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International Entrepreneurial Orientation and Regional Expansion

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International Entrepreneurial Orientation and Regional Expansion

Abstract

This study examines how behavioral elements of international entrepreneurial orientation (i.e., product innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy) increase variability in scope of regional market expansion, and the international marketing channel management conditions under which this occurs. Results from an empirical study in a developing market show that not all behavioral elements of international entrepreneurial orientation (IEO) increase scope of regional expansion. The study specifically finds that scope of regional expansion is fostered when high levels of product innovation intensity, risk-taking, competitive aggressiveness, and autonomous behaviors are aligned with a stronger channel management capability. Conversely, the regional expansion values of product innovation novelty and proactiveness are cancelled out when channel management capability levels are high.

KEYWORDS: Regional expansion, international scope, international entrepreneurial-oriented behaviors, channel management capability, Sub-Saharan Africa

1. INTRODUCTION

The growing pace of market globalization has enabled firms increasingly exploit foreign growth opportunities (Dai et al., 2014). As a result, predicting foreign market entry success has become an important scholarly and managerial issue (Morgan et al., 2004; Cavusgil & Knight, 2015). The international business literature suggests that several factors drive firms' internationalization, including firm structure, strategy, orientations, capabilities, and environmental exigencies (e.g., Morgan et al., 2004). Researchers interested in the field of international entrepreneurship have also given attention to international entrepreneurial orientation (IEO) as a potential driver of international expansion (Coviello et al., 2011; Covin & Miller, 2014; Dai et al., 2014), regional development (Butler & Hansen, 1991; Benneworth, 2004), and improvement of economic growth (Laukkanen, 2000; Huggins & Williams, 2011; Valliere & Peterson, 2009).

The entrepreneurship literature specifically suggests that variations in entrepreneurial behaviors lead to exploitation of "new entry" opportunities (Oviatt & McDougall, 2005; Cavusgil & Knight, 2015) and growth opportunities (Casillas & Moreno, 2010). Within the international entrepreneurship discipline, international new entry is construed to entail identification and exploitation of foreign new product-market opportunities (Balabanis & Katsikea, 2003), or scope of international market expansion (Kuivalainen et al., 2007; Dai et al., 2014). International scope is defined as the process of seeking new market opportunity across multiple foreign markets. Thus, expansion to foreign markets is an essential outcome of entrepreneurial proclivity (Covin & Miller, 2014).

While scholars have recently called for additional research to examine both how behavioral IEO elements predict variations in firms' international scope, and how this relationship is contingent upon environment conditions (Covin & Miller, 2014; Coviello et al., 2011), little attention has been given to how and when IEOs influence firms' tendencies to expand to foreign markets. Although traditional internationalization theory points to regional expansion as an antecedent to global expansion (e.g., Dunning, 1993; Johanson & Vahlne, 1977), scholars argue that a combination of

high informal exporting activity levels, rising liberalization of regional economies, regional economic blocs, and emerging middle class consumption in many regional markets has created opportunity for firms to internationalize to regional markets (e.g., Ibeh et al., 2012; Rolfe et al., 2015). Additionally, there are arguments that the benefits and costs of regional protectionism motivate firms to pursue regionalization strategy as an antecedent or alternative to global expansion (Wang et al., 2012). Therefore, drawing insights from these earlier works, the present study focuses on the scope of regional expansion of SMEs in a Sub-Saharan African economy - Ghana - and examines how the behavioral elements of IEO drive developing market firms to expand to regional markets.

While Africa-to-Africa internationalization has increased in recent years (Ibeh et al., 2012), African markets are noted for their diversity in national laws, cultures, geography, and infrastructural development. Particularly relevant to internationalizing African firms is the weakness of marketing channel infrastructure across markets. This fact has made the cost of cross-continent marketing extremely expensive (Khanna & Palepu, 2010). An important implication for African firms, therefore, is how they can leverage their comparative advantage of handling marketing channel diversities and imperfections in their home market to successfully compete in overseas host markets with similar conditions. Accordingly, this study empirically examines how a firm's ability to manage marketing channels in underdeveloped market conditions moderates the effect of IEO behaviors on regional expansion. Drawing insight from Bryson et al.'s (1993) study linking SME business networks and flexibility to regional development, we posit that SMEs' capability to develop and manage ties with marketing channels in market conditions with underdeveloped infrastructure is a major contingency factor that can help explain when IEO behaviors drive scope of regional expansion.

By empirically examining this research theme, this study brings new insights to entrepreneurship research by showing that IEO behaviors are differentially related to scope of regional expansion depending on firms' experiences and capabilities in managing marketing

channels in underdeveloped regional markets. Specifically, our study's findings show that Africa-to-Africa international expansion is fostered when high levels of product innovation intensity, risk-taking, competitive aggressiveness, and autonomy are aligned with a stronger channel management capability. In contrast, we also find that the IEO values of product innovation novelty and proactiveness are cancelled out when channel management capability levels are high.

2. THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

Many firms pursue international operations to boost their competitiveness, specifically as evidence points to saturation of home markets and opening of entrepreneurial opportunities abroad (Oviatt & McDougall, 2005). Along this line, entrepreneurship research continues to explore the role of entrepreneurship in aiding firms' international growth (Covin & Miller, 2014; Coviello et al., 2011) and national economic development (Huggins & Williams, 2011; Valliere & Peterson, 2009). In conceptualizing the entrepreneurship construct, a growing body of literature points to Lumpkin and Dess' (1996) elaborate model that conceptualizes entrepreneurial orientation (EO) to comprise of five behavioral dimensions (e.g., Lumpkin et al., 2010; Casillas & Moreno, 2010) including the extent of innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy. There is, further, an expressed need to extend these constructs to the international entrepreneurship domain in order to account for the extent they influence the scope (as well as the scale) of a firm's international expansion (Covin & Miller, 2014).

International entrepreneurial orientation (IEO) studies have conceptualized the construct as either unidimensional or multidimensional (see detailed discussion in Covin and Lumpkin, 2011). While studies have adopted one or the other of these approaches, Covin and Lumpkin (2011, p. 863) suggest that "the unidimensional and multidimensional conceptualizations [...] are fundamentally different constructs that require separate definitions and measurement models." Accordingly, researchers adopting the unidimensional approach operationalize the construct as an aggregate composite comprising of the averages of the individual dimensions that underpin the international

entrepreneurial orientation construct, namely innovativeness, risk-taking, and proactiveness. Here, a composite IEO construct may be argued to have a universal positive effect on relevant outcome variables (e.g., Kemelgor, 2002).

Conversely, scholars following the multidimensional approach view IEO as a superordinate construct with the dimensions functioning as its unique manifestations (Lumpkin & Dess, 1996). Because the dimensions are viewed as unique manifestations, scholars argue that the constituent components may exhibit independent behavioral scores, ranging from low to high, and may therefore produce differential consequences (e.g., Dai et al., 2014; Sundqvist et al., 2012). Proponents for the disaggregate approach suggest that examining the dimensions individually will help reveal their unique relationships and provide scholars more fine-grained information with which to develop specific and actionable recommendations for managers.

Against this background, this study defines IEO as the processes that firms use to exploit entrepreneurial opportunities to create new products and services abroad (Robertson & Chetty, 2000; Dai et al., 2014). As such, we view IEO as a fundamental strategic posture of firms competing in foreign markets (Knight & Cavusgil, 2004). Following Lumpkin and Dess' multidimensional view of the generic EO construct, scholars have argued that EO is a latent construct that manifests in a set of independent behavioral activities, including risk taking, innovativeness, proactiveness, competitive aggressiveness, and autonomy. Accordingly, this study conceptualizes IEO to comprise of international product innovativeness, international market-specific risk-taking, proactiveness in exploiting international market opportunities, aggressiveness towards international market competitors, and encouragement of autonomous behavior in exploitation of foreign market opportunities (Covin & Miller, 2014).

International product innovativeness refers to a tendency to develop new products or service offerings abroad (Balabanis & Katsikea, 2003; Story et al., 2015) and encompasses a tendency to intensively and inventively innovate to produce and launch new products in foreign markets (Miller & Friesen, 1982; Boso et al., 2013). International risk-taking is an inclination to take risks in the face

of foreign market uncertainty (Covin & Miller, 2014). It suggests the notion of experimentation and acting outside of conventional practices and norms in foreign market operations (Lumpkin & Dess, 1996). International proactiveness captures an entrepreneurial firm's tendency to recognize and exploit international market opportunities ahead of foreign market competitors. International competitive aggressiveness describes the extent to which a firm directly and intensely challenges its foreign market peers in the exploitation of foreign market opportunities. International autonomous behavior refers to the extent to which an entrepreneurial firm allows its personnel take independent actions aimed at identifying and bringing forth new foreign product-market ideas and carrying them through to commercial end (Lumpkin & Dess, 1996). It encapsulates the maverick-like and independent actions of personnel in charge of a firm's international operations, and the extent to which they act on new foreign market opportunities without being slowed down by central management edicts or foreign market obstacles.

While studies have associated these entrepreneurial behaviors with firms' economic performance (e.g., Madsen, 2007; Fayolle et al., 2010; Grande et al., 2011), Covin and Miller (2014) argue that variations in these behaviors may also explain variations in international new market entry. International new entry is an entrepreneurial phenomenon that focuses on new product-market identification and exploitation abroad by existing or start-up firms; it is seen as an exceptional achievement that reflects a firm's ability to get its products and/or services accepted beyond its home market (Cavusgil & Knight, 2015). The notion of international new entry captures a firm's international scope (Dai et al., 2014), referred to as the scale and reach of firms' international operations. To this end, researchers have operationalized internationalization scope as the percentage of firms' foreign market revenues, number of country markets served, or number of geographic regions within which a firm competes with its products and services (Cadogan et al., 2009; Dai et al., 2014).

In contributing to the international entrepreneurship literature, therefore, this study argues that while together the five elements capture an overall degree of IEO, four key reasons support

linking the component elements to international scope rather than the composite. First, the disaggregate approach adopted in this study offers managers specific recommendations on how investments in the IEO behaviors enhance international scope (Lumpkin & Dess, 1996; Dai et al., 2014). Second, because market intelligence is expensive and details about international market opportunities are hard to obtain, firms need to be more entrepreneurial in exploiting international market opportunities (Knight, 2001). Additionally, international entrepreneurial decisions may have to be made in an atmosphere of greater uncertainty, diversity, and complexity (Zahra & Garvis, 2000). To this end, decisions on the elements of IEO can be expensive and difficult to rectify, especially when those decisions impact operations that are spread out across multiple geographic locations. Third, it is conceivable that a firm might only demonstrate one or two dimensions of EO (but not all the dimensions) when attempting foreign market expansion (Covin & Miller, 2014). Fourth, the behaviors might be related to scope of international expansion uniquely across different markets.

Within this context, an important question is, therefore, how does marketing channel management capability moderate the relationship between the IEO behaviors and international expansion? While this important question has received very little empirical attention in the international business and entrepreneurship literatures, the marketing channel management literature provides helpful insights to draw from when addressing this question. Importantly, the industrial marketing literature indicates that marketing channels are inter-organizational and institutional arrangements for regulating and supporting the flow of value from production to the market (Coughlan, 1985). Also referred to as marketing intermediaries (including distributors, wholesalers, retailers, agents, and marketing companies), marketing channels are the most important component of any value chain system: they represent a substantial opportunity cost, by providing firms with market knowledge to facilitate efficient and effective conversion of potential buyers into profitable customers. Not only do they serve markets, they also make markets; as such, a firm's marketing channel choices can affect all of its other marketing decisions, including product design, pricing,

salesforce, and promotional decisions (Kraft et al., 2015). They “perform specific distribution functions, such as transportation, storage, sales, financing, and relationship building, better than most manufacturers” (Kraft et al., 2015, p. 569).

The role of marketing channels in aiding global business operations is well noted and studied (e.g., Achrol et al., 1983; Hoppner & Griffith, 2015; Morgan et al., 2004; Samaha et al., 2014). Viewed from the political economy framework lens, Achrol et al. (1983) conceptualize marketing channels to include a primary task-, a secondary task-, and a macro-environment. They argue that the primary task environment constitutes the immediate parties involved in a focal dyadic relationship (i.e., suppliers and manufacturers and manufacturers and distributors). The secondary task environment entails parties that are involved in less immediate upstream and downstream interactions with the focal dyad, regulatory agents, and other institutions that have interests in the dyad (Hoppner & Griffith, 2015). The macro-environment includes the general social, economic, political, and technological factors that may influence the focal dyad. Research on both domestic and international marketing channels have so far focused on understanding the structure and issues affecting focal dyad behavior (Robicheaux & Coleman, 1994). A central theme is that firms need to coordinate these parties to enable them to deliver superior value in their target markets.

Viewed from an absorptive capability and knowledge-based view perspective, there are arguments that marketing channels are often characterized by cooperation and knowledge exchange between cooperating partners (Coughlan, 1985). To this end, Cohen and Levinthal contend that the “ability of a firm to recognize the value of new, external information, assimilate it, and apply it to commercial ends” (1990, p. 128) is critical to its ability to expand to international markets (Lane et al., 2001). Having ties with foreign distributors affords internationalizing firms the ability to understand new knowledge held by foreign channel members, and this new knowledge can help a firm to channel its entrepreneurial prowess to exploit foreign market opportunities.

While prior research has largely focused on the collaboration within marketing channels, including its light and dark sides (Villena et al., 2012), and how degrees of collaboration facilitate or

inhibit the effectiveness of firms' strategies and postures (Ju et al., 2014), little research has examined how ability to manage differences in degrees of marketing channels' development influence the effectiveness of firms' strategic behaviors. International marketing channels are heterogeneous in their level of development, and how they function efficiently aid the flow of goods and services (Van Birgelen et al., 2006; McGuire & Staelin, 1982). While some markets may have highly developed marketing channels, others may still be developing, providing firms diversity of channel functionality in aiding cross-border transactions. While classical works in marketing science have examined how ability to coordinate different channels may help firms maximize profit (Coughlan, 1985), this study draws insights from the traditional marketing channel literature to examine how a firm's ability to manage international marketing channels at different development levels complements its ability to use IEO behaviors in broadening the scope of its international market operations.

International Entrepreneurial-Oriented Behaviors and Marketing Channel Management Capability

A key assumption backing the importance and contingency role of channel heterogeneity is the suggestion that young and small entrepreneurial businesses lack pedigree and power to enter and compete successfully in multiple foreign markets. To alleviate this limitation, SMEs are suggested to develop capabilities focused at managing loose and voluntary cooperative arrangements with multiple marketing channel members in foreign host markets. In cases where a firm is able to successfully assemble and coordinate marketing channels in its foreign markets, there is higher likelihood that the firm's products will reach a larger foreign audience, and with less chance of failure (Tajeddini et al., 2015). In the specific case of a small exporting business, its lack of resources and power suggests that strategically identifying and managing distributors to sell its products in foreign markets helps the firm to benefit from forward integration (Knight, 2000).

Managing these core processes effectively means creating a marketing network in which the company works closely with all parties in the production and distribution chain, from suppliers of raw materials to retail distributors, and local vendors. Because networks of multiple marketing channels compete for influence and dominance in the international scene (Kraft, 2015), a firm's overseas expansion is likely to be conditional on its ability to navigate through multiple (and to some extent conflicting) foreign marketing channels (Cavusgil et al., 2004).

Focusing on the product innovativeness dimension of IEO, we contend that firms need lots of new products to satisfy changes in customer preferences (Szymanski et al., 2007). A firm's ability to expand into multiple markets with innovative new products is likely enhanced when the firm is capable of managing heterogeneous marketing channels. Predicated on the absorptive capacity theory (Cohen & Levinthal, 1990), marketing channel networking provides firms with the opportunity to identify, assimilate, and utilize new firm-external knowledge. For this reason, Tsai (2001, p. 996) suggests that firms "produce more innovations and enjoy better performance if they occupy central network positions that provide access to new knowledge developed by other [firms]." In addition, previous analysis shows that regular interaction with marketing channel members is necessary throughout the course of new product development due to regular changes in market behaviors (Langerak et al., 2004). Thus, the possibility of the market resisting new products because of lack of familiarity is significantly reduced when firms work more closely with foreign marketing channels that possess diverse knowledge of the market (Lane & Lubatkin, 1998). For example, in a study of emerging multinational corporations from China, Kotabe and colleagues (2011) find that managerial efforts to integrate and transform new knowledge from external sources is vital for successful launch of new products in foreign markets.

A firm needs new knowledge to successfully penetrate new channel territories with novel new products (Cohen and Levinthal, 1990). In this regard, having a stronger ability to recognize and build relationships with channel members with diverse experiences and backgrounds in a host market can help a firm push innovative new products to new markets. Additionally, because radical product

innovations can involve higher order learning and different ways of looking at the world for foreign customers not familiar with a firm's radical new products (Szymanski et al., 2007), and because launch of novel new products can be costly (Brentani, 2001; Hultink et al., 2000), we contend that having a stronger relationship with host marketing channel members can help maximize the likelihood of consumer acceptance and minimize cost of selling such products. Thus, because novel innovations are required in order to differentiate firms' offerings from competitors' propositions, having a strong ability to recruit and manage relationships with host channel members will help boost the scope of markets entered with innovative new products. Thus, we argue that:

H1: The positive effect of (a) product innovativeness intensity and (b) product innovativeness novelty on regional expansion is strengthened when international marketing channel management capability is higher.

Risk-taking is beneficial when market uncertainty is high. For example, increasing changes in customer wants provides opportunities that are new and are underexploited by competitors, and as a result, large returns may be obtained by taking risks to explore such changes as a first mover. However, a greater propensity to take risk in uncertain and turbulent environments can generate poor returns as the likelihood of failure is also greater (Zahra & Garvis, 2000). Regional African markets are noted for their turbulence, weak institutions to protect business investments, and underdeveloped infrastructure (Ibeh et al., 2012). In fact, the African market is one of the costly places to do business due to its underdeveloped marketing channel infrastructure (Limao & Venables, 2001), and these infrastructural challenges are noted to hinder progress in intra-Africa business operations (Longo & Sekkat, 2004). It is therefore noted that doing business in Africa is risky and entrepreneurial small businesses are highly vulnerable to failure.

To mitigate the risk of failure, African firms taking risks to expand to regional African markets build business ties with host channel members that have skills and knowledge of transacting business in challenging environments. Thus, a firm can take a greater risk to venture into an untested

African market but has a heightened chance of success if it has a good relationship with marketing channel members in the new market. While the venturing firm may lack local knowledge of navigating the host African market, a channel partner with local knowledge may help the venturing firm to acquire and ultimately utilize new knowledge about the risks involved in serving the host market. Thus, having the capability to manage foreign channel partners becomes an enabler of the effect of risk-taking behavior on the scope of international expansion. Accordingly, we propose that:

H2: The positive effect of risk-taking behavior on regional expansion is strengthened when international marketing channel management capability is higher.

Competitive aggressive behavior is needed most when there is a requirement to earn loyalty from multiple channel members to exploit new foreign market opportunity. Being aggressive may be less beneficial if a firm wants to compete in fewer foreign markets since competitive aggressiveness focuses on defending and attacking multiple markets better than competitors. Hence, aggressive market share expansion, increasing existing customer loyalty, outsmarting competitors by mobilizing and securing existing and new channel members to block out competitors, and establishing channel advantage to fend off offensive competitive attacks on a firm's customer base are critical requirements for successful foreign market expansion. Having a strong link to foreign marketing channels with extensive host market experiences can help competitively aggressive firms to undermine competitors' ability to compete in its market territory. To this end, having connections with host channel members helps a firm to restrict the ability of competitors to find a space to compete in its targeted markets. According to Lumpkin and Dess (2001, p. 445), "a strong competitively aggressive stance gives a firm the ability to be a decisive player in a field of rivals," and we argue that having a capability to build and sustain relationships with multiple channel members can help amplify the benefits (in terms of scope of operation) of competitively aggressive behavior. In other words, high levels of competitive aggressiveness and a stronger ability to build

relationships with multiple foreign channel members helps a firm to expand its scope of operations in the foreign market. Accordingly, this study hypothesizes that:

H3: The positive effect of competitive aggressive behavior on regional expansion is strengthened when international marketing channel management capability is higher.

The study argues that proactive behavior is most effective in driving internationalization scope when firms have stronger capability to manage international marketing channels. We contend that the opportunities afforded by a changing competitive environment provide the setting for the firms to be pre-emptive in exploiting new market niches and new geographic market opportunities ahead of competitors. When seeking to pre-emptively exploit new opportunities in geographic markets, firms face greater uncertainty due to lack of foreign market knowledge. Firms breaking away from norms to proactively venture in new geographic markets also face liability of newness and foreignness. We reason that firms can mitigate such foreign market entry problems by forging relationships with host market channel networks, as such channel members, tend to be more knowledgeable about the opportunities and challenges of doing business in host local markets. Thus, SME exporters that are proactive in exploiting new foreign market opportunities enjoy greater foreign market entry success if they occupy central network positions to access new knowledge developed by building relationships with host market channel members (Tsai, 2001). Eriksson and Chetty (2003) suggest that proactive firms are able to satisfy customers' needs better than competitors when they maintain a useful network of relationships with channel members in host markets. To this end, Kotabe et al. (2011) argue that an understanding of new market offering requirements resulting from an efficient and effective absorption of new market knowledge from host market partners helps a firm to successfully enter new foreign markets. Accordingly, we hypothesizes that:

H4: The positive effect of proactive behavior on regional expansion is strengthened when international marketing channel management capability is higher.

Autonomy provides firms with rapid and free maverick-like behavior in the marketplace (Lumpkin & Dess, 1996). It enables firms to be creative and nimble in their responses to competitive actions and changes in the marketplace to drive immediate exploitation of new market opportunities. A key motivation for engaging in autonomous behavior is for firms to use creative means to acquire new market knowledge about changes in consumer preferences, competitors' market strategies, and market regulations. Having a stronger capability to identify and build relationships with marketing channel members provides firms access to new market knowledge, and this additional first-hand market knowledge from channel partners can help firms amplify foreign market entry success outcomes of autonomous behavior. This study draws on absorptive capacity logic (Cohen & Levinthal, 1990) to argue that while firms may have internal drive to encourage searches for new market knowledge through the autonomous behaviors of employees, international new market entry values of such an internal drive for new knowledge is boosted when firms have a capability to recognize, assimilate, and apply new information provided by marketing channel members (Lane et al., 2001). Accordingly, autonomy may become most useful for driving regional market expansion when firms develop capability to manage relationships with marketing channel members. Thus:

H5: The positive effect of autonomous behavior on regional expansion is strengthened when international marketing channel management capability is higher.

3. METHODOLOGY

3.1 Sample and Data Collection

To test our hypotheses, a sample of exporting small- and medium-sized enterprises (SMEs) headquartered in Ghana was used in a multi-source longitudinal study. Several reasons informed our choice of exporting SMEs for the empirical study. First, SMEs venturing into foreign markets tend to follow gradual internationalization paths as many of these firms lack resources to pursue global expansion from inception. Most SMEs, therefore, tend to pursue regionalization strategy in their attempt to expand internationally. Second, exporting SMEs' liability of foreignness is another reason

why many firms tend to favor regionalization as regional markets offer SMEs protection from global competition. For example, regional groups such as the Economic Community of West African States have a protocol that encourages and protect free movement of goods and services within the sub-region. Thus, it is justified to study how IEO behaviors drive SMEs to expand their operations to regional markets, which are natural destinations for internationalizing SMEs.

We used an export directory database provided by Federation of Associations of Ghanaian Exporters (FAGE). The FAGE is an umbrella organization of exporters of non-traditional exports comprising of more than 2,500 exporting firms. We randomly selected 1,081 exporting firms from this list for the study after we confirmed the accuracy of information provided on the firms. An additional 251 firms were removed from the sample because 101 of the firms selected had ceased export operations and 150 had declined to participate in the study. Eventually, 830 firms were contacted with questionnaires, delivered in person. Following Hultman et al. (2009), informant quality was assessed using three criteria: (1) involvement in firm's export decision making, (2) knowledge about the firm's export operations, and (3) confidence in answering the questions asked (see Table 1), using a seven-point Likert Scale. Results showed a minimum score of five, and as a result all responses were used in further analysis (Kumar et al., 1993). Moreover, the average respondent had 16 years of managerial experience, and 90% of the key informants belonged to the top management of the firms (e.g., chief executive officers, export directors, and marketing directors/managers). The remaining 10% informants held functional management positions in the export unit (e.g., export account manager, export sales manager, and export operations manager). Out of the 830 sample contacted, responses were received from 219 firms. However, three questionnaires were discarded as they contained severe missing values. Thus, the effective response was reduced to 214, which represented a 26% response rate and compared well to existing export marketing studies (e.g., Zahra & Garvis, 2000).

The sample firms operated in multiple industries, including textiles and garment, food and beverages, crafts, agro-processing, security, professional services, and financial services. The firms

employed an average of 56 full-time employees, and average total annual revenue was USD \$49 million (median: USD \$8.5 million). The mean percentage of export revenue was 40.67% of total annual revenue exceeding Knight and Cavusgil's (2004) criteria for describing active exporting firms. We find that the firms generated an average of 95% of export sales from their regional African markets, justifying the importance of the regional African markets to the firms studied.

We located early and late respondents so that their responses could be compared. Overall, there were 181 early responses and 31 late responses. Armstrong and Overton's (1977) non-response bias test was then applied. Results showed that there were no substantial differences between the means for early respondents and that of late respondents even at 10% significant levels. Thus, we concluded that non-response bias did not create a major impact on the variables used in this study.

To rule out common method variance (CMV) bias, we collected the regional expansion data (our dependent variable) from a second source: objective figures provided by finance managers or directly gained from internal company archival sources. Specifically, eight months after the first survey study, we returned to the companies that participated in the first survey study to objectively obtain data on the companies' regional expansion and export market entry data. This effort helped ensure that multiple sources of data and multiple time frame were used to obtain our data. Furthermore, Lindell and Whitney's (2001) test for CMV was administered: a marker item was identified, one which is not conceptually associated with any construct in the model. Specifically, respondents' perception of financial capital accessible to the exporting unit was identified as a variable that is not conceptually associated with any construct in the model (i.e., "We are able to obtain financial resources at short notice to support export operations"). The correlation between this item and all study constructs was calculated, and results show low non-significant correlations ranging between 0.03 and 0.09, indicating that CMV effects could do not substantially account for the relationships between the constructs in this study. Finally, Podsakoff et al. (2003) argue that regression equations involving multiple interactive relationships minimize CMV. The current study's model contains several moderated relationships, and it is unlikely that the respondents could have

guessed the complex relationships involved in this study. Collectively, these results indicate that CMV bias is unlikely to be a major issue in the data. An additional test of CMV bias is reported later in this paper (see Section 4.1).

3.2 Measures

Measures used in previous research were used to operationalize our constructs. We used series of pilot studies and face-to-face interviews to adapt existing measures to the context of this study. Three procedures were specifically followed: first, we interviewed 11 export managers for their views on the constructs under study. Second, academic experts in questionnaire design reviewed the survey questions. Third, scholars with expertise in international marketing and entrepreneurship provided their views on the questions. In all three cases, no major problems were identified with the questionnaire in terms of measurement, wording, sequencing, and design.

International entrepreneurial-oriented behaviors. Multiple sources were relied upon to assess the sub-dimensions of IEO (e.g., Boso et al., 2012; Jambulingam et al., 2005). The product innovativeness scale describes the extent to which the firms innovated intensively and radically in their export market (Boso et al., 2012). Intensity of innovativeness captures the number of new products a firm introduced to its export markets relative to its competitors' product innovation outputs. The product innovation novelty scale relates to the degree to which a firm's new products are really different from its own existing products and/or its competitors' new products. The risk-taking scale captures the extent to which firms commit resources to export operations that had a great chance of failure. The proactiveness scale measures the degree to which firms recognize market opportunities and initiate actions to exploit those opportunities ahead of competitors. Competitive aggressiveness measures the intensity of firms' efforts to outperform and undermine industry competitors. Autonomy measures the degree of independent actions of organizational personnel in bringing forth new product ideas and carrying them through to commercialization in foreign markets.

Regional expansion. The study defines regional expansion as the degree of extensiveness of an SME's internationalization activities in regional African markets (Dai et al., 2014; Preece et al., 1999). Thus, the study captures degree of intensity and diversity of the firms' operations in regional African markets. We operationalize this construct using objective data on the number of African regions (e.g., Economic Community of West African States, Southern African Development Community) to which a firm exported its products or services (Cadogan et al., 2009), the number of African countries a firm exports to (Dai et al., 2015; Hultman et al., 2011), and the percentage of total annual sales accrued to a firm from its African export operations (Knight & Cavusgil, 2004). As indicated earlier, the regional expansion data came from finance managers or internal company archival sources, obtained eight months after IEO behaviors and international marketing channel management data were collected.

International marketing channel management capability. We drew insights from the extant literature (e.g., Coughlan, 1985) to develop new multi-item measures to capture the firms' international marketing channel management capability, defined as a firm's ability to manage relationships with marketing channel members in an underdeveloped business environment. We validated this measure by drawing on Luo and Junkunc (2008) and directly asking the informants to indicate the percentage of managerial time spent on cultivating and maintaining relationships with channel members in African export markets. The correlation between the composite score for the multi-item scale and percentage score is significant at 1% level ($r = .53$; $p < .01$).

Control variables. Several control variables are included in our model: export marketing intensity, industry type, and firm size. Previous research shows that these variables are related to export performance. To assess export marketing intensity, we calculated the ratio of total export marketing expenses divided by total export sales. Four items comprise this scale. Industry type is measured with a dummy variable (1 = manufacturing; 2 = services; Wang, 2008). Firm size is

measured by the number of full-time employees employed by the exporting organizations (Knight & Kim, 2009).

4. ANALYSES AND RESULTS

4.1 Measurement Model Assessment

Following several purifications, fit statistics for our final measurement model (i.e., CFA with bias modelled) as can be seen in Table 1 are acceptable: $\chi^2 = 1046.91$; $df = 722$; $p = 0.000$; $RMSEA = 0.046$; $NNFI = 0.97$; $CFI = 0.97$. Table 1 also displays the completely standardized loadings of the items when modeled with a method factor and error variance for each item. The method bias factor can be interpreted as “an informant-specific factor that controls for variance and covariance among the items introduced by soliciting responses from a single informant” (Carson, 2007, p. 55). As a result, we were successful in statistically controlling for CMV bias in our study. As can be seen from Table 1, all items loaded significantly ($p \leq 0.01$) on their corresponding latent constructs. In addition, we also followed the approach used by Carson (2007) to assess reliabilities and variance decomposition for each construct (see Table 2). Essentially, attenuated Composite Reliability (CR) is an adjusted CR score, and the attenuated Average Variance Extracted (AVE) is an adjusted AVE score (both calculated in the presence of a common factor). Importantly, all CR values are above 0.60 and all AVE values are 0.50 or greater, exceeding the guidelines recommended by Bagozzi and Yi (1988). This procedure provides evidence of convergence and internal consistency of our scales.

Table 1 and Table 2 about here

Discriminant validity of the measures was assessed in two ways. Firstly, we constrained each inter-construct correlation to unity and then observed differences in the constrained and unconstrained models. In all cases, test statistics were significant at the 5% level. Secondly, we followed the discriminant validity assessment procedure recommended by Fornell and Larcker (1981). Accordingly, AVEs for each construct were compared with the squared correlation of any

other construct. From Table 3, it is evident that the attenuated AVEs are greater than the squared correlations. Descriptive statistics for the summated items and the inter-construct correlations are also provided in Table 3.

Table 3 about here

4.2 Structural Model Assessment

To analyze the hypothesized structural relationships among the constructs, LISREL 8.7 was employed with sample covariance matrix as input matrix¹. We used the Maximum Likelihood (ML) estimation method to estimate the relationships. To reduce model complexity, single indicants were created for each exogenous variable. Hence, for the single-indicant measures, their respective error variances were set at $[(1-\alpha) \times \delta^2]$, where α was the composite reliability of each construct. We assumed a CR value of 0.60 for the single-indicant variables in our model. Finally, δ^2 was the sample variance of the construct. Thus, the variance in the indicators that come from sources other than the underlying concept itself was effectively constrained.

Subsequently, Ping's (1995) multiplicative interactive approach was used to estimate the moderating effect relationships. All variables involved in creating the interactive terms were orthogonalized to reduce multicollinearity effects (Little et al., 2006). A two-step procedure was then followed to estimate the structural models with interaction terms (Ping, 1995) (i.e., specification and comparison of the fits of constrained and unconstrained models). The underlying logic backing the constrained model estimation is that the path estimates for the main effects hold true across different levels of the moderator variables. In the unconstrained model, no such assumption was made and as such the paths were estimated across different levels of the moderators. The estimation of the unconstrained model involved freeing the control variables, the main effect, and the moderator effect

¹ Note that because we showed that the bias factor covariance matrix was not significantly different from the covariance matrix without the bias factor, we proceeded to estimate the structural model using the normal covariance matrix as input data.

parameters. For the constrained model, the moderator effect parameters were fixed at zero, and their fit indices and loadings recorded. The two models were subsequently compared for evidence of model improvement or deterioration. Table 4 presents the results of the structural model analysis.

Table 4 about here

4.3 Results

Table 4 shows that the values of the fit statistics for the unconstrained model are well within acceptable benchmarks: χ^2 (df) = 30.06 (26); χ^2 /df = 1.16; RMSEA = 0.027; NNFI = 0.98; and CFI = 0.99, and are better than the constrained model. The R-square for the constrained model is 0.30, which is significantly below the 0.48 for the unconstrained model. This means that the addition of the interactive terms to the model provided an additional 18% ($\Delta\chi^2 = 15.93$; df = 6; $p < 0.05$) of the explained variance in international scope.

For the control variables, the study finds that firm size ($\gamma = 0.06$; $t = 1.65$) and export marketing intensity ($\gamma = 0.16$; $t = 1.95$) are positively related to regional expansion. The industry type is not related to international scope ($\gamma = -0.07$; $t = -1.24$). In addition, the results indicate that international marketing channel management capability ($\gamma = 0.10$; $t = 1.74$), product innovativeness novelty ($\gamma = 0.17$; $t = 2.70$), risk-taking ($\gamma = 0.15$; $t = 2.23$), competitive aggressiveness ($\gamma = 0.12$; $t = 1.65$), and proactiveness ($\gamma = .26$; $t = 3.37$) are positively related to regional expansion. However, we find that product innovativeness intensity ($\gamma = -0.09$; $t = -1.41$) and autonomous behavior ($\gamma = -0.11$; $t = -2.21$) are negatively related to regional expansion.

Regarding the hypotheses tested, H1a hypothesizes that the relationship between product innovation intensity and regional expansion is strengthened positively when international channel management capability is stronger ($\gamma = 0.13$; $t = 1.69$). The data do not support H1b, which predicts a positive interactive effect between product innovation novelty and international channel management capability on regional expansion ($\gamma = 0.04$; $t = 0.50$). The data provide strong support for H2, which argues that the relationship between risk-taking behavior and regional expansion is stronger when

competitive intensity increases ($\gamma = 0.19$; $t = 2.70$). H3 posits that regional expansion increases when the interaction between competitive aggressiveness and international channel management capability is stronger, and is supported ($\gamma = 0.21$; $t = 2.33$). The study proposes in H4 that the relationship between proactiveness and regional expansion is strengthened when international channel management capability is stronger. However, support is not provided for H4 ($\gamma = -0.07$; $t = -0.72$). Finally, in support of H5, the study finds that the negative direct effect of autonomous behavior on regional expansion becomes stronger when international channel management capability is stronger ($\gamma = 0.17$; $t = 2.66$).

5. DISCUSSION AND CONCLUSIONS

Firms internationalize their operations in order to apply their limited resources to exploit new market opportunities under conditions of great risk and uncertainty (Dai et al., 2014). Since greater internationalization enables firms to exploit new foreign market opportunities to grow, understanding how entrepreneurial behavior drives international expansion would enable scholars determine how entrepreneurship shapes economic development and growth (Huggins & Williams, 2011; Valliere & Peterson, 2009). This study, therefore, develops a conceptual model that specifies how the effects of behavioral elements of IEO on scope of regional market expansion are dependent on firms' ability to manage international channel relationships. The study tests these hypotheses using a sample of SMEs in Ghana involved in international operations within Sub-Saharan African markets. This represents an important and interesting setting given its relevance in contemporary international business operation (Marzo & Patterson, 2010; McNamee et al., 2015). Results of our analysis show that not all sub-dimensions of IEO drive regional expansion. While product innovation novelty, risk-taking, proactiveness, and competitive aggressiveness directly drive regional expansion, intensity of product innovativeness and autonomy reduce the firms' scope of expansion to regional markets. This finding draws attention to the importance of understanding how SMEs might manipulate the IEO dimensions to enhance scope of international expansion. This evidence is consistent with entrepreneurship theory

that argues that EO's sub-dimensions might vary independently in relation to organizational outcomes (Lumpkin et al., 2010; ; Casillas & Moreno, 2010), and recent empirical findings that show variations in the effects of the dimensions on firm performance (e.g., Hughes & Morgan, 2007; Grande et al., 2011) and international scope (Dai et al., 2014).

By taking a contingency view regarding how firms maximize the benefits of their international strategies (Balabanis & Katsikea, 2003; Lumpkin & Dess, 1996), this study draws on absorptive capacity and knowledge-based view literature to propose a moderating role of international marketing channel management capability as a conditioning factor that can help explain when IEO behaviors drive regional expansion. Our finding that product innovation intensity behavior drives regional expansion when firms have stronger international channel management capability helps extend Dai et al.'s (2014) finding on the benefits and costs of innovativeness in driving international expansion. In their study, Dai and colleagues find a positive quadratic effect of innovativeness on international scope, and explain that a low degree of innovativeness helps firms offset new product development costs while greater innovativeness provides firms with the advantage of competing on leading-edge innovations in multiple foreign markets. This study extends this prior research by arguing that costs of innovation (e.g., development costs and risk of market rejection of new products) are attenuated by identifying and building relationships with host market channel partners with knowledge of cheaper foreign market operation methods. The benefit of innovating is also accentuated by having preferential access to market knowledge obtained from channel partners. This finding is line with the absorptive capacity literature that suggest absorptive capacity enables firms acquire and apply new market knowledge from foreign partners to boost success of new products (Sivadas & Dwyer, 2000; Tsai, 2001).

Additionally, we find that risk-taking is ideal entrepreneurial behavior for firms seeking expansion to regional markets, and its usefulness is amplified with a stronger ability to relate with overseas channel partners. We argue that there is a greater inducement to take high risks in regional markets when firms are confident about their knowledge of the foreign markets. Greater market

knowledge made possible by having knowledgeable channel partners helps reduce market uncertainties and risks involved in venturing into unchartered foreign markets (Wu & Knot, 2006). In other words, firms become less cautious committing resources in foreign operations when they are confident about success (Zahra & Garvis, 2000). Thus, increases in risk-taking propensity coupled with stronger channel management capability help firms grow and expand into greater number of regional markets.

Further, competitive aggressive behavior is required for expansion into international markets, and it is particularly effective when firms possess stronger channel management capability. This is an interesting finding because unlike previous studies, which have ignored the circumstances that maximize the impact of competitive aggressiveness on international scope, this study shows that competitive aggressiveness is most needed for regional expansion when firms have greater ability to forge and manage relationships with foreign channel partners.

Tempting as it might be for exporting SMEs to seek greater autonomy as a way of taking control of the market entry potential of their operations, the study findings indicate that greater levels of autonomous behavior decrease regional expansion. However, the decreasing effect of autonomy on regional expansion is attenuated and becomes increasingly stronger when levels of channel management capability increase. We explain this interesting finding by arguing that operating in high turbulent and weak infrastructural environments requires managers to be more maverick in collecting intelligence on market conditions, and we contend that reliable market intelligence is most likely to come from local foreign market channel partners. Thus, unlike previous studies that assume that autonomy is always directly related to international market success, we show that autonomy drives international expansion positively only through its interaction with stronger channel management capability, which is consistent with the view expressed by Lumpkin and Dess (1996, p. 163-164). In conclusion, findings from the study suggest that the IEO sub-dimensions drive regional expansion differentially and their effects depend on degree of channel management capability: increases in product innovation novelty and proactiveness are associated with increases in regional expansion,

but their effects are cancelled out when firms develop the capability to forge and manage relationships with channel partners abroad. Increases in levels of product innovation intensity, risk-taking, competitive aggressiveness, and autonomy are associated with increases in scope of regional expansion under increasing levels of international channel management capability.

The study's findings provide useful insights to SME managers on the role of IEO and its sub-dimensions in driving foreign regional market expansion. Managers of SMEs expanding to international markets are confronted continuously with the challenge of managing overseas operations to reduce firms' dependence on stagnant and/or saturated home markets. The literature notes that entrepreneurial behavior is a palpable force that enables SMEs to grow (Lim et al., 2008). Therefore, it is extremely important that managers are informed about how they can lead their firms to successfully grow in foreign markets. The literature implies that firms' overall orientation towards international entrepreneurial opportunity exploitation provide positive benefits for firms to expand overseas (e.g., Kropp et al., 2006), and studies have shown that suitable levels of innovativeness, proactiveness, and risk-taking proclivities can be useful drivers of international expansion (e.g., Dai et al., 2014). However, empirical findings on the utility of a broader conceptualization of IEO sub-dimensions remain unsettled (e.g., Hughes & Morgan, 2007; Kemelgor, 2002), leading to recent suggestions that managers need to be advised about how they can manage these sub-dimensions for greater returns (Lumpkin et al., 2011). This study addresses this challenge by showing the circumstances that help boost the value of the IEO sub-dimensions.

Specifically, the current study suggests that African SME managers should lead their firms to invest in greater levels of innovation intensity, risk-taking, competitive aggressiveness, and autonomy when their firms have a stronger capability to manage relationships with African channel partners. This is because the African market terrain is increasingly complex with weak and costly marketing channel infrastructure, such that having relationships with local channel partners with first-hand knowledge and experience of navigating the African market can help mitigate the costs (and many times the uncertainties) of operating in African markets. Thus, by emphasizing greater

levels of innovation intensity, risk-taking, competitive aggressiveness and autonomy, and by seeking lower levels of novelty of innovation, and a less pre-emptive behavior when channel connectivity is strong in African markets, firms are able to maximize the international market expansion benefits of the IEO sub-dimensions.

Our study has some limitations that need addressing. First, although we argue that our efforts to collect additional performance data eight months after the initial study is longitudinal, a reasonable counter argument may be that a firm's strategic entrepreneurial posture is an evolving phenomenon that should be studied over a longer time period. Although a longitudinal research design presents practical and logistical challenges in Africa, such a study can help unearth how firms manipulate the IEOBs overtime to enhance their scope of international operations.

Second, our findings also open new avenues for researchers to further examine the export entrepreneurship concept. Specifically, the current study is conducted in Ghana, an emerging Sub-Saharan African economy where institutions of international business operation are in transition. It could therefore be argued that the results reported herein should only apply to developing economies not in industrialized economies. This represents a research challenge as there is a need to compare the findings with SMEs in industrialized and other non-industrialized economies for greater generalizability.

Third, several interesting relationships have not been tested in the current study, which provide fertile avenues for further research. For example, there is a need to examine the moderating effects of environment factors on the relationships between the IEO behaviors and international scope. Examining these relationships would help to uncover how the dimensions vary with scope across different international environmental contexts. In addition, it would be interesting to study organizational and environmental antecedents to IEO behaviors, as this would help unearth factors that force firms to become more or less entrepreneurial in international operations.

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Table 1: Description of Items, Factor Loadings, and CFA Model Fit Indexes

Item Description	Loadings
Product Innovation Intensity (newly developed based on Miller & Friesen, 1982; Lumpkin & Dess, 1996)	
Our company has produced more new products/services for our export markets than our key export market competitors during the past five years	0.84
On average, each year we introduce more new products /services in our export markets than our key export market competitors	0.89
Industry experts would say that we are more prolific when it comes to introducing new products/services in our export markets	0.87
Our key export market competitors cannot keep up with the rate at which we introduce new products/services in our export markets	0.82
Product Innovation Novelty (newly developed based on Miller & Friesen, 1982; Lumpkin & Dess, 1996)	
Relative to our main export competitors, the products/services we offer in our export market(s) are:	
Revolutionary	0.78
Inventive	0.86
Novel	0.80
Creative	0.87
Risk-taking (adapted from Jambulingam et al., 2005)	
This company shows a great deal of tolerance for high-risk export projects	0.92
Our export strategy is characterized by a strong tendency to take risks	0.96
Taking chances is part of our export business strategy	0.83
Proactiveness (adapted from Kuivalainen et al., 2007)	
We seek to exploit anticipated changes in our export market ahead of our rivals	0.77
We act opportunistically to shape the export environment in which we operate	0.69
Our foresight makes us a leader in our export market	0.77
Competitive Aggressiveness (adapted from Kuivalainen et al., 2007)	
We typically adopt an “undo-the-competitor” posture in our export markets	0.82
We tend to target our export competitors’ weaknesses	0.65
We take hostile steps to achieve export competitive goals	0.87
Our actions towards export competitors can be termed as aggressive	0.88
Autonomy (adapted from Jambulingam et al., 2005)	
Key export strategies are decided by people within the export unit	0.58
Export personnel behave autonomously in our export operation	0.74
Export personnel act independently to carry out their export ideas through to completion	0.89
Export personnel are self-directed in pursuit of export opportunities	0.87
Management approves of independent activities by export personnel to develop new export opportunities	0.74

Table 1: Description of Items, Factor Loadings, and CFA Model Fit Indexes (continued)

Item Description	Loadings					
Marketing Channel Management Capability (developed from Coughlan, 1985)						
We have the ability to manage diversity in marketing channels across our African markets.	0.78					
We are more than capable of navigating the challenges of competing in underdeveloped marketing channels in our African markets.	0.73					
We have experience of competing in less developed marketing channel environments.	0.61					
We have ability to cope with underdeveloped marketing channels in our African markets.	0.83					
Regional Expansion						
Number of African regions (e.g., Economic Community of West African States, Southern African Development Community) to which a firm exports its products or services (Cadogan et al., 2009)	0.85					
Number of African countries to which a firm exports products or services (Dai et al., 2015; Hultman et al., 2011).	0.84					
Percentage of total annual sales accounted for by African export operations (Cadogan et al., 2009)	0.69					
Fit Statistics	χ^2 (df)	χ^2/df	$\Delta\chi^2$ (df)	RMSEA	NNFI	CFI
CFA without Bias	1282.55 (765)	1.68	-	0.06	0.96	0.96
CFA with Bias Modelled – Covariance Free	1046.91 (722)	1.45	235.64 (43)	0.05	0.99	0.97
Bias CFA with Covariances Free = Normal	1057.85 (777)	1.36	10.94 (55)	0.04	0.97	0.97
CFA Covariances						

Table 2: Reliabilities and Variance Decomposition for Multi-Item Scales

	INN-INT	INN-NOV	RISK	PRO	AGG	AUT	MKT	CHA	INT
Att. CR	0.92	0.90	0.93	0.79	0.89	0.88	0.87	0.80	0.81
Trait	0.91	0.89	0.92	0.77	0.88	0.87	0.72	0.79	0.81
Method Bias	0.01	0.01	0.01	0.03	0.01	0.01	0.17	0.01	0.00
Error	0.08	0.10	0.07	0.20	0.11	0.12	0.11	0.20	0.19
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Att. AVE	0.73	0.70	0.82	0.56	0.67	0.60	0.50	0.67	0.59

Note:

INN-INT = Product Innovation Intensity; INN-NOV = Product Innovation Novelty; RISK = Risk-taking; PRO = Proactiveness; AGG = Competitive Aggressiveness; AUT = Autonomy; MKT = Export Marketing Intensity; CHA = Marketing Channel Management Capability; INT = International (regional) expansion

Table 3: Descriptive Statistics, Inter-Construct Correlations, and Discriminant Validity

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Product innovation intensity		.18	.20	.26	.12	.07	.08	.01	.08										
Product innovation novelty	.42		.09	.22	.14	.06	.06	.00	.14										
Risk-taking	.45	.30		.28	.20	.08	.08	.05	.18										
Proactiveness	.51	.47	.53		.34	.14	.15	.04	.26										
Competitive aggressiveness	.34	.38	.45	.58		.08	.09	.01	.22										
Autonomy	.26	.25	.28	.37	.29		.08	.04	.04										
Export marketing intensity	.29	.24	.29	.39	.30	.28		.05	.24										
Marketing channel management capability (MCMC)	.10	.07	.23	.19	.12	.19	.23		.06										
Regional expansion	.28	.38	.43	.51	.47	.20	.49	.24											
Firm size	.19	.18	.13	.29	.38	.22	.79	.18	.34										
Industry dummy	.09	.14	.18	.21	.22	.44	.20	.16	.14	.15									
Product innovation intensity x MCMC	-.05	-.16	.01	-.14	-.05	-.03	-.07	-.23	.03	-.10	.05								
Product innovation novelty x MCMC	-.16	-.28	-.04	-.18	-.06	.00	.04	-.04	-.02	.07	.03	.59							
Risk-taking x MCMC	.01	-.05	.06	-.07	-.14	-.14	.04	-.17	-.07	-.02	-.17	.45	.40						
Proactiveness x MCMC	-.11	-.14	-.05	-.23	-.24	-.19	-.11	-.31	-.07	-.21	-.20	.65	.53	.57					
Competitive aggressiveness x MCMC	-.04	-.05	-.11	-.24	-.22	-.23	-.03	-.21	-.01	-.08	-.22	.54	.35	.61	.76				
Autonomy x MCMC	.25	.18	.26	.27	.19	.11	.73	.09	.42	.28	.10	.14	.07	.10	.13	.16			
Bias	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Att. AVE	.73	.70	.82	.56	.67	.60	.50	.67	.59	-	-	-	-	-	-	-	-	-	-
Mean	4.49	4.84	3.79	4.83	4.44	4.99	5.35	4.90	4.80	5.17	1.15	4.16	4.09	4.39	4.26	4.19	5.82		-
Standard Deviation	1.31	1.01	1.36	1.13	1.27	1.11	.78	1.23	1.17	1.11	1.79	1.74	1.35	1.65	1.84	2.05	.97		-

Notes:

Correlations coefficients are reported below the diagonal.

The squared correlations (or shared variances) between the constructs are reported above the diagonal.

Att. AVE = Attenuated Average Variance Extracted

Table 4: Results of Structural Equation Models: Parameter Estimates, T-values, and Fit Statistics

		Dependent variable: Regional Expansion			
Hypotheses		Unstandardized estimates	Standardized estimates	T-values ^a	Conclusion
Controls					
	Industry Type	-0.04	-0.07	-1.24	
	Firm Size	0.06	0.06	1.65	
	Export Marketing Intensity	0.19	0.16	1.95	
	Marketing Channel Management Capability (MCMC)	0.10	0.10	1.74	
	Product Innovation Intensity	-0.08	-0.09	-1.41	
	Product Innovation Novelty	0.20	0.17	2.70	
	Risk-taking	0.13	0.15	2.23	
	Competitive Aggressiveness	0.11	0.12	1.65	
	Proactiveness	0.26	0.26	3.37	
	Autonomy	-0.09	-0.11	-2.21	
Hypothesized paths					
H1	Product Innovation Intensity x MCMC	0.09	0.13	1.69	Supported
H2	Product Innovation Novelty x MCMC	0.03	0.04	0.50	Not supported
H3	Risk-taking x MCMC	0.13	0.19	2.70	Supported
H4	Competitive Aggressiveness x MCMC	0.12	0.21	2.33	Supported
H5	Proactiveness x MCMC	-0.05	-0.07	-0.72	Not Supported
H6	Autonomy x MCMC	0.20	0.17	2.66	Supported
Structural Model Fit Indexes					
		Constrained model	Unconstrained model		
	Chi-square (χ^2)	45.99	30.06		
	Degrees of Freedom (d.f.)	32	26		
	P-value	0.05	0.21		
	$\Delta \chi^2$	-	15.93		
	Δ d.f	-	6		
	Probability that $\Delta \chi^2 = 0$	-	0.01		
	χ^2 /d.f.	1.22	1.16		
	RMSEA	0.03	0.03		
	NNFI	0.97	0.98		
	CFI	0.99	0.99		
	R ²	0.36	0.53		
	Adjusted R ²	0.30	0.48		

a = Critical t-value (5%, one-tailed) = 1.645