SCHOOL OF MANAGEMENT AND TECHNOLOGY
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MASTER
INTERNATIONAL MANAGEMENT

Key Drivers of International SME Performance: Tech Industry vs. Manufacturing Industry

Cristiano Freitas Moreira

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Mentors:
Professor Jorge Miguel Oliveira
Professor Ana Isabel Borges

Acknowledgments

I would like to express my sincere gratitude to Professor Jorge Oliveira and Professor Ana Borges, my esteemed mentors, whose guidance, support, and expertise have been valuable throughout my journey in completing this master's dissertation. Your unwavering commitment to academic excellence has been an inspiration to me, and I am deeply appreciative of the knowledge and insights you have shared.

I am also grateful to my family, my mom and dad, whose endless encouragement and belief in my abilities have been a constant source of strength. My brother, for his inspiration and understanding, has made this journey much more manageable. Your unwavering support has been my pillar of strength.

To my friends, both near and far, I extend my heartfelt appreciation. Your camaraderie, encouragement, and occasional moments of distraction have provided me with the balance and motivation I needed to see this through.

I would also like to thank all those who contributed in various ways, big and small, to the completion of this dissertation. Your support has been instrumental.

This dissertation is dedicated to all those who believe in the power of knowledge and perseverance. Your faith in my abilities has been a driving force, and I hope this work justifies your belief.

Thank you all!

Abstract

Purpose: This comprehensive study seeks to delve into the intricate web of factors that drive positive international performance within the realm of Small and Medium-sized Enterprises (SMEs). A distinguishing feature of our research is the comparative analysis between two distinctive industries: the fast-paced technology industry and the traditional manufacturing industry. This comparative endeavor provides valuable insights into the varying determinants and consequences of performance in these sectors, shedding light on their unique challenges and opportunities.

Methodology/Approach: Our approach commenced with a rigorous examination of existing literature. This foundational step allowed us to carefully select the variables under scrutiny. The selected variables represent a cross-section of essential factors, including international entrepreneurial orientation, the generic competitive strategies (comprising cost leadership, differentiation, and focus), market intelligence, and the external environment. These variables form the bedrock of our analytical framework. Subsequently, we leveraged the power of Structural Equation Modeling (SEM) as a statistical tool to delve deeper into the interconnections among these pivotal variables, these were quantified using data taken from a questionnaire we created. This method provided an insightful lens through which we could investigate the collective influence of these factors on international performance.

Findings: Our research journey culminated in several notable findings. We discovered that the pivotal drivers for enhancing international performance within SMEs transcend industry boundaries. Irrespective of industry, the driving forces of international entrepreneurial orientation, the external environment, and differentiation consistently emerged as the primary factors influencing international performance. Our insights are not only derived from an extensive review of scholarly literature but also from empirical data obtained through a comprehensive questionnaire, enriching the depth and validity of our conclusions.

This study serves as a robust foundation for further exploration into the nuanced dynamics of SME performance and sets the stage for prospective research endeavors that may illuminate additional industry-specific insights. The synthesized knowledge presented herein holds valuable implications for SMEs seeking to optimize their international performance strategies.

Keywords: International Performance, International Entrepreneurial Orientation, Generic Competitive Strategies, Cost Leadership, Differentiation, Focus Strategy, Market Intelligence, External Environment, Tech Industry, Manufacturing Industry.

Resumo

Objetivo: Este estudo abrangente procura aprofundar-se na complexa rede de fatores que impulsionam o desempenho internacional das Pequenas e Médias Empresas (PMEs). Uma particularidade da nossa pesquisa é a análise comparativa entre duas indústrias distintas: a indústria tecnológica, em rápido crescimento, e a indústria transformadora, mais tradicional. Esta comparação fornece "insights" valiosos sobre os seus determinantes e as variadas consequências do desempenho nestes setores, permitindo-nos perceber os seus desafios e oportunidades únicas.

Metodologia/Abordagem: A nossa abordagem teve início com uma revisão da literatura existente. Este passo fundamental permitiu-nos selecionar cuidadosamente as variáveis a serem escrutinadas. As variáveis selecionadas representam vários fatores essenciais, como a orientação empreendedora internacional, as estratégias competitivas genéricas (que compreendem a liderança de custos, diferenciação e o foco), a inteligência de mercado e o ambiente externo. Estas variáveis formam a base do nosso enquadramento analítico. Posteriormente, aproveitamos o poder da Modelagem de Equações Estruturais (SEM) como ferramenta estatística para compreender as relações entre essas variáveis, estas que foram quantificadas a partir de dados retirados de um questionário elaborado por nós. Este método proporcionou uma visão esclarecedora através da qual nos permitiu investigar a influência coletiva destes fatores no desempenho internacional das empresas.

Resultados: A pesquisa culminou em várias descobertas consideráveis. Descobrimos que os principais impulsionadores do desempenho internacional nas PMEs transcendem as fronteiras da indústria. Ou seja, independentemente da indústria, a orientação empreendedora internacional, o ambiente externo e a diferenciação consistentemente emergiram como os principais fatores que influenciam positivamente o desempenho internacional. Os nossos resultados não são apenas derivados de uma revisão da literatura académica, mas também de dados empíricos obtidos por meio de um questionário abrangente, enriquecendo a profundidade e validade das nossas conclusões.

Este estudo serve como uma base robusta para uma investigação mais aprofundada das dinâmicas subtis do desempenho internacional das PMEs e prepara o terreno para futuras pesquisas que podem clarificar "insights" adicionais específicos da indústria. O conhecimento aqui sintetizado tem implicações valiosas para as PMEs que procuram otimizar as suas estratégias e consequentemente adquirir um impulso no seu desempenho internacional.

Palavras-chave: Performance Internacional, Orientação Empreendedora Internacional, Estratégias Competitivas Genéricas, Liderança De Custos, Diferenciação, Estratégia de Foco, Inteligência De Mercado, Ambiente Externo, Indústria Tecnológica, Indústria Transformadora.

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Abbreviations list

SME – Small and Medium Expertise

EU – European Union

IEO – International Entrepreneurial Orientation

CFA – Confirmatory Factor Analise

SEM – Structural Equation Model

CR – Composite Reliability

AVE – Average Variance Extracted

RMSEA – Root-Mean Square Error of Approximation

GFI – Goodness of Fit Index

CFI – Comparative Fit Index

TLI – Tucker–Lewis Index

1. Introduction

1.1. Presentation and Opportunity of the Topic

Internationalization is undeniably one of the most pivotal and pervasive phenomena in today's economic landscape, intimately interwoven into the very fabric of our global market. The intricate web of international trade and business activities has profoundly shaped the world as we know it. Understanding the key determinants of a company's success in the international arena is not merely a matter of growth; it often spells the difference between a company's survival or obsolescence.

The process of internationalization can be succinctly described as a strategic evolution in a company's business development, leading to a high degree of commitment and active involvement in international markets through the introduction of specific products tailored for selected regions (Luostarinen, 1994). This strategic shift demands an astute understanding of international markets, consumer behavior, and intricate global dynamics.

Small and medium enterprises (SMEs) occupy a particularly prominent position within the contemporary economic landscape, serving as the lifeblood of numerous market systems worldwide, whether in developed or developing nations (Beigi et al., 2021). This prominence is particularly noteworthy, given that our forthcoming statistical research is focused on Portugal, a nation where SMEs account for an overwhelming 99.9% of all registered businesses, according to PORDATA[1]. The resilience and adaptability of SMEs in the face of economic challenges make them an integral part of national and global economies.

Defining SMEs can be a nuanced task, as there is no universally accepted classification. SMEs can be characterized based on a multitude of criteria, including their annual turnover, the number of employees, capital investment size, management style, geographical location, and market share (Tumwine et al., 2015; World Bank, 2011). The European Union (EU), provides a standard definition, stipulating that SMEs typically consist of enterprises with less than 250 employees and annual turnovers not exceeding 50 million euros.

SMEs offer innovation, adaptability, and resourcefulness, which enables them to effectively navigate the complexities of international markets. Their pivotal role in the economic ecosystems of both emerging and established economies underscores the significance of our research in understanding the factors that underpin the international success of these dynamic enterprises. By unraveling these determinants, we aim to contribute not only to the growth of SMEs but also to their resilience and sustainability in an increasingly interconnected global economy.

Understanding the drivers of international performance is of paramount importance in today's global business landscape. International performance refers to a company's ability to succeed and thrive in international markets, and identifying the key factors that influence this success is crucial for several reasons.

Firstly, knowing the drivers of international performance allows businesses to make informed strategic decisions. When a company is aware of the critical factors that impact its performance in international markets, it can tailor its strategies accordingly. This might involve adjustments to marketing approaches, product offerings, or operational processes, aligning them with the specific needs and demands of international customers. Without this knowledge, a company may operate in a foreign market blindly, risking misallocation of resources, missed opportunities, and even failure.

Secondly, recognizing these drivers helps companies to better navigate the complexities of international markets. The global business environment is characterized by diverse cultural, economic, political, and regulatory factors. What works in one market may not work in another. By identifying the drivers of international performance, companies can adapt their operations and strategies to align with the unique characteristics of each market. This adaptability is key to overcoming barriers and challenges that international expansion often presents.

Additionally, understanding these drivers is essential for risk management. Entering international markets can be fraught with uncertainties, such as exchange rate fluctuations, political instability, and cultural differences. By knowing the key drivers of international performance,

[1] https://www.pordata.pt/en/home

companies can anticipate potential risks and develop risk mitigation strategies. This proactive approach helps safeguard the company's investments and assets.

Moreover, insights into international performance drivers are crucial for assessing market potential and opportunities. It allows a company to evaluate whether a particular market is worth entering and what the expected returns might be. This evaluation helps businesses allocate resources efficiently and choose markets that align with their capabilities and goals. Without this understanding, a company may engage in costly market entry ventures with uncertain outcomes.

Understanding these drivers is also essential for the development of competitive advantages. By focusing on the factors that truly influence international performance, a company can identify areas where it can excel and outperform competitors. This might involve harnessing unique capabilities, leveraging technology, or adopting innovative approaches. A deep understanding of these drivers can lead to a sustainable competitive edge in global markets.

In summary, knowing the drivers of international performance is instrumental for strategic decision-making, market adaptation, risk management, opportunity assessment, and building competitive advantages. In today's interconnected world, where international markets offer immense opportunities for growth, the ability to grasp and leverage these drivers is crucial for the long-term success of any business venturing beyond its domestic borders.

1.2. Main Objectives

In the context of our research focus, this study is inherently designed to delve into the core drivers propelling SMEs towards heightened international performance. To embark on this exploratory journey, our initial stride involved an exhaustive review of the most recent literature in the field (refer to Appendix 1). Through this scholarly odyssey, we meticulously identified the primary variables that would constitute the foundation of our forthcoming investigation.

The chosen variables, meticulously extracted from the corpus of existing knowledge, encompass:

- International Entrepreneurial Orientation.
- Generic Competitive Strategies (including Cost leadership, Differentiation, and Focus strategies).
- Market Intelligence.
- External Environment.

These variables lay the groundwork for our comprehensive study, reflecting the multifaceted dimensions critical to comprehending SMEs' prowess in the international arena.

With these variables thoughtfully poised, the next phase of our study entails a more in-depth exploration of the literature. Through this process, we endeavor to develop hypotheses that establish meaningful connections between our chosen variables and the central metric of our research, namely, international performance—an elusive yet vital aspect of SME success on the global stage.

To gather empirical data and rigorously test these hypotheses, we will construct a meticulously designed questionnaire. This survey instrument will be administered to a select cohort of companies operating within the technology and manufacturing sectors, two domains that stand as bastions of innovation and international engagement. The responses collected from these companies will serve as invaluable keystones in our research endeavor, enabling us to scrutinize, validate, or refine the hypotheses. The culmination of this data analysis, facilitated through sophisticated statistical software, will furnish us with actionable insights into the viability and relevance of the proposed hypotheses.

In essence, this study seeks to illuminate the intricate interplay between these pivotal variables and the international performance of SMEs. By doing so, we aim to provide a tangible, data-driven foundation for SMEs and researchers to foster and navigate successful international ventures. Our ultimate aspiration is to contribute to the body of knowledge that underpins the continued growth and adaptability of SMEs in an ever-evolving global landscape.

1.3. Innovative Contributions

One of the primary innovations and distinguishing features of this research lies in its unique comparative approach. Unlike many other studies in the same field, this research undertakes a focused examination of two distinctly different yet crucial industries—the technology and manufacturing sectors. This comparative exploration is aimed at uncovering nuanced insights that can shed light on the dynamics of international performance within these industries.

In the realm of manufacturing, this research takes a specific focus on the textile and footwear sectors. This deliberate choice is guided by the profound prevalence and consequential impact of these industries on our specific geographical location. The textile and footwear industries have long been integral to the economic fabric of our region, with their contributions extending beyond economic factors into the social and cultural dimensions of our community.

This research recognizes that these industries play a pivotal role, serving as the cornerstone of local commerce and employment. Consequently, understanding how these sectors navigate the international landscape is not only academically intriguing but also of substantial practical significance. By investigating the international performance of businesses operating within these industries, we aim to provide actionable insights and recommendations that can aid both the businesses themselves and the local and national policymakers who seek to bolster these sectors' competitiveness on a global scale.

Through the comparative analysis of the tech and manufacturing sectors, specifically the textile and footwear industries, this research aims to contribute to the broader discourse on internationalization. By scrutinizing how businesses in these divergent industries approach international markets, we hope to distill valuable lessons that transcend sectoral boundaries and provide a rich tapestry of insights for stakeholders and scholars alike.

1.4. Study Structure and Methodology

The study commences with a thorough literature review, offering an extensive exploration of existing knowledge in the field. This literature review sets the stage for the subsequent components of the research by identifying the key variables, theories, and empirical evidence related to the drivers of international performance. It serves as a crucial foundation, providing a theoretical framework upon which the subsequent analysis is built.

Following the literature review, the study transitions into the empirical phase. In this stage, the research employs Structural Equation Modeling (SEM), a robust statistical technique, to analyze the relationships among various variables and assess the impact of these drivers on international performance. SEM allows for the examination of complex interactions within the chosen model, providing valuable insights into the direct and indirect effects of each driver. Through the SEM analysis, the study aims to validate the hypothesized relationships and gain a deeper understanding of the dynamics at play.

The final section of the study is the conclusion, where the findings and insights derived from the literature review and SEM analysis are synthesized and presented. This section offers a comprehensive overview of the study's outcomes and provides answers to the research questions posed at the beginning of the research. Moreover, it discusses the practical implications of the findings and offers recommendations for businesses looking to enhance their international performance. The conclusion acts as a synthesis of the entire research, summarizing the main takeaways and emphasizing their significance.

Overall, the study's structure reflects a systematic and methodical approach to investigating the drivers of international performance. By sequentially moving from literature review to statistical analysis and concluding with a comprehensive summary, the study aims to provide a well-rounded and valuable contribution to the understanding of international business dynamics.

2. Literature Review

This chapter plays a pivotal role in the research endeavor by providing a comprehensive examination of the existing literature. Its primary purpose is to delineate the importance and relevance of the carefully selected variables, which form the backbone of this study. These variables encompass the multifaceted dimensions of international business and its intricate dynamics. They are as follows: International Performance; International Entrepreneurial Orientation; Generic Competitive Strategies; Market Intelligence; External Environment.

With these variables outlined, the next step involves a meticulous examination of the existing body of literature. This exploration serves to establish the theoretical foundations and empirical evidence that link these variables to international performance. The insights gleaned from this literature review lay the groundwork for formulating hypotheses, which are integral to the empirical phase of this research.

These hypotheses are not mere conjectures; rather, they are carefully justified and articulated based on the existing theoretical and empirical knowledge. The research applies a rigorous framework to ensure that these hypotheses are well-founded and testable, thereby contributing to the growing body of knowledge on international business.

In the subsequent phases of this study, these hypotheses will be subjected to empirical scrutiny through a structured questionnaire, targeting businesses operating in both the technology and manufacturing sectors. This empirical analysis will provide valuable insights into the practical implications of the theoretical constructs, ultimately offering guidance for businesses and seeking to enhance their international performance in a dynamic global landscape.

2.1. International Performance

Drawing from a comprehensive analysis of current literature, a discernible pattern emerges regarding the prevalent form of measurement employed to evaluate the influence of various drivers on a company's performance (Asemokha et al., 2019; Beigi et al., 2021; Crespo et al., 2020; Falahat et al., 2020; Gerschewski et al., 2015; Prange et al., 2017; Radulovich, 2018). This pattern highlights the prominent utilization of 'international performance' as a key metric in these studies. Recognizing the pivotal role played by international performance, we sought to establish a clear and universally accepted definition for this multifaceted construct.

To comprehensively define and standardize the measurement of international performance, we turn to the work of Beleska-Spasova (2014). Her seminal research has been instrumental in shedding light on the determinants and the multitude of measures underpinning the complex construct of export performance. Beleska-Spasova's work meticulously outlines the intricacies of export performance, encompassing not only financial indicators but also non-financial dimensions such as market expansion, market share growth, and overall international business success. By aligning our study with the insights gleaned from Beleska-Spasova's work, we aim to adopt a robust and universally recognized framework for assessing international performance within the context of Small and Medium-sized Enterprises (SMEs). This alignment ensures that our research remains both comprehensive and directly comparable to the broader body of literature in the field. These objectives previously mentioned can be economic and non-economic:

- Economic measures:
    - Sales-related: Export intensity, Export intensity growth, Export sales efficiency, Export intensity growth compared to competitors, Export sales growth, Export sales growth compared to competitors, Export sales return on investment, Export sales return on investment compared to competitors, Export sales volume, Export sales volume compared to competitors.
    - Market-related: Export market share, Export market share compared to competitors, Export market share growth, Export market share growth compared to competitors, Gaining a foothold in the market, Market diversification, Rate of new market entry, Rate of new market entry compared to competitors.

- Non-economic measures:
    - General: Export success, How competitors rate the firm's export performance, Meeting expectations, Overall export performance, Overall export performance compared to competitors, Strategic export performance.
    - Miscellaneous: Achievement of objectives regarding response to competitive pressures, Building awareness and image overseas, Contribution of exporting to the growth of the firm and the quality of the firm's management, Customer satisfaction, Gaining new technology/expertise, Product/service quality compared to competitors, Quality of customer relationships compared to competitors, Quality of distributor relationships, Quality of distributor relationships compared to competitors, Reputation of the firm compared to competitors.

2.2. International Performance in Manufacturing and Tech Industries

Beginning with the insights provided by Nadkarni et al. (2011), it is apparent that factors such as the domestic mindset of top managers and the prevailing international industry conditions can exert a positive influence on the early international performance of companies operating within multi-domestic industries. These findings underscore the importance of leadership perspectives and the external business environment in shaping international success.

Shifting the focus to the manufacturing sector, the research by Blecker et al. (1995) emphasizes that manufacturing industries can enhance their international performance by adopting strategic policies that promote research and development (R&D) activities. This underscores the significance of innovation and technology-driven strategies in the manufacturing realm to excel in international markets.

Furthermore, a study conducted by Yoon et al. (2018) homed in on technology-based Small and Medium-sized Enterprises (SMEs), revealing a set of critical variables that significantly impact positive international performance. These variables encompass innovativeness, risk-taking propensity, proactiveness, and network capability. The study's outcomes indicate that, irrespective of the industry, achieving a favorable international performance hinge upon the adept application of these pivotal drivers. In essence, these findings emphasize the universality of success factors that can be leveraged across both manufacturing and technology industries to bolster international performance.

2.3. International Entrepreneurial Orientation

Entrepreneurial Orientation (EO) and entrepreneurship, although correlated terms are different at the core. Mentioning Lumpkin and Dess (1996, 2001), we can understand EO as being entrepreneurial process that explain how new projects are conducted, and entrepreneurship as what businesses do. The basis of EO was introduced by Miller (1983). The author explains that companies that demonstrate innovation, proactivity, and a risk-taking approach follow an entrepreneurial orientation. Innovation can be described as a company's search for new opportunities, ideas, and involvement in creative methods, which in turn results in the making of new products, services, and technological processes (Lumpkin et al., 2001). Proactivity suggests the determination of a company to chase promising opportunities (Miller, 1983). Risk-taking is the range and disposition of managers to commit company resources to activities or projects where the outcomes are unknown, and the cost of failure can be high in uncertain market environments (Wiklund et al., 2005). International Entrepreneurial Orientation is an evolving research area that seeks to analyze the international activity of companies at the three different levels described before (Kropp & et al, 2006).

Multiple studies have examined the influence of international entrepreneurial orientation and its effects on international performance. Firstly, we can use Hernández-Perlines et al. (2016) who demonstrated that international entrepreneurial orientation has a significant impact on the international performance of family-owned businesses. Regarding the 3 levels of international entrepreneurial orientation highlighted above, these authors exposed innovation as the most important. According to Balabanis et al. (2003), there's a direct relationship between entrepreneurial posture and export performance, this translates in the maximization of profit in companies that adopt an entrepreneurial orientation, regardless of market condition. Krauss et al. (2005) demonstrated that the presence of EO is a valuable indicator of business success, with proactiveness being shown as the most important

level, also providing evidence of the advantages of EO constructs across all levels of investigation, cultures, and economic developments.

We can also find some occasions where international entrepreneurial orientation doesn't seem to show any impact on a company's performance. Slater et al. (2000) studied if entrepreneurial orientation and business profitability were positively related, and it revealed no substantial influence. Taking this into consideration we propose our first set of hypotheses:

H_{1a}: International entrepreneurial orientation has a positive impact on the international performance of SMEs.
H_{1b}: International entrepreneurial orientation does not impact the international performance of SMEs.

2.4. Generic Competitive Strategies

The generic competitive strategies were established by Porter (1997). The author first defined competitive strategy as taking an offensive or defensive action to secure a safe position and generate a superior return on investment in a certain industry, while handling successfully the five competitive forces (threat of new entrants, threat of substitute products or services, bargaining power of suppliers, bargaining power of buyers, rivalry among existing firms). A company applies these generic strategies for three reasons, them being to survive, become profitable, and increase its market share (Islami et al., 2020).

Although each company should aim to formulate and apply unique strategies taking into consideration the industry, they're in, on a broader level Porter identified three specific generic strategies that can be universally used, individually or collectively, and can help outperform competitors in the same industry, namely: cost leadership, differentiation, and focus (Porter, 1997).

According to Nandakumar et al. (2011), companies who employ any of the generic competitive strategies, either cost leadership, differentiation, or focus have an overall better performance than the ones who do not, with emphasis on cost leadership and differentiation both of whom demonstrate better financial performance.

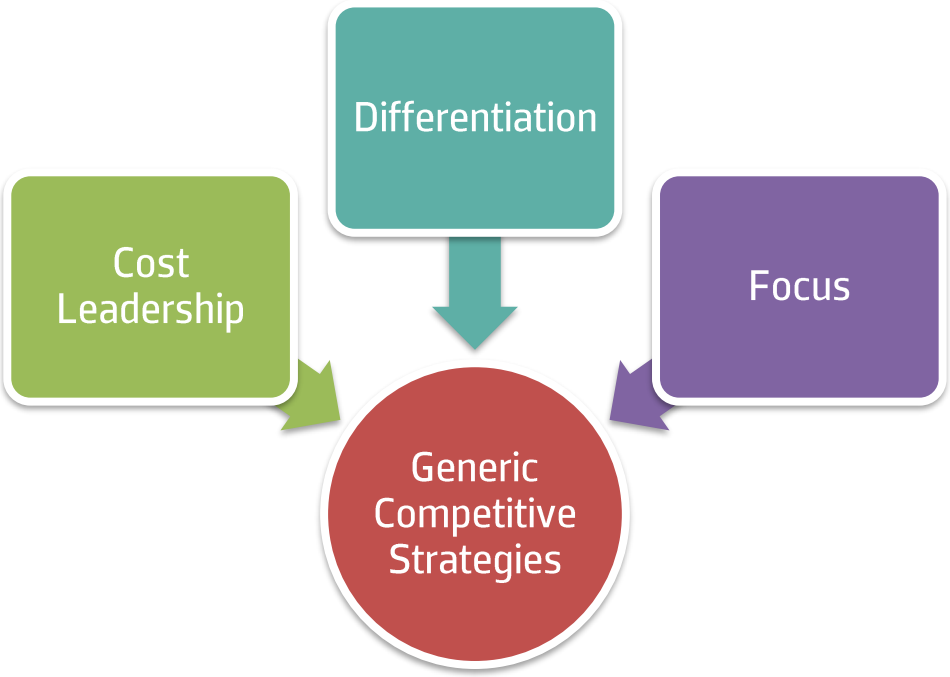


Figure 1 – Strategic Generic Forces of Porter

2.4.1. Cost Leadership

Cost leadership is a competitive strategy based on the premise of having low-cost products or services compared to competitors (without forgetting quality), being that this can be achieved through

efficient-scale facilities, the pursuit of cost reduction through the means of experience, overhead control, and cost minimization in areas like R&D and advertisement (Porter, 1997).

Cavusgil et al. (2015) argue that companies that focus on lowering costs, efficient logistics, and networking with their international partners, demonstrate early internationalization leadership compared to their competitors. According to Amoako-Gyampah et al. (2008), a cost leadership strategy, always aligned with product quality, has a significant positive impact on a company's overall performance. Also, Baraza (2017) explained that this strategy has the benefit of intensifying investments, which in turn leads to enhanced performance.

Finally, and contradicting the findings shown before, we can use Ward et al. (2000) to demonstrate an instance where cost leadership and business performance demonstrated an insignificant correlation, especially In high-performance companies. Thus, we formulate the following hypothesis:

H_{2a}: Cost Leadership has a positive impact on the international performance of SMEs.
H_{2b}: Cost Leadership does not impact the international performance of SMEs.

2.4.2. Differentiation

The term differentiation, as described by Dombrowski et al. (2018), can be employed when a certain product or service is unique in the marketplace, with high quality and standard, and that can be distinguishable from competitors. The key value of this strategy is uniqueness (Atikiya, 2015).

There are many ways to achieve differentiation, some of them proposed by Porter (1980), namely: design or brand image, technology, features, customer service, and others. When this form of strategy is achieved it can provide above-average returns, coupled with a defensible position in the market because of the loyalty and exclusivity offered by clients, all these actions combined can assure a company with high market share and low-cost sensitivity (Porter, 1980).

According to David (2011), this loyalty is gained through the customers becoming deeply attached to unique product features, only if these features are tough enough for competitors not to copy, for this to be possible it would be ideal for them to be, in terms of production, time-consuming and expensive.

Regarding the effects of differentiation on international performance, Gorondutse et al. (2017) found a positive connection between the two, supporting that companies that used differentiation gained competitive advantage and inherently increased performance. On the same topic, Islami et al. (2020) showed that differentiation was Porter's generic strategy that had the greatest impact on increasing performance.

Contradicting these findings, we can integrate Dawes et al. (1996) and Parker et al. (1992). Their studies defended that not only the differentiation strategy, but all of Porter's generic strategies had no connection to a company's high performance. Consequently, with these findings we reach the following hypotheses:

H_{3a}: Differentiation has a positive impact on the international performance of SMEs.
H_{3b}: Differentiation does not impact the international performance of SMEs.

2.4.3. Focus

The last generic competitive strategy is the focus strategy, which entails market segmentation as their main factor, it helps the business gain a competitive advantage by focusing on a particular consumer group, a segment of the product line, or a geographic market (Atikiya, 2015).

Unlike the other generic strategies which are applied industrywide, the focus strategy is developed around a specific target, emphasizing that the company can achieve differentiation by meeting more effectively the needs of the niche, or by lowering its costs, or both (Porter, 1998).

Referring to Atikiya (2015), it was shown through their research that the focus strategy, whether anchored on a low-cost or differentiation strategy, successfully managed the needs of the specific market that it was imputed. On the same level, Tehrani (2002) conducted a study that compared the impact of five competitive strategies, them being product differentiation, low-cost, marketing differentiation, focus product differentiation and focus low-cost on the performance of high-tech industries in the United States and Europe, concluding that focus product differentiation to be one of the most impactful variables In terms of superior performance in a company. Regarding a study

made by Ndhiwa (2010) we can reiterate the focus strategy as being one of the most useful in dealing with an extremely competitive market and overall performance.

In opposition, Oyewobi et al. (2015) demonstrated that all of Porter's generic competitive strategies are significantly related to organizational financial performance measures except for the focus strategy which revealed no significant relationship at all. Given all these results we formulate these hypotheses:

H_{4a}: The focus strategy has a positive impact on the international performance of SMEs.
H_{4b}: The focus strategy does not impact the international performance of SMEs.

2.5. Market Intelligence

According to Mishra et al. (2015), market intelligence is a very crucial and valuable attribute for a company to possess since it enhances its competence to identify and take advantage of external opportunities and therefore promote internationalization. The core of market intelligence centers around understanding competitors, customers, and other business stakeholders and as a result, allowing businesses to gain a competitive advantage by taking advantage of opportunities that appear.

Some authors also refer to this phenomenon as market orientation, Hosseini-Moqaddam et al. (2014) defined it as the degree to which a company understands the needs of its customers and turns this information into a tool throughout the company to try and anticipate future actions and meet the needs of its customers.

Concerning the impact of market intelligence influence on a company's performance, we can start by referring to Vătămănescu et al. (2016), it was shown that market intelligence may be capable of improving company performance by developing market information management, organizational learning, and intellectual capital. Furthermore, Kirca et al. (2005) who conducted a comprehensive study on the matter, concluded that market orientation, although a costly procedure, enhances profits which translates into a positive economic performance indicator, other variables worthy of acknowledgment, that are positively impacted by market intelligence are sales, business evolution, perceived quality, market shares, and public satisfaction.

Referring to Escandón-Barbosa et al. (2016), we can understand the importance of the collaboration that needs to happen between international entrepreneurial orientation and international market orientation, for a company's financial success. We can also elaborate, from the same authors, that although international market orientation leads to a positive gain in international performance, in prominent levels, to the point of saturation, it can lead to a turning point where it starts to show no effects, especially in countries where the recourses are scarce and in SMEs. Taking all this information, we elaborate on the following hypotheses:

H_{5a}: Market intelligence has a positive impact on the international performance of SMEs.
H_{5b}: Market intelligence does not impact the international performance of SMEs.

2.6. External Environment

There is no extensively held consensus on how corporate external environment should be assessed and measured, given that some researchers have treated environments as objective facts independent of companies, and others have treated environments as perceptually determined and enacted (Kim and Lim, 1988). Following previous research, in this study external environment will be treated as a perceptual construct because international performance is viewed as a strategic decision that involves navigating within aspects of the macro, micro, and industry environments (Machuki et al., 2011; Pearce et al., 2000). With this in consideration, external environment according to Ojeda-Gomez et al. (2007) can be divided in two levels: micro and macro. The micro level includes all those with whom the firm has relationships and who in turn can have an impact on it such as suppliers, consumers, distributors, governmental institutions, and competitors; while the macro level corresponds to factors indicating trends or changes in the social, political, technological, demographic, cultural and economic realms.

In the same vein, Thompson et al. (2007) also divided external environment in two: macro environment and industry/competitive environment. Regarding the macro environment, it includes economic conditions, population demographics, technology, social values, lifestyles, and regulations; While the industry/competitive environment includes factors such as suppliers, customers, competitors, new entrants, and substitute products.

Relating to the impact of external environment on international performance we can start by mentioning Islami, X. et al. (2020), who demonstrated that external environment-related factors have a significant influence on international performance among exporting SMEs. On the other hand, Kuivalainen, O. et al. (2004) indicated that although competitive domestic markets and a growing industry support companies' internationalization effort, too much environmental instability can have negative consequences.

Given this information and adding Ibeh (2003) we can conclude that external environment can exhibit a positive, insignificant or even negative effect on international performance. With this finding, we can in turn support the following hypotheses:

H_{6a}: External environment has a positive impact on the international performance of SMEs.
H_{6b}: External environment does not impact the international performance of SMEs.

3. Methodology

Having found our hypotheses our main goal now is to assess them, applying various statistical tests, to determine their validity. To achieve this, we intend on creating a database developed from questionnaires. These questionnaires serve the purpose of quantifying the various drivers that were described in literature as being the ones with the most impact on the international performance of SMEs. This will allow us to understand if these drivers have some if any impact on the international performance of Portuguese SMEs.

Taking our hypothesis into consideration, we can establish our dependent and independent variables. The dependent variables are the ones we are interested in measuring and, as the name suggests, depends on our independent variables. Given that we want to measure the International Performance of PMEs, this is our dependent variable. On the other hand, independent variables are the ones that we want to study their changes and how it impacts the dependent variables, for this study and considering the literature presented, our independent variables are International Market Orientation, Cost Leadership Strategy, Differentiation Strategy, Focus Strategy, Market Intelligence and External Environment.

In Appendix 2 we present the conceptual model of this research, based on the theoretical foundations given in the previous chapter and considering our dependent and independent variables. After developing the questionnaire and collecting the various responses we intend on dividing the data into three separate databases, the first one containing all the data collected, the second one only including companies from the tech industry and the last one containing only companies in the manufacturing industry. This will be done so that we are able to compare the outcomes of the two different industries.

Lastly, we intend on testing the data on the statistic software JASP, employing a structural equation model (SEM), which is a technique to analyze multivariate models and is frequently used to assess the credibility of the hypothesized models (Anderson and Gerbing, 1988). Before this we will assess the validity of the data by using a confirmatory factor analysis (CFA) this is needed to test our data and assure its validity, adequacy, consistency, reliability and also confirms if the constructs that are theoretically related, are in fact related (Bhat et al., 2022) and examining the good of fit indices of the model presented.

3.1. Population, Sample and Data Gathering

The population of this study consists of Portuguese SMEs, currently operational, active in international markets and inserted in the technological and manufacturing industry (for the manufacturing industry only companies in the textile or footwear industry).

To select the companies that are going to receive our questionnaire, we used Sabi, which is a database containing information about approximately 900.000 Portuguese companies. After accessing the Sabi website, we applied some filters to satisfy the specific needs of our study. Firstly, we selected the NACE (Nomenclature of Economic Activities) of the companies we wanted to include, the ones selected where: 13 – Manufacture of textiles, 14 – Manufacture of wearing apparel, 15.2 – Manufacture of footwear and 62 – Computer programming, consultancy and related activities. The next filters applied made sure the companies selected have currently an active status, are from Portugal and are companies that have the e-mail information available. After applying all the filters, we ended up with 9.612 companies and their respective contacts, so that we are able to send the questionnaire. All the different stages of the filtration can be seen in Appendix 3.

The questions were made following previous guidelines in the current literature (Gerschewski et al., 2015; Falahat et al., 2020; Crespo et al., 2020; Jean & Tan, 2019; Beleska-Spasova, 2014) and it was composed of 75 questions, to allow us to input the data into JASP to elaborate a SEM all the questions relating to our drivers will be a 5 point Likert scale ranging from 1 (Strongly disagree) to 5 (Strongly agree). In Table 1 we present all the questions that compose the questionnaire as well as their respective coding, that was used as abbreviation for the database and lastly it indicates the driver associated to each question.

The questionnaire was sent to all the companies given to us by Sabi and was open for answers from 12/07/2023 until 18/09/2023, during this period 133 companies were unreachable because the

email provided was invalid. In the end we ended up with 325 answers and after removing incomplete or invalid answers we ended up with 311 valid answers, which are the sample of our study. Although our questionnaire only obtained a response rate of about 3% according to Stevens (2012) the sample size is large enough to be considered statically significant. Our questionnaire in its entirety is displayed in Appendix 4.

Questions	Coding	Constructs
Does your company operate in foreign markets?	AME	Demographics
What department do you work in?	DEP	
Year the company was founded	ANOCRI	
Year of the first act of internationalization	ANOINT	
Difference between the year of creation and the year of the first act of internationalization **(Created after)**	DIFCRIINT	
Company's age **(Created after)**	IDADEEMP	
Type of industry	TIPOIND	
Business model	MODELONEG	
Geographical location of the first markets penetrated	LOCALMERC	
What are the main reasons for choosing this geographical location(s)?	MOTLOCAL	
How did you enter the first international markets?	MODENTR	
Instead of just Portugal, the world is considered the company's market.	OEIVGP1	International Entrepreneurial Orientation
We pursue international business.	OEIVGP2	
We have the vision of a truly global company.	OEIVGP3	
We approach internationalization through long-term strategies.	OEIVGP4	
We have a strong determination to do business internationally.	OEIVGP5	
We regularly communicate the company's mission to our employees in order to be successful abroad.	OEIVGP6	
We look for new ways of running operations.	OEIIP1	
We initiate actions to which other companies respond.	OEIIP2	
We introduce improvements and innovative processes in the company.	OEIIP3	
We regularly identify new opportunities.	OEIIP4	
We try to take the initiative in all situations.	OEIIP5	
The company is creative in the way it operates.	OEIIP6	
We have the ability to adjust prices in the markets in which we operate.	LC1	Cost Leadership
We respond quickly to our competitors' price changes.	LC2	
We respond quickly to our customers' requests for price consideration.	LC3	
We are transparent in the information we provide to our customers about price changes.	LC4	
We can easily reduce our production costs.	LC5	
Our international customers praise the quality of our products and/or services.	DIF1	Differentiation
The quality of our products and/or services is better than most of our competitors.	DIF2	
We try to make improvements to our existing products and/or services.	DIF3	
We strictly control the quality of our products and/or services.	DIF4	
We solve our customers' problems immediately.	DIF5	
Our products and/or services are improved based on gaps in meeting our customers' expectations.	DIF6	
We have R&D for new products and/or services.	DIF7	
We produce a wide range of products and/or services.	DIF8	
We focus on the specific needs of our customers in international markets.	FOCO1	Focus
We see our products and/or services as a new and innovative way of meeting demand.	FOCO2	
We emphasize the unique characteristics of our products and/or services in	FOCO3	

international marketing.		
Our products and/or services are highly specialized for international markets.	FOCO4	
We focus on exploiting niche markets.	FOCO5	
We target relatively new and "untapped" markets around the world.	FOCO6	
Which strategy do you think best fits your company?	QUALESTRAT	Generic Competitive Strategies
We can quickly detect when changes in market regulations occur.	IM1	
We can quickly detect changes in our customers' needs.	IM2	
We can quickly detect changes in our competitors' strategies.	IM3	
We can quickly detect changes in the distribution channels we use.	IM4	
Our commercial strategies are guided by convictions about how to create better value for customers.	IM5	Market Intelligence
We pay a lot of attention to after-sales services.	IM6	
We systematically and frequently measure customer satisfaction.	IM7	
We communicate internally frequently about customer experiences.	IM8	
Compared to our competitors, our company is better able to deal with government regulations and bureaucracy.	AERP1	
Our company's top managers have good relations with officials at various levels in the public administration.	AERP2	
Our company's top managers establish good relations with the managers of the companies that are our clients.	AERP3	
Compared to our competitors, our business model finds new ways of obtaining commercial licenses.	AEIN01	
Our business model finds a new way of dealing with illegal competitive practices, such as piracy of new products/trademarks.	AEIN02	
Our business model finds a new way of dealing with insufficient infrastructure (such as electricity, water, road access, etc.).	AEIN03	External Environment
Our company has already experienced some illegal competition practices, such as illegal copying of new products, counterfeiting of our own products and trademarks registered by other companies.	AEHOST1	
Our company has experienced an increase in unfair competition practices from other companies in the sector.	AEHOST2	
Our company has faced ineffective laws to protect its intellectual property.	AEHOST3	
Our company has been rated as one of the best companies by newspapers, magazines or the media.	AEREP1	
Our company has been considered one of the most reliable companies in the sector.	AEREP2	
Number of employees	NFUNC	
Sales volume (€)	VOLNEG	
Contribution of international sales to total sales (%)	CONTVENINT	International Performance – Economic Measures
Growth in international sales (%)	CRESCVENINT	
Do you think that international sales have increased the company's profits?	LUCRO	
We were able to introduce successful new products and/or services on international markets.	PERFINTNE1	
We have established the positioning of our products.	PERFINTNE2	
We were able to enter new market segments.	PERFINTNE3	
We were able to acquire new technologies and experiences.	PERFINTNE4	International Performance – Non-Economic Measures
We have a good relationship with our international distributors.	PERFINTNE5	
Our products and/or services are of better quality than those of our competitors.	PERFINTNE6	
Our relations with our customers are better than those of our competitors.	PERFINTNE7	
We have a better reputation than our competitors.	PERFINTNE8	

Table 1 – Variable Coding and Description

4. Descriptive Analysis

The questionnaire was divided in two parts. Since we were aiming for companies that participated in the international market this was our first question "Does your company operate in foreign markets?" if answered "Yes" the questionnaire would continue as normal, but if answered "No" the questionnaire would end and there was a possibility of answering the question "What are the main reasons why your company doesn't operate in foreign markets?". The companies that answered positively to participating in the international market correspond to 190 answers out of the 311 total answers, this corresponds to proximally 61% of the total number of answers. In a later chapter we'll be analyzing the answers of the companies that don't partake in international markets, using a word cloud to compile and understand the main reasons for this occurrence.

All the tables and results used for these analyses are depicted in Appendix 5, since our main goal is to compare the two industries previously mentioned. We used JASP to create contingency tables to separate the data by industries this allowed us to used chi-squared and Cramer's V tests to measure the strength of the relationship between the different variables and the type of industry (Wu et al., 2013). According to Reynolds (1984) a Cramer's V test result of at least 0.1 provides a good minimum threshold to confirm the relationship. After imputing all the data and collecting the tables, the only variables that presented a p-value > 0.05 were DEP, CRESCVENINT and LUCRO this suggests that there is no evidence to reject the null hypothesis of independence, indicating that there isn't a statistically significant association between the two categorical variables. Regarding the Cramer's V tests the only one that showed a value lower than 0.1 was CRESCVENINT which suggests a very low association between CRESCVENINT and TIPOIND.

Since we're aiming to compare two different industries it's wise to start by analyzing the number of responses from each industry. From the total number of responses about 61% were from companies in the tech industry and about 39% were from companies in the manufacturing industry, this can lead us to assume that the results provided will have a point of view slightly more towards the tech industry side, since they were more proactive to respond.

Firstly, it's important to understand which company department the people who represent their company and responded to the questionnaire belong to. In general, we can determine that 67% of the answers were given by the CEOs of their respective companies, followed by people in the commercial department, the administrative department and lastly in the financial department, in total the people inserted in these four departments either together or separately represents 92% of the total number of answers. If we compare the two industries, we can see that in both, CEO continues to be the department most prevalent in terms of response with the commercial and administrative department following it.

In terms of the characteristics of the companies we can examine their business model and age. We can see that 96% of the companies, regardless of the industry they're in, operate on a B2B (business to business) bases. Only the tech industry has a small percentage of companies (6%) that operate exclusively on a B2C (Business to Consumer). Regarding their age, the companies from the manufacturing industry are on average 13 years older than the ones from the manufacturing industry. This can be a reason to explain the year they started to operate in foreign markets, since on average the companies from the tech industry started internationalization 10 years earlier.

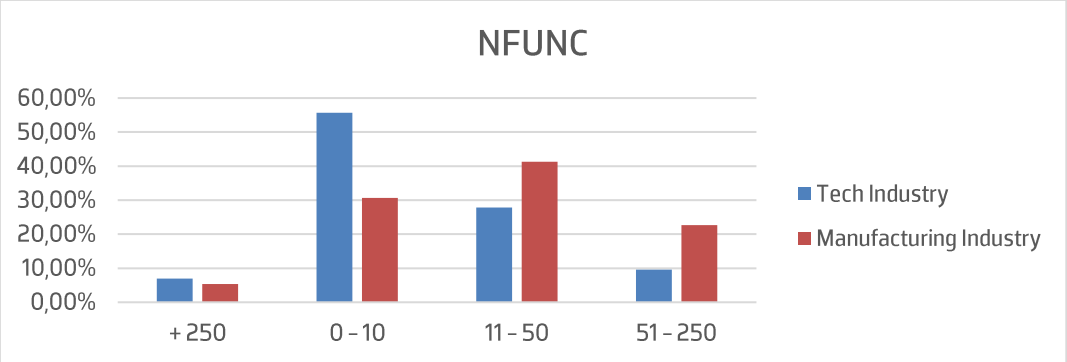
To understand why the various companies started their internationalization process, we wanted to know the geographical locations the companies decided to aim for as their first international markets, why they choose these specific places and the ways they choose to enter them. Looking at the geographical places (more specifically continents) that were chosen by the companies, the three more prevalent were Europe, Africa and North America, either chosen together or separately all these continents represent 97% of the total number of answers. In both industries Europe was the top choice with almost 90% of the companies choosing this continent to start their international relations, in the case of the manufacturing industry this is more apparent, since all the companies (100%) choose Europe. The biggest difference between the two industries is the second most chosen continent, since in the tech industry it's Africa (33%) while in the manufacturing industry it's North America (19%).

The biggest reasons for choosing these regions were opportunities (84%), proximity (39%), language (31%) and easy access to distribution channels (24%). This is equally shown in both industries and explains well why Europe was chosen as the predominant continent to start international trade.

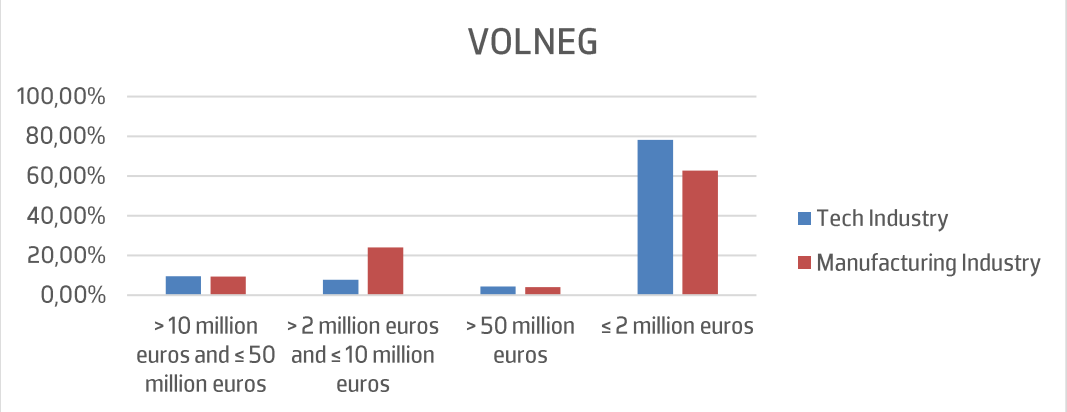
The only difference between industries is, once again, the second most chosen reason, given that the tech industry chose proximity, and the manufacturing industry chose language. This explains the second most chosen continent in each industry, given that the tech industry chose Africa which is the closest continent to Portugal, and the manufacturing industry chose North America, which possesses the English language considered to be the "universal" language.

Regarding the way the companies chose to first enter the international markets, export (63%) and strategic alliances (34%) were by far the main ones indicated. In the manufacturing industry export was the main method used with 92% of the total number of companies. On the other hand, the tech industry indicated strategic alliances as the main method used with 50%, but exports also played an important role with 43%.

Next, we are going to evaluate the economic measures of international performance and in turn further characterize the companies. The EU classifies SMEs as companies which employ fewer than 250 people and which have an annual turnover not exceeding 50 million euros, this accounts to 93,68% of the companies that responded, since were studying SMEs, this is a very good indicator. When looking at the number of employs we can assume that the manufacturing industry employs more people since 64% of companies in this industry have between 11 to 250 employees while 56% of companies in the tech industry have between 0 and 10 employees. Contrary to the number of employees the sales volume of both industries is more similar, given that sales volume under 2 million euros is the most prevalent (72%). The second most chosen interval in both industries changes, in the tech industry it's between 10 and 50 million euros (10%) and in the manufacturing industry it's between 2 and 10 million euros (24%).



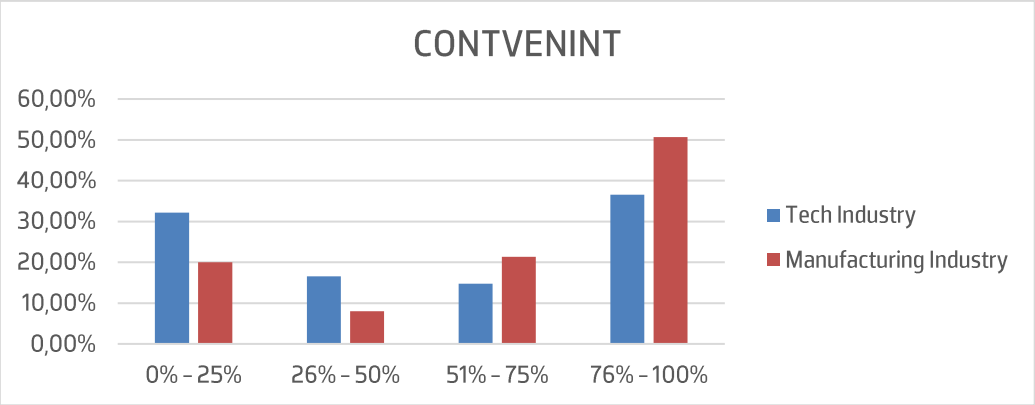
Graph 1 – Number of Employees per Industry



Graph 2 – Sales Volume per Industry

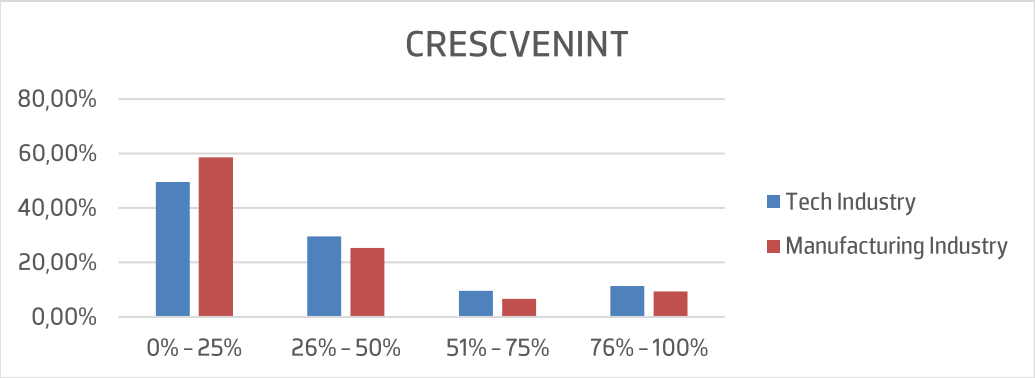
The last questions were the ones that focused more specifically on the international performance of the companies. The contribution of international sales to the total number of sales is slightly different between industries. In the tech industry half of the companies (49%) reported a contribution of international sales under 50% and the other half (51%) reported a contribution of international sales over 50%, being more specifical the two most recurring intervals are between 76%

and 100% (37%) and between 0% and 25% (32%). The contribution of international sales to the total number of sales is more apparent in the manufacturing industry since 72% reported a contribution of international sales over 50%.

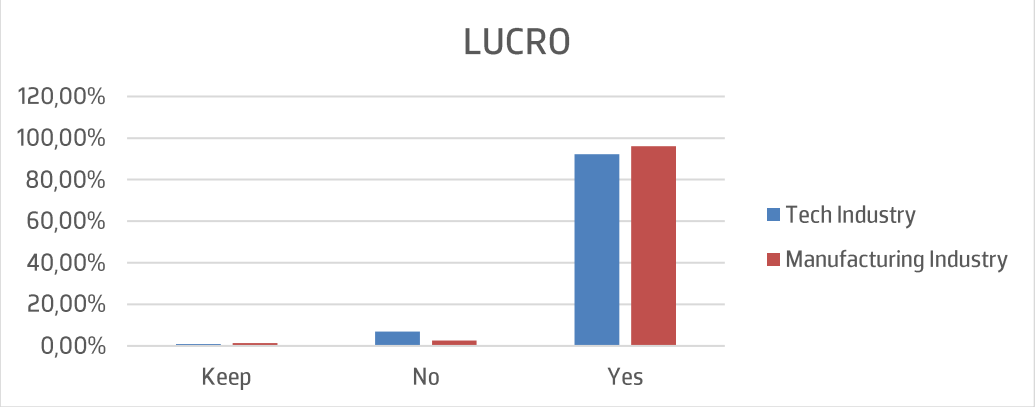


Graph 3 – Contribution of International Sales to Total Sales per Industry

Lastly, we can see that international sales growth and contribution of international sales to profit are very similar in both industries. Most companies in both industries (81%) reported a growth of international sales under 50%, in the same lane most companies in both industries (94%) agreed that international sales helped them increase company's profits. We put a "other" option in this last question for anyone that would like to comment, and we obtained a very interesting observation from one of the companies: "We were born global. We don't have a home market and so the residual value is Portugal. In our case, the question is whether Portugal helps increase the company's profit.".



Graph 4 – International Sales Growth per Industry



Graph 5 – Perceived Profit per Industry

5. Divers of International Performance In Both Industries

5.1. Confirmatory Factor Analysis

Before testing our model using the SEM, we first need to do a CFA. To assess the CFA the recuring literature uses mainly factor loadings (represents the strength of the relationship between an observed variable and a latent factor), composite reliability (assesses how well the observed variables that load on a factor collectively represent that same factor) and average variance extracted (a measure of the amount of variance in the observed variables that is accounted for by the latent factor they represent). Fornell and Larcker (1981) suggest a factor loading of at least 0.50 or higher, a Composite Reliability (CR) of at least 0.60 or higher and lastly an average variance extracted (AVE) of 0.50 or higher.

A total of two attempts were made until the tests achieved favorable results, in each attempt the variables that didn't comply with the suggested values were removed. In the first attempt the variables LC4 (FL=0.300), LC5 (FL=0.460), DIF7 (FL=0.390), DIF8 (FL=0.279), FOCO5 (FL=0.490), FOCO6 (FL=0.475), AERP3 (FL=0.312), AEHOST1 (FL=0.247), AEHOST2 (FL=0.302), AEHOST3 (FL=0.260), AEREP1 (FL=0.320) and AEREP2 (FL=0.223) didn't comply with a value of at least 0.5 regarding factor loading. Also in the first attempt, none of the factors comply with the minimum value in AVE, with differentiation (AVE=0.293) and external environment (AVE=0.217) having very low and unacceptable values. The factor external environment (CR=0.659) also didn't comply with the minimum value in CR. On the second attempt the variables with a Factor Loading lower than 0.5 were removed, this time all the variables presented an acceptable factor loading value. Regarding the factors although all of them present a high value in CR, the AVE values are all below 0.5. According to Hair et al. (2019) AVE values between 0.4 and 0.5 although not preferable are still acceptable, the only exception being market intelligence which is below 0.4, but since it presents a very good CR value and its theoretically supported it will not be removed, however it represents a limitation to the study. In Table 2 the final CFA test results are showed.

Variables	Factor Loadings	CR	AVE
International Entrepreneurial Orientation	-	0.901	0.434
OEIVGP1	0.523	-	-
OEIVGP2	0.622	-	-
OEIVGP3	0.764	-	-
OEIVGP4	0.736	-	-
OEIVGP5	0.671	-	-
OEIVGP6	0.736	-	-
OEIIP1	0.578	-	-
OEIIP2	0.569	-	-
OEIIP3	0.659	-	-
OEIIP4	0.658	-	-
OEIIP5	0.643	-	-
OEIIP6	0.680	-	-
Cost Leadership	-	0.703	0.449
LC1	0.531	-	-
LC2	0.749	-	-
LC3	0.693	-	-
Differentiation	-	0.835	0.458
DIF1	0.624	-	-
DIF2	0.695	-	-
DIF3	0.777	-	-
DIF4	0.722	-	-
DIF5	0.672	-	-
DIF6	0.576	-	-
Focus	-	0.768	0.462
FOCO1	0.677	-	-
FOCO2	0.790	-	-
FOCO3	0.658	-	-
FOCO4	0.626	-	-
Market Intelligence	-	0.829	0.379

IM1	0.575	-	-
IM2	0.712	-	-
IM3	0.602	-	-
IM4	0.651	-	-
IM5	0.613	-	-
IM6	0.641	-	-
IM7	0.526	-	-
IM8	0.629	-	-
External Environment	-	0.779	0.418
AERP1	0.575	-	-
AERP2	0.712	-	-
AEIN01	0.602	-	-
AEIN02	0.651	-	-
AEIN03	0.613	-	-
International Performance – Non-Economic Measures	-	0.856	0.426
PERFINTNE1	0.614	-	-
PERFINTNE2	0.802	-	-
PERFINTNE3	0.644	-	-
PERFINTNE4	0.584	-	-
PERFINTNE5	0.626	-	-
PERFINTNE6	0.714	-	-
PERFINTNE7	0.633	-	-
PERFINTNE8	0.578	-	-

Table 2 - CFA for Both Industries

5.2. Goodness of fit indices

Before starting the SEM analysis, the goodness of fit indicators need to be assessed to guaranty the acceptance and adequacy of the model. For this purpose, some indicators were considered such as the chi-squared statistic (X^2), the p-value for the baseline, the root mean square error of approximation (RMSEA), the goodness of fit index (GFI), comparative fit index (CFI) and Tucker-Lewis index (TLI). For an acceptable model fit the RMSEA should be less than 0.5, the CFI and TLI should both be greater than 0.95 and the GFI should be greater than 0.9 (Hair et al., 2019).

For this study the good of fit indices were $X^2(191) = 848.94$, $p = 0.998$, RMSEA = 0, CFI = 1, TLI = 1.01 and GFI = 0.954. Although the X^2 was very significant it is necessary to note that according to most researchers this test is very sensitive to larger sample sizes (Leong et al., 2013). Also in this case, being a goodness of fit study, a high p-value suggest that the model doesn't deviate from the expected values. With these results we can validate the goodness of fit of this model.

5.3. Structural Equation Model

With the CFA and the goodness of fit indices assessed and validated we can now test the model using the SEM. In Table 3 we can see the results of the regression coefficients, while on Figure 2 the SEM obtained.

With these results we can assess the statistical significance of all the factors. Firstly, analyzing the p-values of them all we can see that cost leadership, focus and market intelligence don't appear to have a significant relationship with international performance, given that they all presented p-value greater than 0.05. On the other hand, international entrepreneurial orientation, differentiation and external environment were shown to be statistically significant at the 0.05 level.

The factor shown to be the most influential to international performance is differentiation, being the factor with the lowest p-value in conjunction with the highest estimate coefficient of 0.813, this means that, on average, a one-unit increase in differentiation (DIF) is associated with a 0.813 unit increase in the outcome variable of international performance (PERFINTNE). The same can be said about international entrepreneurial orientation and external environment, if we look at their estimate coefficient, we can assume that they both have a positive effect on international performance.

Regression Coefficients	Estimate	Standard	p-value	Supported	Hypothesis

OEI → PERFINTNE	0.522	0.302	0.018	Yes	H_{1a}
LC → PERFINTNE	-0.109	-0.115	0.179	No	H_{2b}
DIF → PERFINTNE	0.813	0.467	0.002	Yes	H_{3a}
FOCO → PERFINTNE	0.120	0.110	0.513	No	H_{4b}
IM → PERFINTNE	-0.071	-0.058	0.709	No	H_{5b}
AE → PERFINTNE	0.250	0.290	0.003	Yes	H_{6a}

Table 3 – Regression Coefficients for Both Industries

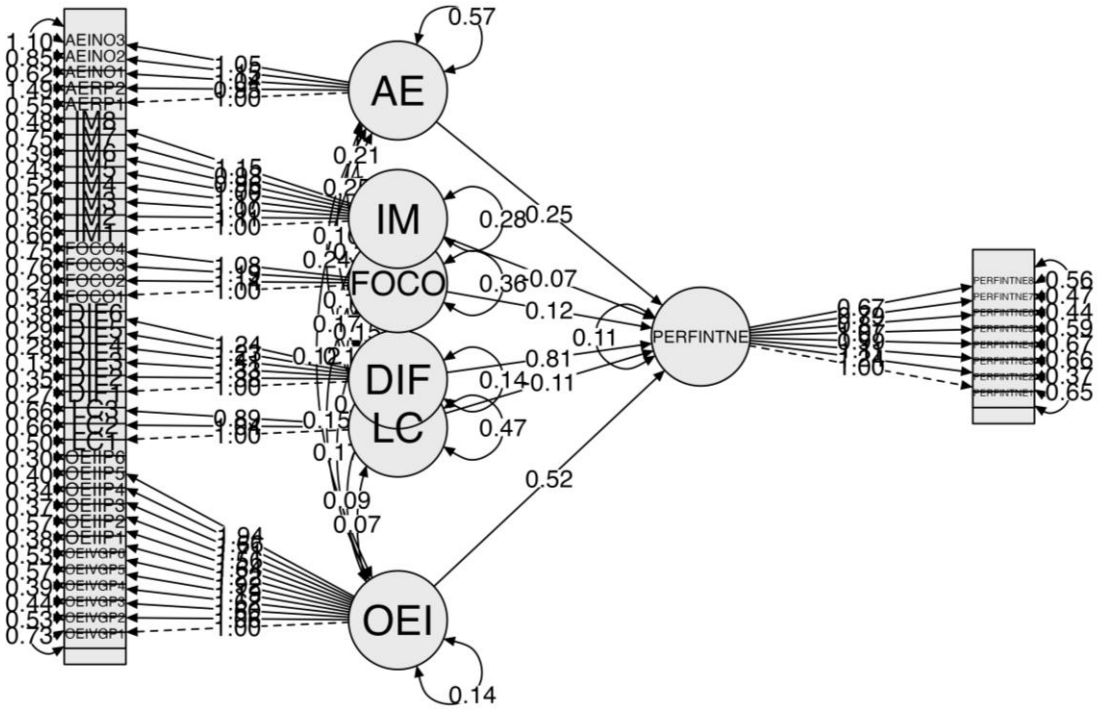


Figure 2 – SEM for Both Industries

6. Divers of International Performance In The Tech Industry

6.1. Confirmatory Factor Analysis

This time our tests will be done just with the companies in the tech industry. Once again, before performing a SEM we need to start with a CFA to assess the validity of our data. We will be analyzing the factor loadings, CR and AVE.

This time a total of three attempts were made until we obtained factor loading values of at least 0.50 or higher and consequently claim the adequacy of our data. In the first attempt the variables OEIVGP1 (FL=0.451), OEIIP1 (FL=0.321), OEIIP2 (FL=0.287), OEIIP3 (FL=0.440), OEIIP4 (FL=0.409), OEIIP5 (FL=0.424), OEIIP6 (FL=0.362), LC1 (FL=0.445), LC4 (FL=0.157), LC5 (FL=0.384), DIF6 (FL=0.486), DIF7 (FL=0.321), DIF8 (FL=0.281), FOCO1 (FL=0.497), FOCO5 (FL=0.344), FOCO6 (FL=0.344), IM1 (FL=0.426), IM3 (FL=0.461), IM7 (FL=0.415), AERP3 (FL=0.206), AEHOST1 (FL=0.397), AEHOST2 (FL=0.459), AEHOST3 (FL=0.346), AEREP1 (FL=0.330), AEREP2 (FL=0.170), AEREP3 (FL=0.426), PERFINTNE4 (FL=0.438) didn't fulfill the minimum factor loading threshold of 0.50 so they were excluded. In the second attempt the ones excluded for the same reason were IM2 (FL=0.471), IM4 (FL=0.444) and PERFINTNE1 (FL=0.489). In the last attempt every factor has a CR of at least 0.60 or higher and AVE of 0.40 or higher and with all this results we can confidently assume the adequacy of our data. The final CFA results are presented in Table 4.

Variables	Factor Loadings	CR	AVE
International Entrepreneurial Orientation	-	0.864	0.564
OEIVGP2	0.720	-	-
OEIVGP3	0.802	-	-
OEIVGP4	0.661	-	-
OEIVGP5	0.792	-	-
OEIVGP6	0.749	-	-
Cost Leadership	-	0.650	0.495
LC2	0.830	-	-
LC3	0.535	-	-
Differentiation	-	0.796	0.442
DIF1	0.624	-	-
DIF2	0.721	-	-
DIF3	0.670	-	-
DIF4	0.658	-	-
DIF5	0.619	-	-
Focus	-	0.704	0.449
FOCO2	0.753	-	-
FOCO3	0.700	-	-
FOCO4	0.581	-	-
Market Intelligence	-	0.733	0.475
IM5	0.769	-	-
IM6	0.770	-	-
IM8	0.546	-	-
External Environment	-	0.793	0.436
AERP1	0.592	-	-
AERP2	0.621	-	-
AEIN01	0.715	-	-
AEIN02	0.758	-	-
AEIN03	0.621	-	-
International Performance – Non-Economic Measures	-	0.890	0.420
PERFINTNE2	0.713	-	-
PERFINTNE3	0.464	-	-
PERFINTNE5	0.507	-	-
PERFINTNE6	0.794	-	-
PERFINTNE7	0.758	-	-
PERFINTNE8	0.716	-	-

Table 4 – CFA for the Tech Industry

6.2. Goodness of fit indices

The goodness of fit indicators need to be assessed once more to guaranty the acceptability of the model. Once again, X^2, the p-value for the baseline, RMSEA, GFI, CFI and TLI will be used. The goodness of fit indices for this model are $X^2(115) = 248.88$, p = 1.000, RMSEA = 0, CFI = 1, TLI = 1.053 and GFI = 0.946. All these tests obtained optimal results and are very good indicators, so we can validate the goodness of fit of this model.

6.3. Structural Equation Model

In Table 5 we can see the results of the regression coefficients and on Figure 3 the SEM obtained, and with this start to evaluate the statistical significance of all the factors. If we look at the p-values we can see that cost leadership, differentiation, focus and market intelligence don't appear to have a significant relationship with international performance at the 0.05 level. This time only international entrepreneurial orientation and external environment were shown to be statistically significant at the 0.05 level.

The factor shown to be the most influential to international performance in the tech industry is external environment, being the factor with the lowest p-value in conjunction with the highest estimate coefficient of 0.409, this positive value implies a positive effect on international performance, the same can be said about international entrepreneurial orientation.

Considering a significance level of 0.10 then we can also regard cost leadership as statistically significant for the model. Unfortunately, if we look at the estimate coefficient for this factor it returned a negative value of -0.272, this indicates that a one-unit increase in cost leadership (LC) is associated with a 0.272 unit decrease in the outcome variable of international performance (PERFINTNE), which marks cost leadership as a damaging driver for international performance.

Regression Coefficients	Estimate	Standard	p-value	Supported	Hypothesis
OEI → PERFINTNE	0.379	0.195	0.047	Yes	H_{1a}
LC → PERFINTNE	-0.272	-0.290	0.059	Yes (0.10 level)	-
DIF → PERFINTNE	0.757	0.321	0.237	No	H_{3b}
FOCO → PERFINTNE	0.081	0.066	0.697	No	H_{4b}
IM → PERFINTNE	0.498	0.320	0.226	No	H_{5b}
AE → PERFINTNE	0.409	0.365	0.014	Yes	H_{6a}

Table 5 – Regression Coefficients for the Tech Industry

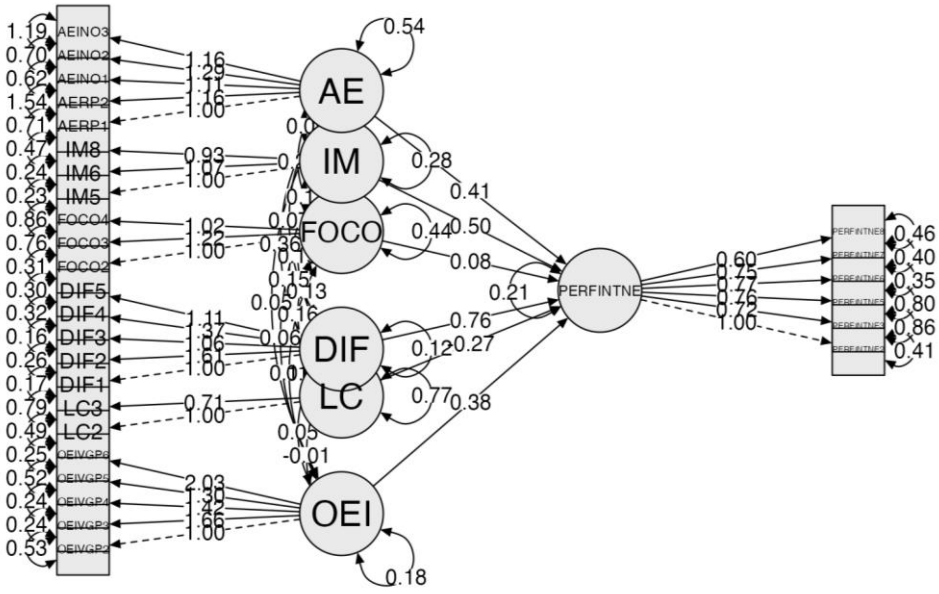


Figure 3 – SEM for the Tech Industry

7. Divers of International Performance In The Manufacturing Industry

7.1. Confirmatory Factor Analysis

To conclude our analysis the tests will be done just with the companies in the manufacturing industry. Just like before, we will be analyzing the factor loadings, CR and AVE given to us in CFA so that we can assess the validity of our data.

As it occurred in the tech industry analyses, a total of three attempts were made until we obtained factor loading values of at least 0.50 or higher. In the first attempt the variables LC4 (FL=0.360), LC5 (FL=0.494), DIF8 (FL=0.486), AERP2 (FL=0.430), AERP3 (FL=0.430), AEHOST1 (FL=0.229), AEHOST2 (FL=0.315), AEHOST3 (FL=0.342), AEREP1 (FL=0.361) and AEREP2 (FL=0.399) didn't fulfill the minimum factor loading threshold of 0.50 so they were rejected. In the second attempt DIF7 (FL=0.489) returned a factor loading value below 0.50 and was eliminated. Every CR value complies with the minimum value of 0.60 but just like in the first CFA made one of the factors presented an AVE value bellow 0.40, but since the value is very close to the threshold, has a significant CR value and it's theoretically supported it will not be removed, this once again represents a limitation to the study. The final CFA results that validate our data are presented in Table 6.

Variables	Factor Loadings	CR	AVE
International Entrepreneurial Orientation	-	0.939	0.580
OEIVGP1	0.657	-	-
OEIVGP2	0.706	-	-
OEIVGP3	0.797	-	-
OEIVGP4	0.793	-	-
OEIVGP5	0.767	-	-
OEIVGP6	0.793	-	-
OEIIP1	0.689	-	-
OEIIP2	0.709	-	-
OEIIP3	0.783	-	-
OEIIP4	0.835	-	-
OEIIP5	0.785	-	-
OEIIP6	0.818	-	-
Cost Leadership	-	0.801	0.572
LC1	0.600	-	-
LC2	0.873	-	-
LC3	0.756	-	-
Differentiation	-	0.873	0.545
DIF1	0.630	-	-
DIF2	0.682	-	-
DIF3	0.827	-	-
DIF4	0.828	-	-
DIF5	0.728	-	-
DIF6	0.742	-	-
Focus	-	0.876	0.552
FOCO1	0.820	-	-
FOCO2	0.823	-	-
FOCO3	0.768	-	-
FOCO4	0.741	-	-
FOCO5	0.657	-	-
FOCO6	0.698	-	-
Market Intelligence	-	0.904	0.537
IM1	0.791	-	-
IM2	0.867	-	-
IM3	0.824	-	-
IM4	0.841	-	-
IM5	0.582	-	-
IM6	0.671	-	-
IM7	0.647	-	-
IM8	0.698	-	-

External Environment	-	0.710	0.384
AERP1	0.572	-	-
AEIN01	0.663	-	-
AEIN02	0.571	-	-
AEIN03	0.665	-	-
International Performance – Non-Economic Measures	-	0.882	0.517
PERFINTNE1	0.673	-	-
PERFINTNE2	0.860	-	-
PERFINTNE3	0.785	-	-
PERFINTNE4	0.732	-	-
PERFINTNE5	0.807	-	-
PERFINTNE6	0.689	-	-
PERFINTNE7	0.545	-	-
PERFINTNE8	0.510	-	-

Table 6 – CFA for the Manufacturing Industry

7.2. Goodness of fit indices

For one last crucial evaluation, we turn to an array of goodness of fit indicators, which include the X^2, the baseline p-value, RMSEA, GFI, CFI and TLI.

The derived values of these fit indices for the present model reveal a compelling picture: X^2 (75) = 479.56, p = 1.000, RMSEA = 0, CFI = 1, TLI = 1.058, and GFI = 0.963. Significantly, these results comfortably exceed the prescribed thresholds, definitively affirming the excellent fit of this model. With this robust validation, we are now poised to advance into the analysis with confidence and precision, building upon this solid foundation.

7.3. Structural Equation Model

In this last SME analysis, we need to look at the p-values once again, and we can point out that international entrepreneurial orientation, cost leadership, differentiation, focus and market intelligence don't appear to have a significant relationship with international performance at the 0.05 level. The only two variables that exhibit statistically significant values at the 0.05 level are differentiation and external environment. In Table 7 we can see the results of the regression coefficients and on Figure 4 the SEM obtained.

The factor shown to be the most influential to international performance in the manufacturing industry is differentiation, being the factor with the lowest p-value in combination with a very high estimate coefficient of 1.388, this implies a very positive effect on international performance and the same can be said about international entrepreneurial orientation.

Regression Coefficients	Estimate	Standard	p-value	Supported	Hypothesis
OEI → PERFINTNE	0.525	0.398	0.104	No	H_{1b}
LC → PERFINTNE	-0.233	-0.216	0.103	No	H_{2b}
DIF → PERFINTNE	1.388	0.683	0.018	Yes	H_{3a}
FOCO → PERFINTNE	-0.254	-0.243	0.530	No	H_{4b}
IM → PERFINTNE	-0.261	-0.213	0.331	No	H_{5b}
AE → PERFINTNE	0.705	0.612	0.036	Yes	H_{6a}

Table 7 – Regression Coefficients for the Manufacturing Industry

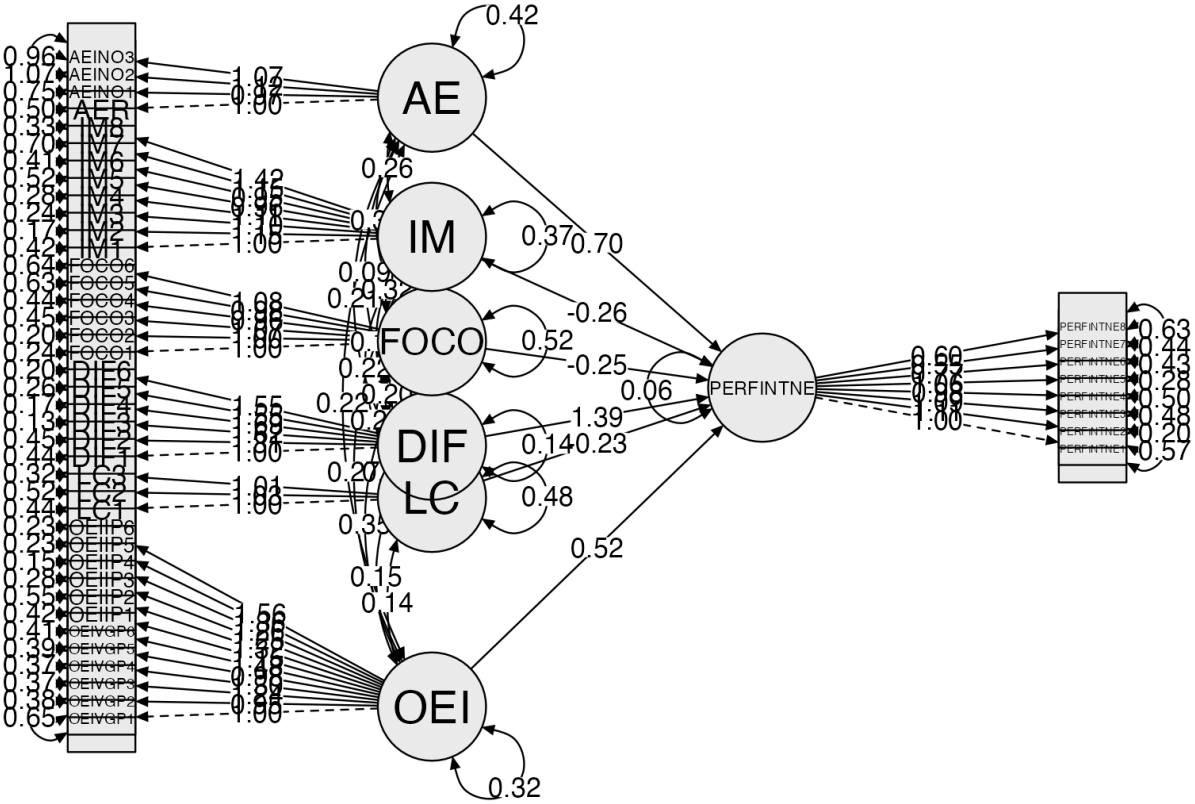


Figure 4 – SEM for the Manufacturing Industry

8. Reasons why SMEs Don't Internationalize

Many SMEs often face a multitude of challenges when considering international expansion. In our research we were surprised by the significant number of companies that revealed they don't endure in any international trade which comprised 38% of our total number of answers. Below, we elaborate on some of the most prominent reasons these businesses cited, on the questionnaire, for not venturing into international markets:

1. **Lack of contacts:** Many businesses pointed out that they lack the necessary contacts and networks in foreign markets. Establishing international connections and relationships can be crucial for successful expansion.

2. **Limited know-how:** A significant barrier is the lack of knowledge and expertise required for international operations. This includes understanding foreign regulations, market dynamics, and cultural nuances.

3. **Service nature:** Some businesses indicated that the nature of their services makes international expansion challenging. Certain services might be highly localized or tailored to specific domestic needs, limiting their appeal abroad.

4. **Size and market focus:** Size matters, as smaller companies often find it challenging to allocate resources for international ventures. Many startups have strategies focused on serving their local market exclusively.

5. **Lack of infrastructure:** Startups might not yet possess the infrastructure needed for international expansion. This can include distribution networks, international offices, and logistical capabilities.

6. **Immature products:** Businesses may delay international expansion until their products or services mature and prove successful in the domestic market.

7. **Limited market opportunity:** Some companies find that their core client base or target market is primarily within their own country, making international expansion less relevant.

8. **Industry specialization:** Firms operating in highly specialized or localized industries, like financial services, may face challenges in adapting their offerings for foreign markets.

9. **Resource requirements:** International expansion often requires significant investments in marketing, distribution, and compliance, which smaller companies may struggle to afford.

10. **Lack of international partnerships:** Collaborations with foreign partners can be instrumental in overseas ventures, and a lack of such partnerships can be a deterrent.

11. **Workload and scaling:** Companies already inundated with work at home may find it challenging to scale up and handle international operations.

12. **Language barriers:** The absence of multilingual staff can limit a company's ability to communicate and conduct business in foreign markets.

13. **One-person ventures:** Solo entrepreneurs may find it especially challenging to expand abroad, given their limited resources and capacity.

14. **Micro-enterprises:** Extremely small businesses with minimal staff and resources often lack the means for international growth.

15. **Exportability:** Some products or services may simply not be exportable due to regulatory or market constraints.

16. **Regulatory costs:** Complying with international regulations and standards can be costly, particularly for startups with limited capital.

17. **Lack of client base:** Businesses struggling to gain traction in their home markets might not see international expansion as a priority.

18. **Resource allocation:** In some cases, the entire team is fully engaged in serving the domestic market, leaving little room for international endeavors.

19. **Government incentives:** The lack of government incentives or support for international expansion can dissuade companies from taking this step.

20. **Unknown export procedures:** Businesses may be hesitant to venture into international markets due to a lack of knowledge about export procedures and requirements.

In conclusion, while international expansion offers significant growth potential, SMEs often face various obstacles, making them cautious about entering foreign markets. Each company's specific situation may involve a combination of these factors, and overcoming these challenges often requires careful planning, resources, and a strategic approach to internationalization. In Figure 5 we used a website[2] to formulate a word cloud with the most repeated words in the numerous company testimonies.

Figure 5 – Word Cloud for Domestic Companies

[2] https://www.wordclouds.com

9. Discussion and Conclusion

It was our first intent with the making of this study to scope the current literature to identify international performance drivers and with it formulate multiple hypotheses to be assessed. By the means of research, we were able to identify multiple variables that have been used consistently and so we decided to focus on the ones that were shown to be more significantly impactful throughout all the studies analyzed.

We ended up with ten hypotheses, based on six drivers, them being: international entrepreneurial orientation, generic competitive strategies (cost leadership, differentiation, focus), market orientation and external environment. International performance was shown to be a very wide-ranging form of measurement since it can take various forms.

International entrepreneurial orientation and market orientation were shown throughout literature to be intrinsically connected, although slightly different in nature, being that IEO is linked to the process of starting new projects, and market orientation is linked to understanding their environment when it comes to new opportunities, besides this when both are implemented, either separately or mutually, the positive effect on international performance is almost guaranteed. The three generic competitive strategies were the variables that proved to be more polarizing throughout literature, although most studies demonstrated positive effects on international performance, while some of them proved to have a negative or no importance on the matter. In the existing literature, the external environment has emerged as a crucial factor positively influencing international performance within the context of SMEs. While the significance of this influence has been acknowledged, it is noteworthy that there has been relatively limited in-depth discussion on the intricacies of the external environment and its multifaceted impact.

The proficiency of international performance in both the manufacturing and tech industries was also considered with the use of literature, and it was shown that with the right configuration, both industries could achieve great international performance.

To validate the hypothesis, we needed to measure our drivers, so we formulated a questionnaire that was composed of open-ended, multiple choice and demographic questions to allow us to comprehend the characteristics of the companies that responded and Likert scale question to quantify our variables.

We first started our practical study with a descriptive analysis and reached several conclusions. Our main goal was to study SMEs and if we look at the number of employees and the sales volume of the companies that responded, about 94% of the companies comply with the European Union (EU) guidelines to qualify as one, which as mentioned before is a limit of 250 employees and an annual turnover not exceeding 50 million euros. Also, on average, the companies that responded have been active for a couple of years and the big majority work on a B2B business model.

Regarding the representants of the companies almost everyone that responded was either the CEO or were inserted in the commercial, administrative and financial department. This is a good indicator to confirm the veracity of our data, since these are the positions that possess the most important information for this study.

Concerning the internationalization process of the companies we can also reach several conclusions. Portugal is part of the European Union (EU), being a political and economic union with 27 countries located in the European continent, this almost guarantees proximity, opportunities and easy access to distribution channels, and explains the main reasons and location that majority of companies chose to start international relations. The way that companies chose to enter was also very similar being through exports and strategic alliances. Those choices are understandable and expectable since export is the most common strategy used by companies because it requires low initial costs and low risk and provides the companies an opportunity to learn about the market. Strategic alliances are also very common since the partnership with companies that are already present in the market they want to explore, provides them with a sense of comfort and culminates the risk.

We could also conclude that for these companies the international market is very essential, regardless of their industry, since it represents almost all their sales volume, it's in constant growth and it's crucial for their profit.

Hypothesis	Both Industries	Tech Industry	Manufacturing Industry
H_{1a}: International entrepreneurial orientation has a positive impact on the international performance of SMEs.	✓	✓	✗
H_{1b}: International entrepreneurial orientation does not impact the international performance of SMEs.	✗	✗	✓
H_{2a}: Cost Leadership has a positive impact on the international performance of SMEs.	✗	✗	✗
H_{2b}: Cost Leadership does not impact the international performance of SMEs.	✓	✗	✓
H_{3a}: Differentiation has a positive impact on the international performance of SMEs.	✓	✗	✓
H_{3b}: Differentiation does not impact the international performance of SMEs.	✗	✓	✗
H_{4a}: The focus strategy has a positive impact on the international performance of SMEs.	✗	✗	✗
H_{4b}: The focus strategy does not impact the international performance of SMEs.	✓	✓	✓
H_{5a}: Market intelligence has a positive impact on the international performance of SMEs.	✗	✗	✗
H_{5b}: Market intelligence does not impact the international performance of SMEs.	✓	✓	✓
H_{6a}: External environment has a positive impact on the international performance of SMEs.	✓	✓	✓
H_{6b}: External environment does not impact the international performance of SMEs.	✗	✗	✗

Table 8 – Hypotheses Validation Summary

In the pursuit of understanding the critical factors that drive international performance for Small and Medium Enterprises (SMEs), this research undertook a several SEM analyses to study our hypotheses, differentiating between the Tech and Manufacturing industries. The table provided (Table 8) summarizes the hypotheses and their applicability to these industries, shedding light on the complex dynamics that reinforce international success.

- **H_1: International Entrepreneurial Orientation (IEO)** – First and foremost, we examined the role of IOE. Our results confirm that EOI is a powerful driver of international performance. This proactive approach, characterized by an unwavering commitment to exploring new global opportunities, positively influences international performance specially in the tech industry.

- **H_2: Cost Leadership** – Surprisingly, our findings suggest that cost leadership does not have a significant positive impact on international performance in either sector. This result defies conventional wisdom, which often emphasizes cost leadership as a route to competitive advantage. It raises important questions about the effectiveness of this strategy for SMEs seeking international expansion. In fact, in the tech industry it even showed that cost leadership decreases international performance.

- **H_3: Differentiation** – In contrast to cost leadership, differentiation emerges as a powerful driver of international performance in both the tech and manufacturing industries. This strategic approach, which involves offering unique and distinctive products or services, consistently demonstrated a significant and positive impact on SMEs' international performance. SMEs should take this finding as a call to action, emphasizing the development and promotion of distinctive qualities and features in their products or services. By investing in differentiation, SMEs in both the tech and manufacturing industries can better position themselves for international success.

- **H_4: Focus Strategy** – The focus strategy, characterized by niche market concentration, presents an interesting paradox. While one might expect this approach to boost international performance, our study indicates that it does not exert a significant influence in either the tech or manufacturing sectors. The lack of a strong correlation between the focus strategy and

international performance suggests that SMEs employing a focus strategy alone may not suffice in achieving international success.

- **H_5: Market Intelligence** – Market intelligence, often considered a strategic tool, does not significantly impact international performance in either sector. The lack of a substantial influence highlights that other factors may take precedence when SMEs are expanding internationally.

- **H_6: External Environment** – Lastly, our research revealed a consistent and strong positive impact of the external environment on the international performance of SMEs in both the tech and manufacturing industries. This key finding underscores the pivotal role played by external factors in shaping the global success of small and medium enterprises. In essence, the external environment encompasses the conditions and dynamics outside the organization's boundaries that influence its operations, strategies, and competitiveness. These factors include economic, political, legal, social, technological, and environmental dimensions.

In a comparative analysis between our findings and the existing literature, we observe noteworthy consistencies and some unexpected deviations. Notably, international entrepreneurial orientation (IEO) and the external environment are in alignment with the literature, reaffirming their robust influence on international performance. A surprising discovery was made regarding market intelligence, which, despite being highly regarded in the literature, displayed no significant impact on international performance in our study. Among the generic competitive strategies, differentiation emerged as a positive driver of international performance, a finding that mirrors the literature. However, it is worth noting that the focus strategy exhibited limited impact on international performance in both sectors. In a rather unexpected twist, cost leadership, which is often seen as a path to competitive advantage, demonstrated a detrimental effect on international performance in certain instances.

In conclusion, the intricate web of factors influencing international performance in SMEs paints a multifaceted picture. While international entrepreneurial orientation, external environment and differentiation stand out as significant drivers, other strategies like cost leadership and the focus strategy might require more nuanced consideration. Market intelligence, while useful, should not be overestimated.

It is imperative to acknowledge potential limitations that may impact the findings and implications of this research. One such limitation pertains to the response rate achieved through the administration of questionnaires. Although extensive efforts were made to reach a diverse and representative sample of SMEs, the response rate was lower than anticipated. The lower response rate may introduce a degree of non-response bias, potentially affecting the generalizability of the findings. While the study's theoretical framework and hypotheses remain robust, the extent to which they can be extrapolated to the broader SME landscape may be influenced by this limitation.

In light of the insights gained from our study on the key drivers of international performance, a compelling direction for future research would be an in-depth exploration of SMEs that choose not to internationalize. This investigation could uncover the underlying reasons and barriers that discourage or prevent these enterprises from entering international markets. Such a study would not only complement existing knowledge about the motivations and challenges of internationalization but also provide a more holistic understanding of the decision-making processes within SMEs. It could explore factors such as domestic market orientation, resource limitations, perceived risks, or a lack of international market knowledge. Understanding these aspects could be invaluable for business strategists aiming to support and encourage SMEs in their growth and expansion strategies. Additionally, this research could shed light on potential untapped opportunities and strategies for SMEs that are currently overlooked in the discourse on international business expansion.

Our findings offer essential insights for SMEs venturing into the global marketplace within these industries. A deep understanding of these nuances is crucial for making informed decisions and devising strategies that can truly propel international performance. As global business landscapes evolve, SMEs in both the tech and manufacturing industries have the tools to navigate and excel on the international stage.

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Appendixes

Appendix 1: Variable formulation study

Dependent Variable	Measure	Authors
International performance	Profitability, salesgrowth, number of employees, or market share. Net profit margin, return on assets, return on investment,and return on earnings.	(Asemokha et al., 2019)
	Export intensity, Perceived satisfaction, Export performance	(Beigi S et al., 2021)
	Firm size, industry, and degree of internationalization.	(Crespo et al., 2020)
	Profits from export sales, Export sales, Contribution of export sales to total sales, Expanding market coverage, Entering new market segments in international market, Establishing product presence in international market, Improving knowledge on international markets, Speed of customers' product acceptance	(Falahat et al., 2020)
	International sales volume, International sales growth, International profitability, Overall international performance, Return on investment (ROI) from international business, Market share in international markets, New product/service introduction in international markets, Time to market for new products/services internationaly, Number of successful new products/services in international markets, Global reach (i.e., presence in strategically located countries worldwide), International reputation of the firm, Gaining a foot hold in international markets, Success of main international business, Success of main international business from competitors' perspective	(Gerschewski et al., 2015)
	Return on export market sales, Market's share growth (in relation to exports), Firm's productivity based on exports, Export profit, Return on Assets (ROA)	(Prange & Pinho, 2017)
	Scale (FSTS): estimate of the percentage of the firm's total sales which areattributable to foreign sales; Speed (SPEED): firm's foreign sales revenue growth since the start ofinternational activities comparable to competitors	(Radulovich et al., 2018)

Entrepreneurial Orientation		
International entrepreneurship orientation	Innovation, Proactivity, Risk taking	(Beigi S et al., 2021)
Entrepreneurial orientation	Proactiveness, risk-taking, and innovativeness were taken as a single variable	(Asemokha et al., 2019)
International Entrepreneurship Orientation	World instead of the your country as firm's marketplace, Persistence in doing international business, Vision to be a truly global company, Long-term, strategic approach to internationalisation, Strong determination to do international business, Regular communication to employees about mission to be successful overseas, Seek out new ways to do things, Initiate actions to which other companies respond, Introduction of improvements and innovations in company, Excel at identifying opportunities, Try to take initiative in every situation, Company is creative in the way it operates	(Gerschewski et al., 2015)
Entrereneurial orientation	We believe that wide-ranging acts are necessary to achieve our objectives, We initiate actions to which other organizations respond, We are fast to introduce new products and services to the marketplace, We have a strong proclivity or tendency for high-risk projects, We are bold in our efforts to maximize the probability of exploiting opportunities	(Radulovich et al., 2018)
Business model inovation	Items exploring reconfiguration of operations of the firm were considered in developing the BMI construct	(Asemokha et al., 2019)
Product innovation capability	The ability to modify products to fit export markets' demands and tastes, develop new products / services for export markets, successfully manage new product development for export markets.	(Falahat et al., 2020)
Organizational Innovation	...innovative organizational andadministrative procedures ...developing leading edge technology ...developing differentiated (new) productsand services ...looking for creative ways to satisfycustomer needs (Marketing)	(Prange & Pinho, 2017)

Cost Leadership		
Cost leadership	Improving efficiency and productivity, developing new manufacturing processes, improving existing manufacturing processes, reducing overall costs, reducing manufacturing costs, strict product quality control	(Crespo et al., 2020)
Pricing capability	The ability to adjust the prices in export markets, respond quickly to export competitors' pricing actions, respond quickly to customers' demands in terms of price considerations, effectively communicate pricing information to customers	(Falahat et al., 2020)
Cost leadership	Porter Generic Strategies	(Subrahmanyam et al., 2019)
Cost leadership	Cost Leadership focuses on avoiding manufacturing misalignment and promotes the costminimisation (Bankeret al., 2014). The underline cost reduction in manufacturing sector via the use of statistical quality control (Kharub and Sharma, 2018a), quantitative analysis(Leonard and McAdam, 2004), tightening R&D expenditures (Wallsten, 2000) and salesforce and advertising (Li and Li, 2008) has been well highlighted in the literature. It is generally accepted that firm's competitive strategy also impacts manufacturing strategy and that varies from country to country (Ehie and Muogboh, 2016). The conditionsin countries like India and China (developing countries) where demand situation iscomparatively high with the free market system look favourable to implement CLCS (Baackand Boggs, 2008). Recently, Kharub and Sharma (2017b) observed that in India the inputcosts for natural and human resources are lower and the consumer demand is typically flexible.	(Kharub et al., 2019)
Competitive strategy orientation	Cost Reduction, Marketing Innovation, Innovation differentiation and Service differentiation	(Beigi S et al., 2021)

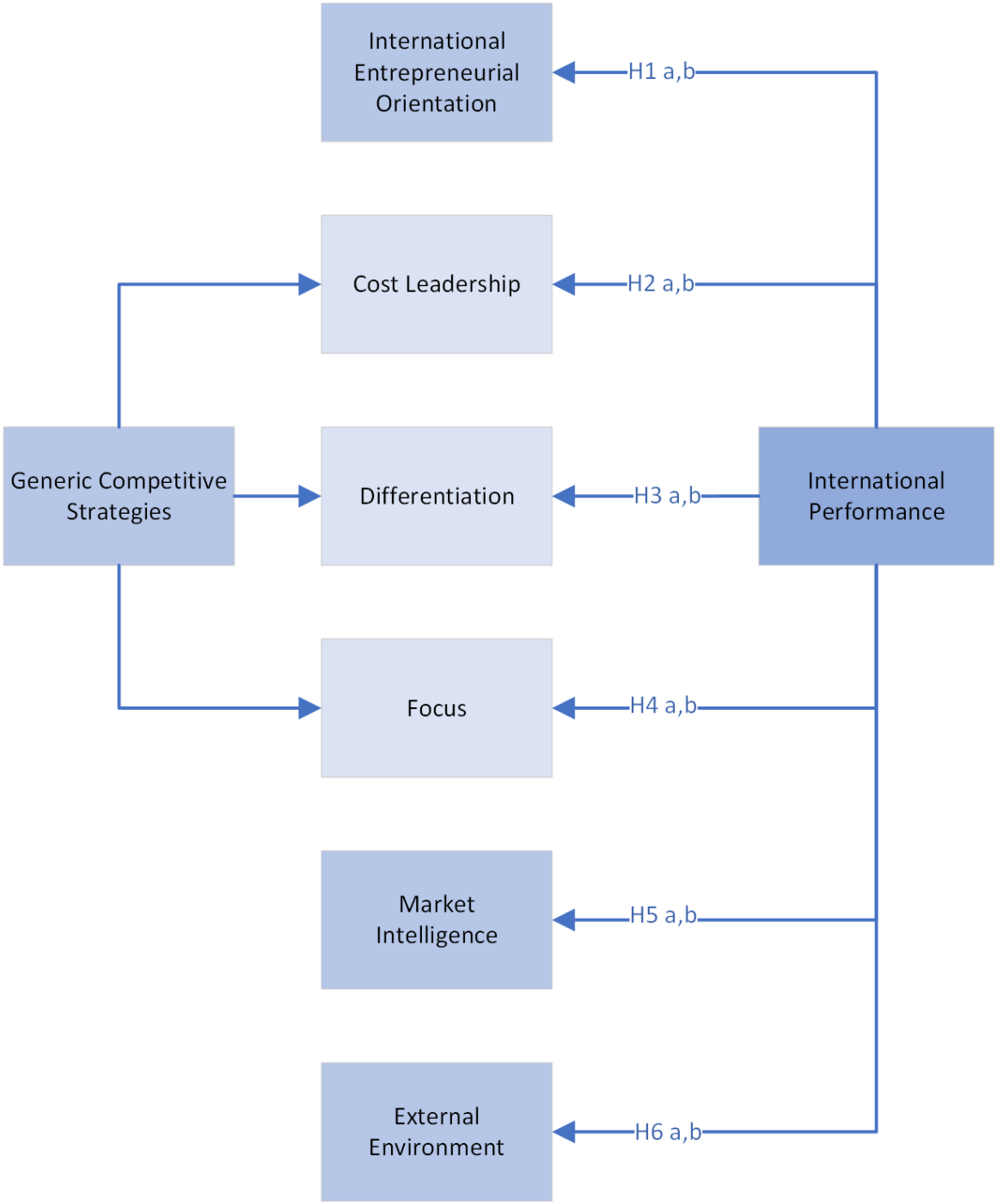
Differentiation		
Marketing Differentiation	Obtaining patents or copyrights, innovative marketing techniques, building brand/company identification, advertising/promotional programs, securing reliable distribution channels	(Crespo et al., 2020)
Quality and Service Diferentiation	Improving existing products, strict product quality control, immediate resolution of customer problems, product improvements based on gaps in meeting customer expectations, new customer services, improvement of existing customer services	(Crespo et al., 2020)
Innovation Differentiation	R&D of new products, marketing of new products, selling high-priced products, producing broad range of products	(Crespo et al., 2020)
Product/service quality	Praise for product/service quality by international customers, Better product/service quality than major competitors, International customers' conviction of company's high product/service quality offering	(Gerschewski et al., 2015)
Quality management	Supplier management, Continuous management, Information and analysis, Design and development	(Kharub et al., 2019)
Differentiation	Porter Generic Strategies	(Subrahmanyam et al., 2019)

Focus		
Niche strategy	Targeting of specialised needs in international markets, Product/service as new an dinnovative way of meeting a demand, Emphasis on uniqueness of product/service in international marketing, Product/service highly specialised for international markets, Product/service unique with respect to technology, International strategy to serve an unmet market need, Focus on exploiting niche in market, Targeting of relatively new and 'untapped' markets worldwide	(Gerschewski et al., 2015)

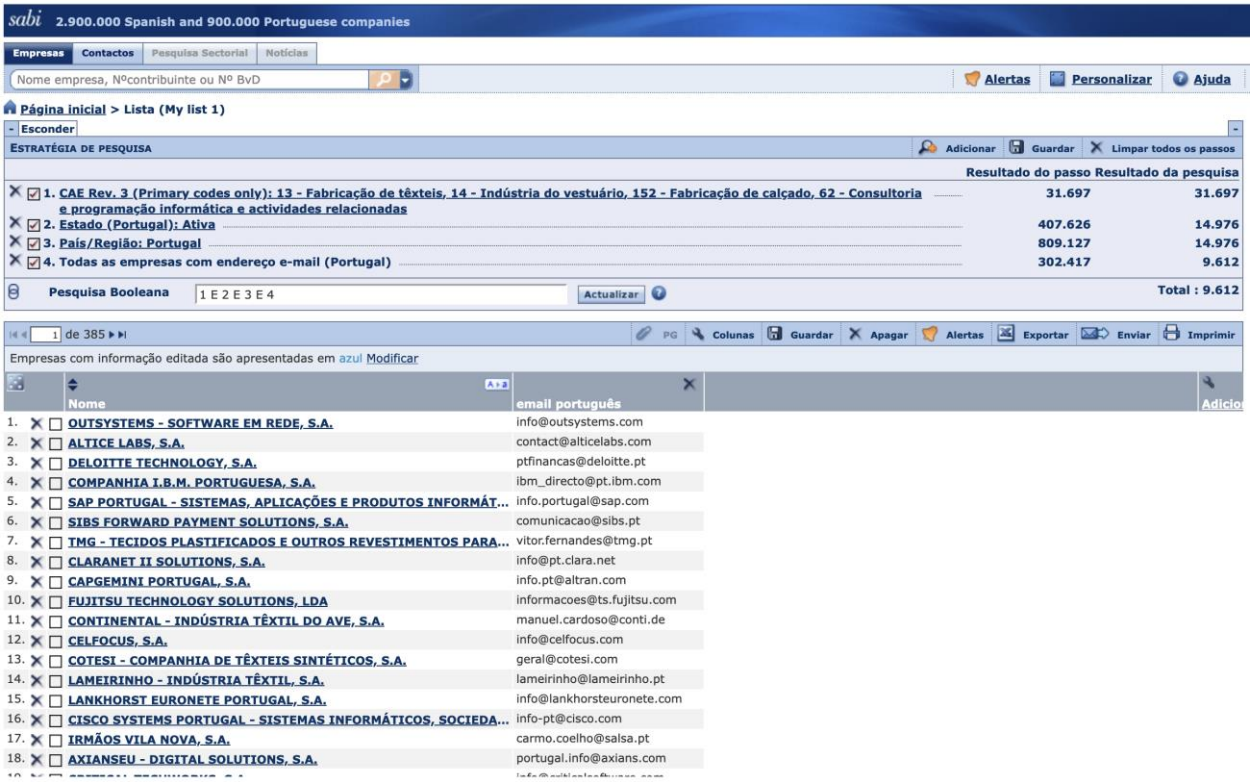
Market orientation		
International market orientation	Cross-functional coordination, Competitor orientation, Customer orientation	(Beigi S et al., 2021)
Market orientation	Objectives driven by customer satisfaction, Monitoring level of commitment to serving customer needs, Strategy based on understanding of customer needs, Functions are integrated in serving the needs of target market, Business strategies are driven by beliefs about how to create better value for customers, Close attention to after-sales service, Systematic and frequent measurement of customer satisfaction, Sharing of information about competitors' strategies, Free communication about customer experiences within company, Discussion of competitors' strengths and strategies	(Gerschewski et al., 2015)
Business Strategy	Targeting of specialised needs in international markets, Product/service as new and innovative way of meeting a demand, Emphasis on uniqueness of product/service in international marketing, Product/service highly specialised for international markets, Product/service unique with respect to technology, International strategy to serve an unmet market need, Focus on exploiting niche in market, Targeting of relatively new and 'untapped' markets worldwide	(Gerschewski et al., 2015)
Market intelligence capability	The ability to learn quickly about changes in regulations of export markets, changes in export customers' preferences, changes in competitors' strategies, changes in distribution channels, changes in demand and tastes in export markets	(Falahat et al., 2020)
Marketing communication capability	The ability to develop effective export marketing communication programs, launch export marketing communication programs, manage export marketing communication programs, skillfully use marketing communication programs	(Falahat et al., 2020)
Learning orientation	Company's ability to learn as key to competitive advantage, Common purpose throughout company, Reflecton shared assumptions about way of doing business, Learning as key to improvement, Agreement on company vision across all levels, functions, and divisions, High value of "open-mindedness", Employee learning as investment not expense, Commitment of all employees to the company, Encouraging employees to "think outside the box", Learning as key commodity to guarantee survival of the company	(Gerschewski et al., 2015)

External Environment		
External Environment	Foreign market size, Foreign market potential, Degree of internationalisation of the industry, Degree of interdependence of business relationships within the industry worldwide, Number of international customers, distributors, competitors, suppliers and other business partners in the industry, Importance of maintaining business relationships due to the interconnectedness and integration of the industry	(Gerschewski et al., 2015)
Cross-country Institutional Similarity	Social-political networking (Compared with our competitors, our company has better ability in dealing with government regulations and red tapes; Top managers at our firm have maintained good personal relationships with officials in various levels of government; Top managers at our firm have built good connections with managers at customer firms) and Business model Innovation (Our business model links customers to transactions in novel ways; Compared with our competitors, our business model finds a new way in obtaining business licences; Our business model finds a new way to deal with unlawful competitive practices such as piracy of new products/trademarks; Our business model finds a new way to deal with insufficient infrastructure (such as electricity, water, road))	(Jean & Tan, 2019)
Domestic Institutional Hostility	Our company has experienced some unlawful competitive practices such as illegal copying of new products, counterfeiting of our firm's own products and trademarks by other firms; Our company has experienced increased unfair competitive practices by other firms in the industry; Our company has experienced ineffective laws to protect our company's intellectual property	(Jean & Tan, 2019)
Reputation	(Our company has been ranked as one of the top/better companies by newspaper/magazines/mass media; Our company has been widely regarded as one of the top/better/most reliable companies in the business; Newspaper/magazines/mass media has coverage on our company)	(Jean & Tan, 2019)
Networks	Importance of personal contacts as provider of networks for internationalisation	(Gerschewski et al., 2015)

Appendix 2: Conceptual Model



Appendix 3: Sabi filtration process



Appendix 4: Questionnaire

Secção 1 de 9

Principais fatores que impulsionam a performance internacional das empresas

Dissertação de mestrado

Apresentação

O meu nome é Cristiano Moreira e sob a orientação do Professor Doutor Jorge Oliveira e Professora Doutora Ana Borges, estou a realizar a minha dissertação no Mestrado de Gestão e Internacionalização de Empresas na Escola Superior de Tecnologia e Gestão do Instituto Politécnico do Porto.

O objetivo principal da dissertação é perceber quais são os principais fatores que impulsionam a performance internacional de empresas portuguesas, inseridas em diferentes indústrias, é por consequência imperativo recolher informação de diferentes empresas para conseguir identificar estes mesmos fatores.

A sua empresa atua em mercados estrangeiros? *

- ○ Sim
- ○ Não

Secção 2 de 9

Dados da Empresa

Descrição (opcional)

Em que departamento se insere na empresa? *

- [ ] Sócio-gerente
- [ ] Dep. Admnistrativo
- [ ] Dep. Financeiro
- [ ] Dep. Comercial
- [ ] Dep. de Marketing
- [ ] Dep. de Recursos Humanos
- [ ] Dep. Produtivo
- [ ] Outra opção...

Ano de criação da empresa: *

Texto de resposta curta

Ano do primeiro ato de internacionalização: *

Texto de resposta curta

Tipo de indústria: *

- [ ] Indústria transformadora
- [ ] Indústria tecnológica

Modelo de negócio: *

- [ ] B2B (Empresa para empresa)
- [ ] B2C (Empresa para consumidor)

Localização geográfica dos primeiros mercados penetrados: *

- [ ] Europa
- [ ] América do Norte
- [ ] América Central
- [ ] América do Sul
- [ ] África
- [ ] Ásia
- [ ] Oceânia

Quais são os principais motivos para a escolha desta(s) localização(ões) geográfica(s)? *

- [ ] Próximidade
- [ ] Língua
- [ ] Oportunidades
- [ ] Fácil acesso a canais de distribuição
- [ ] Políticas governamentais pouco restritas
- [ ] Baixos requisitos de capital inicial
- [ ] Outra opção...

Modo de entrada nos primeiros mercados internacionais *

- [ ] Exportações
- [ ] Alianças estratégicas
- [ ] Joint venture
- [ ] Licenciamento
- [ ] Subsidiária de fabrico
- [ ] Subsidiária de vendas

Secção 3 de 9

Orientação Empreendedora Internacional

Entre 1 (Discordo totalmente) e 5 (Concordo totalmente) por favor indique o seu nível de concordância com as afirmações abaixo.

Visão global e perseverança

Descrição (opcional)

O mundo é, ao invés de somente Portugal, considerado o mercado da empresa. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Persistimos na realização de negócios internacionais. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Possuímos a visão de uma empresa verdadeiramente global. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Abordamos a internacionalização através de estratégias de longo prazo. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Detemos uma forte determinação em fazer negócios internacionais. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Comunicamos regularmente a missão da empresa aos nossos funcionários, para esta ser bem-sucedida no estrangeiro. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Inovação e proatividade

Descrição (opcional)

Procuramos novas formas de executar operações. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Iniciamos ações às quais outras empresas respondem. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Introduzimos melhorias e processos inovadores na empresa. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Conseguimos identificar novas oportunidades regularmente. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Tentamos tomar a iniciativa em todas as situações. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

A empresa é criativa na sua forma de atuar. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Secção 4 de 9

Estratégias Genéricas de Porter

Entre 1 (Discordo totalmente) e 5 (Concordo totalmente) por favor indique o seu nível de concordância com as afirmações abaixo.

Liderança de Custos

Descrição (opcional)

Temos a capacidade de ajustar os preços, nos mercados em que atuamos. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Respondemos rapidamente às alterações de preço dos nossos concorrentes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Respondemos rapidamente aos pedidos dos nossos clientes em termos de consideração de preço. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Somos transparentes na informação que disponibilizamos aos nossos clientes sobre alterações de preço. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Conseguimos reduzir facilmente os nossos custos de produção. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Diferenciação

Descrição (opcional)

Os nossos clientes internacionais elogiam a qualidade dos nossos produtos e/ou serviços. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

A qualidade dos nossos produtos e/ou serviços é melhor do que a da maioria dos nossos concorrentes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Tentamos efetuar melhorias aos nossos produtos e/ou serviços existentes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Temos um controlo rigoroso de qualidade dos nossos produtos e/ou serviços. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Resolvemos imediatamente os problemas dos nossos clientes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Os nossos produtos e/ou serviços são melhorados com base em lacunas na satisfação das expectativas dos nossos clientes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Dispomos de I&D para novos produtos e/ou serviços. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Produzimos uma vasta gama de produtos e/ou serviços. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Foco

Descrição (opcional)

Focamos-nos em necessidades específicas dos nossos clientes nos mercados internacionais. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Consideramos os nossos produtos e/ou serviços como uma forma nova e inovadora de satisfazer a procura. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Damos ênfase às características únicas dos nossos produtos e/ou serviços no marketing internacional. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Os nossos produtos e/ou serviços são altamente especializados para os mercados internacionais. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Concentramos-nos na exploração de nichos de mercado. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Visamos mercados relativamente novos e "inexplorados" em todo o mundo. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Qual a estratégia que considera que a sua empresa melhor se enquadra? *

- ○ Liderança de Custos
- ○ Diferenciação
- ○ Foco

Secção 5 de 9

Inteligência de Mercado

Entre 1 (Discordo totalmente) e 5 (Concordo totalmente) por favor indique o seu nível de concordância com as afirmações abaixo.

Conseguimos detetar rapidamente quando ocorrem mudanças na regulamentação dos mercados. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Conseguimos detetar rapidamente alterações das necessidades dos nossos clientes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Conseguimos detetar rapidamente as mudanças estratégias dos nossos concorrentes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Conseguimos detetar rapidamente mudanças nos canais de distribuição que utilizamos. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

As nossas estratégias comerciais são orientadas por convicções sobre como criar um melhor valor para os clientes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Prestamos muita atenção ao serviço pós-venda. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Medimos de forma sistemática e frequente a satisfação dos clientes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Comunicamos frequentemente a nível interno sobre as experiências dos clientes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Secção 6 de 9

Ambiente Externo

Entre 1 (Discordo totalmente) e 5 (Concordo totalmente) por favor indique o seu nível de concordância com as afirmações abaixo.

Redes político-sociais

Descrição (opcional)

Em comparação com os nossos concorrentes, a nossa empresa tem mais capacidade para lidar com os regulamentos governamentais e as burocracias. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Os gestores de topo da nossa empresa têm boas relações com funcionários de vários níveis na administração pública. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Os gestores de topo da nossa empresa estabelecem boas relações com os gestores das empresas que são nossos clientes. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Inovação do modelo de negócio

Descrição (opcional)

Em comparação com os nossos concorrentes, o nosso modelo de negócio encontra novas formas de obter licenças comerciais. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

O nosso modelo de negócio encontra uma nova forma de lidar com práticas concorrenciais ilegais, como a pirataria de novos produtos/marcas registadas. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

O nosso modelo de negócio encontra uma nova forma de lidar com infraestruturas insuficientes (como eletricidade, água, acessos rodoviários, etc.). *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Hostilidade institucional doméstica

Descrição (opcional)

A nossa empresa já sofreu algumas práticas de concorrência ilegais, tais como a cópia ilegal de novos produtos, a contrafação dos nossos próprios produtos e marcas registadas por outras empresas. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

A nossa empresa tem sofrido um aumento das práticas de concorrência desleal por parte de outras empresas do sector. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

A nossa empresa tem-se deparado com leis ineficazes para proteger a sua propriedade intelectual. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Reputação

Descrição (opcional)

A nossa empresa foi classificada como uma das melhores empresas por jornais, revistas ou meios de comunicação social. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

A nossa empresa tem sido considerada como uma das empresas mais fiáveis do sector. *

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Secção 7 de 9

Performance Internacional

Descrição (opcional)

Medidas económicas

Descrição (opcional)

N.º de funcionários *

- ○ 0 - 10
- ○ 11 - 50
- ○ 51 - 250
- ○ + 250

Volume de vendas (€) *

- ≤ 2 milhões de euros
- > 2 milhões de euros e ≤ 10 milhões de euros
- > 10 milhões de euros e ≤ 50 milhões de euros
- > 50 milhões de euros

Contribuição das vendas internacionais para as vendas totais (%) *

- 0% - 25%
- 26% - 50%
- 51% - 75%
- 76% - 100%

Crescimento das vendas internacionais (%) *

- 0% - 25%
- 26% - 50%
- 51% - 75%
- 76% - 100%

Considera que as vendas internacionais permitiram incrementar os lucros da empresa? *

- Sim
- Não
- Outra opção...

Medidas não-económicas

Entre 1 (Discordo totalmente) e 5 (Concordo totalmente) por favor indique o seu nível de concordância com as afirmações abaixo.

Conseguimos introduzir novos produtos e/ou serviços bem-sucedidos, em mercados internacionais.

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Estabelecemos o posicionamento dos nossos produtos.

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Conseguimos entrar em novos segmentos de mercado.

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Conseguimos adquirir novas tecnologias e experiências.

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Possuímos uma boa relação de proximidade com os nossos distribuidores internacionais.

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Os nossos produto e/ou serviço possuem uma melhor qualidade em comparação com os nossos concorrentes.

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

As nossas relações com os nossos clientes são melhores do que as dos nossos concorrentes.

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Temos uma melhor reputação em comparação com os nossos concorrentes.

	1	2	3	4	5	
Discordo totalmente	○	○	○	○	○	Concordo totalmente

Secção 8 de 9

Motivos para a não atuação em mercados estrangeiros

Através de uma breve resposta, caso pretenda por favor responda à seguinte pergunta:

Quais são os principais motivos que levam a sua empresa a não atuar em mercados estrangeiros?

Texto de resposta longa

Appendix 5: Descriptive Analysis

Company Department – Contingency Tables (JASP)

DEP		Tech Industry	Manufacturing Industry	Total
Administration Department	Count	3.000	8.000	11.000
	% within column	2.609 %	10.667 %	5.789 %
Administration Department, Sales Department	Count	1.000	1.000	2.000
	% within column	0.870 %	1.333 %	1.053 %
Administration Department, Sales Department, Marketing Department, Human Resources Department, Production Department	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Administration Department, Finance Department	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Administration Department, Finance Department, Sales Department	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Administration Department, Finance Department, Sales Department, Production Department, Company Partner	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Administration Department, Finance Department, Human Resources Department	Count	1.000	1.000	2.000
	% within column	0.870 %	1.333 %	1.053 %
Commercial Department	Count	7.000	9.000	16.000
	% within column	6.087 %	12.000 %	8.421 %
Sales Department, Production Department	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Commercial Department, Marketing Department, Human Resources Department, Production Department	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Finance Department	Count	4.000	3.000	7.000
	% within column	3.478 %	4.000 %	3.684 %
Finance Department, Production Department	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Finance Department, Human Resources Department	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
IT Department	Count	1.000	1.000	2.000
	% within column	0.870 %	1.333 %	1.053 %
Production Department	Count	3.000	2.000	5.000
	% within column	2.609 %	2.667 %	2.632 %
Marketing Department	Count	3.000	1.000	4.000
	% within column	2.609 %	1.333 %	2.105 %
Human Resources Department	Count	1.000	3.000	4.000
	% within column	0.870 %	4.000 %	2.105 %
Services, Consulting	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
CEO	Count	71.000	40.000	111.000
	% within column	61.739 %	53.333 %	58.421 %
CEO, Consultant	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
CEO, Administration Department, Sales Department, Production Department	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
CEO, Administration Department, Finance Department, Sales Department, Marketing Department, Human Resources Department, Production Department	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
CEO, Administration Department, Finance Department, Human Resources Department	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
CEO, Commercial Department	Count	2.000	0.000	2.000
	% within column	1.739 %	0.000 %	1.053 %
CEO, Commercial Department, Human Resources Department, Production Department	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %

CEO, Finance Department	Count	2.000	1.000	3.000
	% within column	1.739 %	1.333 %	1.579 %
CEO, Finance Department, Commercial Department, Human Resources Department	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
CEO, Production Department	Count	5.000	0.000	5.000
	% within column	4.348 %	0.000 %	2.632 %
CEO, Marketing Department	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	0.375			
Cramer's V	0.396			

Business Model – Contingency Tables (JASP)

MODELONEG		Tech Industry	Manufacturing Industry	Total
B2B	Count	91.000	56.000	147.000
	% within column	79.130 %	74.667 %	77.368 %
B2B, B2C	Count	17.000	19.000	36.000
	% within column	14.783%	25.333 %	18.947 %
B2C	Count	7.000	0.000	7.000
	% within column	6.087%	0.000 %	3.684 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	0.025			
Cramer's V	0.197			

Company's Age and Year That It Started Internationalization – Descriptive Statistics (JASP)

Descriptive Statistics		Valid	Mean	Std. Deviation	Minimum	Maximum
ANOCRI	Tech Industry	115	2011.565	7.863	1981.000	2021.000
	Manufacturing Industry	75	1999.000	18.663	1935.000	2022.000
IDADEEMP	Tech Industry	115	11.435	7.863	2.000	42.000
	Manufacturing Industry	75	24.000	18.663	1.000	88.000
ANOINT	Tech Industry	115	2014.348	6.549	1981.000	2021.000
	Manufacturing Industry	75	2004.880	13.055	1970.000	2022.000
DIFCRIINT	Tech Industry	115	2.783	4.362	0.000	19.000
	Manufacturing Industry	75	5.880	12.212	0.000	68.000

Geographical Location Of The First Markets Penetrated – Contingency Tables (JASP)

LOCALMERC		Tech Industry	Manufacturing Industry	Total
North America	Count	2.000	0.000	2.000
	% within column	1.739 %	0.000 %	1.053 %
North America, Central America, South America	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
South America	Count	3.000	0.000	3.000
	% within column	2.609 %	0.000 %	1.579 %
South America, Africa	Count	2.000	0.000	2.000
	% within column	1.739 %	0.000 %	1.053 %
Europe	Count	47.000	54.000	101.000
	% within column	40.870 %	72.000 %	53.158 %
Europe, Central America	Count	2.000	1.000	3.000

	% within column	1.739 %	1.333 %	1.579 %
Europe, Central America, South America, Africa	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Europe, Central America, Asia, Oceania	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Europe, North America	Count	9.000	9.000	18.000
	% within column	7.826 %	12.000 %	9.474 %
Europe, North America, Central America	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Europe, North America, Central America, South America, Africa, Asia	Count	0.000	2.000	2.000
	% within column	0.000 %	2.667 %	1.053 %
Europe, North America, Central America, Asia	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Europe, North America, South America, Africa, Asia, Oceania	Count	2.000	0.000	2.000
	% within column	1.739 %	0.000 %	1.053 %
Europe, North America, Africa	Count	1.000	1.000	2.000
	% within column	0.870 %	1.333 %	1.053 %
Europe, North America, Asia	Count	2.000	1.000	3.000
	% within column	1.739 %	1.333 %	1.579 %
Europe, South America	Count	8.000	1.000	9.000
	% within column	6.957 %	1.333 %	4.737 %
Europe, South America, Africa	Count	5.000	0.000	5.000
	% within column	4.348 %	0.000 %	2.632 %
Europe, South America, Africa, Asia	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Europe, Africa	Count	14.000	4.000	18.000
	% within column	12.174 %	5.333 %	9.474 %
Europe, Asia	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Europe, Asia, Oceania	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Africa	Count	12.000	0.000	12.000
	% within column	10.435 %	0.000 %	6.316 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	0.005			
Cramer's V	0.468			

Main Reasons For Choosing The Geographical Location(s) – Contingency Tables (JASP)

MOTLOCAL		Tech Industry	Manufacturing Industry	Total
Low initial capital requirements	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Economic development of the country	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Easy access to distribution channels	Count	3.000	0.000	3.000
	% within column	2.609 %	0.000 %	1.579 %
Easy access to distribution channels, our value	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Location of luxury markets	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Language	Count	2.000	0.000	2.000
	% within column	1.739 %	0.000 %	1.053 %
Language, Easy access to distribution channels	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Language, Opportunities	Count	15.000	2.000	17.000
	% within column	13.043 %	2.667 %	8.947 %
Language, Opportunities, Low start-up	Count	1.000	0.000	1.000

capital requirements	% within column	0.870 %	0.000 %	0.526 %
Language, Opportunities, Previous contacts	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Language, Opportunities, Easy access to distribution channels	Count	2.000	1.000	3.000
	% within column	1.739 %	1.333 %	1.579 %
Language, Opportunities, Restrictive government policies	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Opportunities	Count	44.000	24.000	68.000
	% within column	38.261 %	32.000 %	35.789 %
Opportunities, Low start-up capital requirements, Portuguese origin with dream of returning home	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Opportunities, Easy access to distribution channels	Count	4.000	3.000	7.000
	% within column	3.478 %	4.000 %	3.684 %
Opportunities, Easy access to distribution channels, Higher fees	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Opportunities, Easy access to distribution channels, Little restrictive government policies	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Opportunities, Contribution margin	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Opportunities, Restrictive government policies	Count	2.000	0.000	2.000
	% within column	1.739 %	0.000 %	1.053 %
Opportunities, Restrictive government policies, Low start-up capital requirements	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Market potential and prior knowledge of some of them.	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Proximity	Count	2.000	5.000	7.000
	% within column	1.739 %	6.667 %	3.684 %
Proximity, Easy access to distribution channels	Count	1.000	4.000	5.000
	% within column	0.870 %	5.333 %	2.632 %
Proximity, Easy access to distribution channels, Slightly restricted government policies	Count	1.000	1.000	2.000
	% within column	0.870 %	1.333 %	1.053 %
Proximity, Language	Count	1.000	1.000	2.000
	% within column	0.870 %	1.333 %	1.053 %
Proximity, Language, Low initial capital requirements	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Proximity, Language, Easy access to distribution channels	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Proximity, Language, Easy access to distribution channels, Low initial capital requirements	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Proximity, Language, Opportunities	Count	13.000	2.000	15.000
	% within column	11.304 %	2.667 %	7.895 %
Proximity, Language, Opportunities, Low start-up capital requirements	Count	2.000	0.000	2.000
	% within column	1.739 %	0.000 %	1.053 %
Proximity, Language, Opportunities, Easy access to distribution channels	Count	1.000	5.000	6.000
	% within column	0.870 %	6.667 %	3.158 %
Proximity, Language, Opportunities, Easy access to distribution channels, Low initial capital requirements	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Proximity, Language, Opportunities, Easy access to distribution channels, Slightly restricted government policies, Low start-up capital requirements	Count	0.000	2.000	2.000
	% within column	0.000 %	2.667 %	1.053 %
Proximity, Language, Opportunities, Slightly restricted government policies	Count	0.000	1.000	1.000
	% within column	0.000 %	1.333 %	0.526 %
Proximity, Opportunities	Count	6.000	8.000	14.000
	% within column	5.217 %	10.667 %	7.368 %
Proximity, Opportunities, Low initial capital requirements	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %

Proximity, Opportunities, Easy access to distribution channels	Count	1.000	8.000	9.000
	% within column	0.870 %	10.667 %	4.737 %
Proximity, Opportunities, Easy access to distribution channels, Low start-up capital requirements	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Proximity, Opportunities, Easy access to distribution channels, Low start-up capital requirements, Little restrictive government policies	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Proximity, Opportunities, Slightly restricted government policies	Count	0.000	2.000	2.000
	% within column	0.000 %	2.667 %	1.053 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	0.005			
Cramer's V	0.586			

How Did You Enter The First International Markets? - Contingency Tables (JASP)

MODENTR		Tech Industry	Manufacturing Industry	Total
Strategic alliances	Count	39.000	3.000	42.000
	% within column	33.913 %	4.000 %	22.105 %
Strategic alliances, Joint venture	Count	3.000	1.000	4.000
	% within column	2.609 %	1.333 %	2.105 %
Strategic alliances, Joint venture, Licensing	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Strategic alliances, Licensing	Count	1.000	1.000	2.000
	% within column	0.870 %	1.333 %	1.053 %
Strategic alliances, Sales subsidiary	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Exports	Count	34.000	61.000	95.000
	% within column	29.565 %	81.333 %	50.000 %
Exports, Strategic alliances	Count	11.000	3.000	14.000
	% within column	9.565 %	4.000 %	7.368 %
Exports, Strategic alliances, Sales subsidiary	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Exports, Joint venture	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Exports, Manufacturing subsidiary	Count	1.000	3.000	4.000
	% within column	0.870 %	4.000 %	2.105 %
Exports, Sales subsidiary	Count	2.000	2.000	4.000
	% within column	1.739 %	2.667 %	2.105 %
Joint venture	Count	4.000	0.000	4.000
	% within column	3.478 %	0.000 %	2.105 %
Licensing	Count	8.000	0.000	8.000
	% within column	6.957 %	0.000 %	4.211 %
Sales subsidiary	Count	8.000	1.000	9.000
	% within column	6.957 %	1.333 %	4.737 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	< 0.001			
Cramer's V	0.566			

Number of Employees - Contingency Tables (JASP)

NFUNC		Tech Industry	Manufacturing Industry	Total
+ 250	Count	8.000	4.000	12.000
	% within column	6.957 %	5.333 %	6.316 %
0 - 10	Count	64.000	23.000	87.000
	% within column	55.652 %	30.667 %	45.789 %

11 – 50	Count	32.000	31.000	63.000
	% within column	27.826 %	41.333 %	33.158 %
51 – 250	Count	11.000	17.000	28.000
	% within column	9.565 %	22.667 %	14.737 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	0.003			
Cramer's V	0.273			

Sales Volume (€) – Contingency Tables (JASP)

VOLNEG		Tech Industry	Manufacturing Industry	Total
> 10 million euros and ≤ 50 million euros	Count	11.000	7.000	18.000
	% within column	9.565 %	9.333 %	9.474 %
> 2 million euros and ≤ 10 million euros	Count	9.000	18.000	27.000
	% within column	7.826 %	24.000 %	14.211 %
> 50 million euros	Count	5.000	3.000	8.000
	% within column	4.348 %	4.000 %	4.211 %
≤ 2 million euros	Count	90.000	47.000	137.000
	% within column	78.261 %	62.667 %	72.105 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	0.019			
Cramer's V	0.228			

Contribution of International Sales To Total Sales (%) – Contingency Tables (JASP)

CONTVENINT		Tech Industry	Manufacturing Industry	Total
0% – 25%	Count	37.000	15.000	52.000
	% within column	32.174 %	20.000 %	27.368 %
26% – 50%	Count	19.000	6.000	25.000
	% within column	16.522 %	8.000 %	13.158 %
51% – 75%	Count	17.000	16.000	33.000
	% within column	14.783 %	21.333 %	17.368 %
76% – 100%	Count	42.000	38.000	80.000
	% within column	36.522 %	50.667 %	42.105 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	0.041			
Cramer's V	0.208			

Growth In International Sales (%) – Contingency Tables (JASP)

CRESCVENINT		Tech Industry	Manufacturing Industry	Total
0% – 25%	Count	57.000	44.000	101.000
	% within column	49.565 %	58.667 %	53.158 %
26% – 50%	Count	34.000	19.000	53.000
	% within column	29.565 %	25.333 %	27.895 %
51% – 75%	Count	11.000	5.000	16.000
	% within column	9.565 %	6.667 %	8.421 %
76% – 100%	Count	13.000	7.000	20.000
	% within column	11.304 %	9.333 %	10.526 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	0.655			
Cramer's V	0.092			

International Sales Have Increased The Company's Profits? – Contingency Tables (JASP)

LUCRO		Tech Industry	Manufacturing Industry	Total
Maintaining	Count	0.000	1.000	1.000

	% within column	0.000 %	1.333 %	0.526 %
We were born global. We don't have a home market and so the residual value is Portugal. In our case, the question is whether Portugal helps increase the company's profit.	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
No	Count	8.000	2.000	10.000
	% within column	6.957 %	2.667 %	5.263 %
Yes	Count	105.000	72.000	177.000
	% within column	91.304 %	96.000 %	93.158 %
Only profit	Count	1.000	0.000	1.000
	% within column	0.870 %	0.000 %	0.526 %
Total	Count	115.000	75.000	190.000
	% within column	100.000 %	100.000 %	100.000 %
Chi-Squared Test (p-value)	0.339			
Cramer's V	0.154			