cost for suppliers as compared to selling to others -Benefiting from perceived co-branding and economies of scale on many functions	-Shopify and its suppliers, buyers and online stores operate within a combination of complex relations that are both synergistic, one-way and complete symbiotic (for online stores held on Shopify platform)
3	Spotify.com	-An Intermediary: matching information on music tunes to music lovers' desires -Free of charge access with interspersed advertisements, small fees otherwise	-Music demand-supply matching -Offering other related online services with promotional information, for no to minimal fees with no advertisements	-Providing unlimited tunes for customers' play lists in two categories: -Offering no fees with advertising or -No advertising for small fee with unlimited access -Offers large global reach to music lovers and for advertisers	-No incremental costs to suppliers -Benefiting from a portion of Spotify's proceeds -Also benefiting from the publicity of their listing on Spotify's website	-Spotify and its suppliers' & customers' relations are synergistic -Suppliers have a one-way symbiotic relationship with Spotify due to their heavy reliance and customer attain high CCV's due to Spotify's rich complementary services

Table 1 (continued)

Order	Online platforms	Initial orientation, scope and nature of mutual transactions	Brief description of tasks	Nature of relations with buyers and suppliers	Costs and benefits to smaller enterprises	Remarks
4	Wayfair.com	-An Intermediary: matching consumers' needs with supplying firms' products and delivering them	Demand-supply matching, optimizing logistics, fund collection and other complementary services	-Buying from suppliers for sales in five major international markets -Selling supplied products for sale in local, regional and international markets -Allowing suppliers brands to appear on Wayfair' platform -Gaining potential benefits of perceived co-branding and offering potentially higher perceived CCVs	-Suppliers benefit from cooperation with Wayfair by: i) selling internationally through Wayfair, ii) gaining added recognition due to Wayfair's massive online publicity, and iii) benefiting from potential perceived co-branding with Wayfair	-Wayfair's relations with suppliers is at least synergistic as most suppliers operate within a combination of synergistic, one-way and complete symbiotic relations (for smaller supplier listed on Wayfair platform), while Wayfair delivers significant information to its customers and benefits to its suppliers

is that the internationalizing enterprises (iSMEs) do not have to be present in a foreign market to bear the burdens associated with foreignness risk, the pressures of competing with indigenous competitors in their local markets, and absorb the costs associated with their presence there and learning about the consumer behavior there. Practically, most of those costs are either no longer present or reduced significantly due to a variety of processes, including prior cooperation and collaboration removing conflicts and associated risks, the presence of diversified choice for buyers, shifting significant power to those who need to bear the costs and risks, and more importantly, the availability of relevant information to allow for decisions with more acceptable outcomes -- higher CCVs. Furthermore, some of the costs are also absorbed by the massive operations of the online platforms amounting to insignificant costs to be passed-on to buyers and supplier. Therefore, the platform operations have not only offered much easier, much simpler, much less risk, richer information and faster internationalization to iSMEs; but iSMEs' association with the platform would likely enhance their brand name's brand equity, that would have remained nearly unknown otherwise. Logically, iSMEs' association with the larger and broader operations of the platforms is likely to result in a higher international brand equity as compared to the international recognition and brand equity of a small supplier in the international markets. Such association enables consumers to attribute a higher perceived value (the CCV, discussed earlier) to a branded product carried by, and sold on, a platform than those not associated with platform's recognized overall brand. Therefore, iSMEs' brands are bound to benefit from the platform's massive brand equity (e.g., that of Amazon, Ali Baba, or Shopify, among other platforms) of which the consumer buys the branded product with the implicit understanding that the platform accepting to sell the product is an implicit assurance similar to warranties covering its sales, which may not be the case for an iSME's product or service in the traditional international markets. Stated differently, platforms depend heavily on their suppliers, and conversely; suppliers depend even more heavily on the platforms for selling their product internationally and generating international revenues for them. Therefore, the nature of such collaborative operations is both synergistic — from both the platform's and the supplier's viewpoint — and symbiotic from the perspective of the iSMEs supplying the goods and services to the platform operators. These characteristics are distinctly different from international operations of the past.

## Discussion

The online technological capabilities have increased significantly since the appearance of earlier platform operations such as Apple iTunes, Ebay, and Expedia, among many others. Highly specialized with faster and higher capabilities have begun to operate with increasingly higher technological advances. High technology platform companies, such as Spotify, not only have many musicians joining Spotify's platform, but also benefit substantially from their cooperation with the website at no incremental cost to them. Consequently, creators of entertainment, instructional, music and other digitized products and services (i.e., the essence of "servitization")

of services parallels digitization in delivering goods) are supplying them to global customers through Spotify's international marketplace. Spotify's further evolution through innovation in its business plans allows for offering certain services free of charge to those who agree to receive advertisement interspersed in their use (see the case of Spotify, below). As discussed earlier, Spotify shares a percentage of its revenues with its collaborating suppliers — i.e., both the independent musicians, or the other supplying companies with legal rights to their music. Importantly, other platform operations have established similar cooperative relationship with their respective suppliers to internalize effectively and quickly without bearing the risks of foreignness, outsidership, lack of experiential knowledge an information and limited resources, as discussed earlier.

Stated briefly, the rapid advances in CITs, IBTs and IBCs have significantly enriched and simplified the platform-iSMEs mutual relations and have contributed to their functional, collaborative, synergistic and even symbiotic relations -- i.e., relations between platforms and their suppliers and buyers, which are superior to the traditional internationalization processes of the past. Such superiorities, in terms of higher ease and lower costs, risks and international transaction, are driving the creation and relative faster internationalization of ISDVs. The prevailing empirical evidence favors a faster growth of ISDVs than those of Born Globals, INVs and other forms of internationalizing SMEs and their possible dominance overtime.

## **Part 2: The highlights of the next four articles included in this issue**

Following the first article examining new developments in the field of international entrepreneurship in general, and the rapid internationalization of digitized small and medium sized enterprises (ISDVs) through online multi-sided platforms in particular, all articles in this part offer new findings through their respective application of innovative methodologies, fresh perspectives, and findings that collectively enrich this spring issue of the 20th year of the *Journal of International Entrepreneurship's* continuous publications. The main aim of this part is to highlight topics that are likely to have influences in the future of international entrepreneurship in general and on further research in that field in particular. Nearly all articles included in this part have researched the prevailing a state of international entrepreneurship at the time in order to portray not only the current state of affairs through prevailing, or emerging, trends with likely potential to influence our collective research beyond 2022 and the 20<sup>th</sup> volume of the journal, but also suggest likely pathways for surveying the yet uncharted land scape of the field in the near horizon.

Our undesired, if not inadequately prepared, collective experience with COVID-19's global pandemic crisis pointed clearly to the need for a much better anticipation of, and preparation for, what is likely to emerge and confront us. Peering into the future, regardless of the depth and breadth our vision, as opposed to reporting the current, or the past, is more likely to enable anticipation of what is emerging and prepare us to deal with it optimally than otherwise. Therefore, the overall theme of this part is building on what we have already learned to peer into the likely and emerging near future or farther horizons.



The second article of this issue is entitled is "International entrepreneurship research agendas evolving: A longitudinal study using the Delphi method", and is co-authored by Hamid Etemad,<sup>10</sup> Calin Gurau, and Léo-Paul Dana. As the title of the article indicates the use of Delphi method, it is an exploratory methodology and it was used to develop the state of the art in International Entrepreneurship (IE) in the early days of the 21st millennia through scanning of the IE's state of affairs then to identify the early signals towards the direction of developments similar to what was done in the field just a decade before. Those early evolutionary trends may have served as the fundamental pillars supporting developments over the next two decades, which helped to bring the field to its current state now. This longitudinally oriented paper reports on two iterations of Delphi research conducted initially in 2008 and repeated in 2019 with some modification reflecting the evolution of the field since 2008, in order to provide a comprehensive understanding of the field's evolutionary process over 2008 to 2019 and emerging trends that may have been influencing the current state of the field over time. One of the strong features of Delphi method is its ability to develop consensus, or lack thereof in a field, about its concepts, issues, principles and theories present at the time and apparent to the researchers participating in the research. However, the end result is based on the opinion, perceptions and comprehension of all those who participate in the process, including the researchers conducting the Delphi. Naturally, there will be strengthening consensus on some parts of the field, or certain trending issues within the field pointing to agreements and cohesion, or the emergence of differing opinions indicating disagreements and divergence as well as the emergence of new phenomena, developments or trend lines in their early stages that did not exist in the earlier iteration in a longitudinally oriented Delphi research. From that perspective, the portrayal of the state of the international entrepreneurship field in 2008 and in 2019 reflects a highly significant evolutionary development, as well as the emergence of issues that were not influential, or not considered, before.

Accordingly, the paper reports on both the solidification of certain issues (e.g., clarification of certain theoretical aspects) as well as the appearance of issues not yet significant nor considered before, including the impact of immigration, International Entrepreneurship as an instrument of job- and wealth- creation, poverty reduction and the emergence of business ethics crossing across national boundaries, among many other issues before the emergence of the COVID-19 pandemic crisis. The global pandemic posed a range of new issues, which were not actively considered before that caused massive difficulties not confronted or experienced in the near past, for which the world did not have solutions for them in early 2021. Therefore, this research reports on understanding and perception of the a selected sample

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<sup>10</sup> In favor of complete and full disclosure, and as indicated in the text of the article, two of the co-authors had participated in the two iteration rounds of the Delphi research as a part of a list of published IE scholars. However, this article was subjected to the routine double-blind peer review processes of the journal. Scholars who had participated in the Delphi process were also excluded from reviewing the article and the journal editor refrained from influencing the review, revision processes and acceptance decision.

researchers and experts invited to participate in the Delphi deliberations. It is natural and routine to find both agreement and disagreement with declarations, propositions, or scenarios put before the participants, which need to reach a resolution to reflect the true state of affairs. This is usually done by posing differences and asking respondents for modifying their opinion with justifications, which collectively add to the richness of the finding at the end. Accordingly, this article reports on the maturity and cohesion on certain issues on the one hand, and divergences, disagreement, and even vagueness on certain other issues, on the other hand. This article not only identifies issues and research agenda for future research in international entrepreneurship landscape; it also points to a need for developing global research teams to minimize perceptual differences due to the environmental and experiential differences to arrive at higher clarification, cohesion and solidification of issues of the field on all scholarly, theoretical, practical and even policy fronts.

The third article of this issue complements the previous two and expands on their argument with its concentrated focus on one of the fundamental concepts of entrepreneurship — i.e., entrepreneurial intentions (EI) — through an in depth longitudinal literature review. This article is entitled as “Analyzing the past to prepare for the future: a review of literature on factors with influence on entrepreneurial intentions” and is co-authored by Noemí Pérez-Macías, José-Luis Fernández-Fernández, and Antonio Rua Vieites. Although there is a significant difference between an in depth literature review and Delphi methodology, both attempt to portray the state of the art by relying on the prevailing information, knowledge and analysis over time. This article performed an in depth review of 177 articles discussing entrepreneurial intentions (EI) and influential related concepts and forces that were indexed in the SCOPUS database from 1994 to 2017, which provides a more comprehensive assessment than a two-iteration Delphi analysis of the second article. The research supporting the article identified three influential family of factors affecting EI, and what EI subsequently affects by a logical extension. They are Personal Level Attributes, Entrepreneurship Education, and the Contextual factors, including environmental and institutional forces. The authors also report that the overall context is interactive, where the components of each of three family of factors, both tangible and tacit, interact with, and influence, their collective ultimate outcomes, both positively or adversely. Their extensive analysis enabled the authors not only to point out practical implication of their research; but also to suggest new areas and agenda in need of further research, including universities’ more intensive efforts in offering effective entrepreneurial education and training in order to awaken their students’ entrepreneurship and strengthen their entrepreneurial intentions to pursue entrepreneurial activities.

The fourth article of this issue picks up where the third article left-off by opening up one the third article’s influential factors; namely the influence of environmental and institutional contexts on the observable aspects of entrepreneurship in differing country environments. This article is entitled as “Do economic freedom, business experience, and firm size affect internationalization speed? Evidence from small firms in Chile, Colombia, and Peru” and is co-authored by Christian Felzensztein, George Saridakis, Bochra Idris, and Gabriel P. Elizondo. The stated aim of the article is to research the emergence of combined resource-based view (RBV)(

Barney 1991) and institutional based view (IBV) influencing the internationalization of smaller firms based in the emerging economies of Latin America; namely Chile, Colombia and Peru.

The researchers used an online survey of founder and corporate managers of SMEs with less than 250 employees and collected 73 responses for further analysis. The authors' general conclusion is that "some areas of the economics of freedom index" may contribute to speeding up SMEs' internationalization. Specifically, they report that improvements in the size of government and regulations enhance the speed of internationalization; while the founder's and managers' higher extent of business and international experience results in shorter time period from the time of the firms' inception to internationalization. In short, the environmental and institutional contexts and forces influence the onset and extent of internationalization as suggested by the third article earlier. The authors' caveat is that they did not have the opportunity to compare their findings with the extent and speed of internationalization in the less liberalized country environments of other South American countries, including Argentina, Bolivia, Ecuador and Venezuela, in order to generalize their findings to cover the entire South American environments.

The fifth, and the final, article of this issue follows in related research vein, extends related aspect of entrepreneurship in its embedding contexts by raising the fundamental question of if the born global enterprises are a breed of iSMS differing from non-born global enterprises in the complex context of the Malaysian emerging economy and growing environment. This article is entitled as "Are born global firms really a "new breed" of exporters? Empirical evidence from an emerging market", and is coauthored by Øystein Moen, Mohammad Falahat, and Yan-Yin Lee. This empirical article relates directly to the emerging topic of digitization of smaller enterprises aspiring to internationalize more efficiently than iSMEs of the pasts, including born globals, as discussed in the first article of this issue. Similarly, it also relates to the core concepts of entrepreneurship — e.g., entrepreneurial intentions and entrepreneurial orientation — discussed in the third article of issue and elsewhere. Additionally, this article introduces five potential and complementary orientations — digital, entrepreneurial, learning, market and government support orientations as the primary capabilities for the enterprise transforming its orientation and corresponding resources to internationalization capabilities. It is within that context, that the question of whether the "born global" class, or category, of internationalizing (or internationalized) enterprises, is different from other iSMEs is asked, which also relates to how their initial orientation translates into the question of if any of the initial Malaysian firms' orientations can be transformed easier to stimulate capabilities that support born globals as opposed to others forms of iSMEs.

Methodologically, the authors analyzed valid responses of 196 exporting firms in Malaysia by utilizing multiple-group partial least square methodological procedures. Their analysis pointed clearly to the stronger ability of the Malaysian born global firms to better capitalize on their digital and entrepreneurial orientation to build strong marketing capabilities capable of contributing to their internationalization as Born Globals, which differentiated this group of enterprises from the others. In contrast, and despite the Malaysian government support, the government support-oriented enterprises did not develop the necessary capabilities to internationalize

similarly, and differed from the born globals at the end, which suggests not only the entrepreneurial and firm characteristic, but also how their orientations stimulate the transformation of their capabilities to respond to their environmental, institutional contexts, and aspirations to become born global or not, as discussed in the third article of this issue earlier.

## Closing arguments and conclusion

This article has surveyed a large previously uncharted landscape of international entrepreneurship to provide a cohesive conclusion supported by all the five articles included in this issue. Additionally, articles of this issue also relate to the various components of others, and provide mutual support for one-another as discussed above. More-importantly, the articles of this issue close the circle on a range of various entrepreneurial characteristic and concepts that have influenced, and are likely to continue influencing, the current state of affairs and further evolutionary developments in international entrepreneurship as a scholarly field of research with direct application to, and implication for managerial practice, as well as suggestions for the formulation of public policy.

It is noteworthy that only a few significant points of the articles included were briefly highlighted in the part two, above, in favor of time of and space, as both the text and their summary highlights point out their theoretical, managerial, and public policy implication very well.

Finally, this first issue of the 20th year of the journal's publication aspired to cross across new frontiers with likely influence on the evolving state of the art in international entrepreneurship. Specifically, the discussions of the first part of this article provided empirical evidence, supported by theoretical argument, pointed to the appearance of international, small, digitized ventures (ISDVs) in relation to growing multi-sided online platforms. Additionally, the four articles highlighted in part two of this article pointed to the significant influence of entrepreneurial intentions and orientation in acquiring the necessary capabilities for paving the road for achieving internationalization beyond born globals, INVs, and iSMEs by deploying potent collaborative, strategic and technological capabilities. Accordingly, the journal invites the members of the international entrepreneurship scholarly community to further examine and extend the significant issues raised in this issue in order to advance the frontiers suggested by this first issue of the journal's 20<sup>th</sup> year of publications.

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