Internationalisation of Retail Firms: State of the Art after 20 Years of Research
by Bernhard Swoboda, Joachim Zentes and Stefan Elsner

Most leading retailers in different retail sectors have multiplied their foreign sales in the last two decades. These dynamics are accompanied by challenges for international retail firms in such fields as internationalisation strategy, market selection and operations, as well as performance factors in specific countries, cultures, or in an inter-country environment. The practical relevance resulted in extensive research activities. Therefore, the objective of this paper is to provide a systemic overview of studies in the field of international retail research published since 1990, focussing on research question, theory, methodology, and core findings. Conceptual and case study-based papers are analysed, as well as the somewhat underrepresented empirical papers. The research fields addressed are motives, internationalisation strategies, market selection and entry strategies, market operations, and performance/ failure. Most of the papers examined are published in retail-specific journals and contain ambiguous results in some cases. Thus, further research that is empirical and makes more use of findings from general international business literature is needed. Research questions are addressed in each of the fields analysed.

Keywords
Retail Internationalisation, Internationalisation Strategy, Market Selection, Market Entry Strategy, Market Operations, Performance, Failure

1. Introduction

Retail internationalisation has taken place in all retail sectors with increasing dynamics since the nineties. Thus, the change from emergent to planned activities (Dawson 2006), complex decisions (Goldman 2001; Sternquist 1997) and culturally influenced performance (Evans/Mavondo 2002) is particularly relevant in firms' practice. The reasons for increasing retail internationalisation can be seen in (1) the attractiveness of foreign markets, (2) entrepreneurial ambitions, and (3) the limited growth opportunities in the home country markets (Alexander 1995a; McGoldrick 2002). In general, retail internationalisation entails many advantages, but also some challenges. Evidence on the thirty largest retailers, for example, shows that one in two retailers has already suffered failures abroad (Alexander/Quinn/Cairns 2005; Burt/Dawson/Sparks 2004b).

With regard to the practical relevance of retail internationalisation, many researchers examine in detail how retail internationalisation can be managed successfully. These...
studies emphasise the development of explanatory concepts for the internationalisation of retail firms. The majority of them analyse retail internationalisation on a conceptual basis. Thus, they develop explanatory concepts on a theoretical and often on a case study-oriented basis in order to analyse the mechanisms of retail internationalisation. Fewer studies are empirical, understood as being based on large sample sizes. According to Snow/Hambrick (1980), these empirical studies are mainly based on objective indicators, and less on face-to-face interviews. This can be explained partly by the unwillingness of retail managers to provide information, which eliminates the possibility of focusing on empirical research only.

In this literature review, a broad definition of internationalisation is used (Caloff/Beamish 1995) and only research fields that are linked to marketing issues are taken into account (Cavusgil/Deligonul/ Yaprak 2005). Furthermore, we also consider institutional and functional retailers, which is common practice in international retailing research. In order to provide an appropriate overview, more than 200 papers, published in international scientific journals between 1990 and 2008, were examined and 105 of them are discussed. The literature search has been conducted by the commonly used electronic databases, followed by the revision of the reference list of each paper for further literature. The literature review focuses on empirical studies as well as those conceptual papers, which are of eminent relevance for future research. Both kinds of studies are valuable for the young research field of international retailing. We therefore give a broad overview in each research field and discuss consequences for future, empirical research. The framework in the following section contains a structure for five research fields and serves as the basic principle for analysis of the individual research papers in Chapter 3 with regard to research question, theory, methodology, and core findings. Areas for further research are addressed in the final section.

2. Framework of the literature review

Researchers identified specific characteristics of retail firms’ internationalisation in contrast to that of manufacturing firms that underline the need for retail-specific views. Currah/Wrigley (2004), Dawson (1994) and Sparks (1995) mention marketing, management, and financial differences:

– Retailers in general have direct consumer contacts, high transaction frequencies, and a wide scope of marketing instruments to address customer needs (e.g. location, store layout)

– Markets for retailers are local, restricted by market barriers (e.g. local rules on store location, opening hours), and store design as well as retail knowledge cannot be trademarked

– International retail store networks sometimes encompass 500 and more stores, resulting in some degree of geographical dispersion in the multinational corporation and requiring a balance between centralised and decentralised decision-making

– Retail stores combine tangible (e.g. assortment) and intangible offers (e.g. store layout) as only the visible parts of the internationalisation process. Local assortments and a large number of suppliers enhance the value of stock and hence, the importance of sourcing and supply chain activities

– Retailers have a specific cost structure. The share of purchase costs constitutes a major part of the total costs. Thus, it is important to make economies of scale

– In retailing, the income stream generated after an investment decision is different to that of manufacturers, as are the cash flow characteristics. Due to the high level of direct investments normally made, the related exit costs are enormous

On the one hand, these characteristics are important in the domain of international business research and constitute a major concern in discussions. For example, international strategy typologies have greater explanatory power if they are applied in a sector-specific context (Harzing 2000). On the other hand, the retail sector itself may also only act as a moderator in international business frameworks. Consequently, some researchers make intensive use of general international business research findings, while others claim retail-specific conceptualisations.

The conceptualisations of retail internationalisation processes form the basis of this paper. Burt et al. (2008) mention elementary decisions regarding market selection, market entry strategies, standardisation/adaptation of marketing instruments, and culture/management in their conceptual paper. Swoboda/Foscht/Cliquet (2008) analyse the configuration and coordination of value chain activities in a wider scope while Colla/Dupuis (2002) and Palmer/Quinn (2005) mention alternative dimensions. Dawson (2007) structures the retail internationalisation process according to business model, ability to adapt to the market, operational techniques of retailing, and consumer values and expectations. Empirical approaches can be found by Hutchinson/Quinn/Alexander (2006), Moore/Fernie (2005) and Pederzoli (2006), who consider motives, strategies, market selection, market entry strategy, adaptation, and other aspects in fashion retailing. On this basis, the framework illustrated in Fig. 1 serves to identify studies that deal with the market-oriented phenomena of retail internationalisation.

Category 1 encompasses studies dealing with motives for going abroad (Tab. 1). The second category of studies addresses the retailers’ internationalisation strategies, e.g. multinational or global (Tab. 2). They can be seen as the retailers’ basic orientations, determining further decisions. Category 3 consists of studies investigating market
selection (Tab. 3), as well as studies regarding the choice of market entry strategy (Tab. 4). Both, in turn, could determine the form of market operations, meaning standardisation or adaption of formats or single marketing instruments, which is summarised in Tab. 5. The final category contains studies on performance and failure by retail firms (Tab. 6). Performance is used as an outcome variable in studies analysing the impact of the degree of adaptation on performance. International failures and divestments are considered explicitly in terms of their item characteristics, determinants, and consequences. The context factors illustrated in the framework (external, e.g. host, home country, or inter-country context, and internal, e.g. resource, knowledge) are mentioned in the context of each research field, while studies are excluded that are not related to marketing issues, such as studies addressing supply chain management (e.g. Coe/Hess 2005; Gershon/Burt 2004) and coordination issues (e.g. Palmer 2005a; 2005b; Swoboda/Anderer 2008), as well as descriptive studies regarding changes in retail structures according to:

- the inter-country relevance of formats (e.g. Colla 2004 and Dawson 2000 in Europe)
- single formats (e.g. Aggarwal 2003; Bennison/Gardner 1995; Colla 2003 on discounters; Davies/Sanghavi 1995 on category killers; Fernie/Fernie 1997 on factory outlet centres or Reynolds 1992 on shopping centres), as well as some firm-specific papers (e.g. Arnold 1999 on Wal-Mart’s performance in Europe; Fernie/Arnold 2002)
- a single country (e.g. Alexander/Myers 1999 on Southeast Asia; Burt/Sparks 1995 on the UK; Davies/Fergusson 1995 on Japan; Flavián/Polo 1998 on Spain; Samiee/Vip/Leuk 2004 on China and Simova/Clarke-Hill/Robinson 2003 on the Czech Republic)
- countries/regions (e.g. Bennett 2003 on Central Europe; Dibb 1996 on the Pacific region; Flavián/Haberberg/Polo 2002 on UK vs. Spain; Tordjman 1995; Myers 2003 on Western Europe)

3. Review of the academic literature

3.1. Studies analysing basic orientation of international retailers

3.1.1. Motives and goals of going abroad

Firms’ motives for expanding abroad are the oldest field of international retail research (Hollander 1970; Kacker 1985). Many studies date from the nineties, the time of liberalisation in Central/Eastern Europe and Southern/Eastern Asia. The fairly large number of empirical studies in this area corresponds to the vast number of possible motives (Tab. 1). Differentiations between home market-related motives or push factors and host market-related motives or pull factors, as well as reactive and proactive motives, are common.

The first empirical studies by Alexander (1990; 1995a; 1995b) focus on the role of proactive motives and pull motives (especially niche opportunities for retailers), while Williams (1991; 1992a; 1992b) shows three motive groups: push, pull, and firm-specific motives. Furthermore, Alexander (1996) addresses motive changes at two different points in time.

Context factors are addressed by Quinn (1999), who states that the relevance of motives differs depending on how much experience a firm has in international expansion. Tatoglu/Demirbag/Kaplan (2003) compare the motives of fashion retailers, who rate the firm’s brand highly, and food retailers, who give deeper consideration to external factors in the foreign market, most notably market size, economic and population growth, geographical proximity, and infrastructure aspects. Hutchinson et al. (2007) examine the motives and their determinants of smaller specialist retailers. Finally, Evans et al. (2008) deal with barriers to internationalisation. Chen/Sternquist (1995) address the advantages and characteristics of retail firms operating internationally in general, similar to Vida/Reardon/Fairhurst (2000).

The studies are mostly descriptive even though a large number of non-internationalised retailers permit empirical data analysis. Furthermore, they estimate motives according to retail sectors (food and fashion), changes to more proactive motives over time, as well as changing motives affected by growing international experience.


### 3.1.2. Internationalisation strategy

In international business research, internationalisation strategies are classified into multinational, global and transnational strategies, based on the degree of adaptation and integration of foreign activities (Barrett/Ghoshal/Beamish 2008). Retail researchers have focused on internationalisation strategies since the initial work by Salmon/Tordjman (1989) and Treadgold (1988). Conceptual studies relating to the occurrence of different strategy types are prevalent (Tab. 2). However, the current research status does not state whether researchers should seek – a differentiation between multinational and global strategies (Salmon/Tordjman 1989; Sterquist 1997; Pederzoli 2006) – a third transnational strategy (Treadgold 1990/91), or a fourth international strategy (Alexander/Myers 2000; Helfferich/Hinfelaar/Kasper 1997) – or even further typologies (Goldman 2001; Hutchinson/Quinn/Alexander 2005; Leknes/Carr 2004; Rugman/Giord 2003).

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### Table 1: Studies examining the motives for going international

<table>
<thead>
<tr>
<th>Author(ren) and year</th>
<th>Research question</th>
<th>Theory/ framework</th>
<th>Empirical basis/ sector/method</th>
<th>Core findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evans et al. (2008)</td>
<td>To survey motives for internationalisation and attitudes/intentions, also standardisation vs. differentiation</td>
<td>Motives for int. processes</td>
<td>Primary data (n = 12)UK-US, non- systematic/qualitative</td>
<td>At least two motives are crucial for int. process. Ad hoc decisions in the past, today knowledge transfer; internal barriers: lack of management - and resource commitment, lack of international experience; external barriers: regulatory circumstances</td>
</tr>
<tr>
<td>Beaven et al. (2007)</td>
<td>Foreign motives of small specialist retailers and their determinants in the decision-making process</td>
<td>None; development of a framework for the decision to int. Retailers/exploratory case studies</td>
<td>Primary data (n = 8)UK, emphasis on luxury retail</td>
<td>Explore company brand identity as significant motives for expansion, understood as pull factor by foreign markets; Sources of facilitating factors: internal (mind-set, entrepreneurial personality, foreign personal relationships), external (contacts, government/consultancy assistance) and parent advantage (financial capital, know-how, expertise)</td>
</tr>
<tr>
<td>Tatsou/ Kollaros (2003)</td>
<td>Importance of motives for market engagement - referring to food vs. fashion</td>
<td>Mention concepts of internationalisation, without using them</td>
<td>Primary data (n = 11) European, means, standard deviation</td>
<td>Reliance of pull (host country), firm, and push (home country) specific motives; dominance of host/proactive motives; Pull motives show significant differences; food: stronger economies of scale and legal/environmental; fashion: stronger company ethos</td>
</tr>
<tr>
<td>Vida/Fairhurst (2000)</td>
<td>Exploratory variables for international engagement of RI firms as a growth strategy</td>
<td>Phase models of internationalisation of RI</td>
<td>Primary data (n = 80), only 50% international/overall, USA/factors, regressions</td>
<td>Strategic management characteristics and retail specific- competitive advantages mostly influencing the decision of an RI to choose internationalisation as a growth strategy; Weaker influence due to size of RIs; No significant influence from international experience</td>
</tr>
<tr>
<td>Vida/Fairhurst (2000)</td>
<td>Empirical test of the model of Vida/Fairhurst (1998)</td>
<td>Phase models of internationalisation of RI and model of Vida/Fairhurst (1998)</td>
<td>Primary data (n = 41) UK, overall, mostly national/RI/means</td>
<td>Antecedents; dominant motives for internationalisation are pull/proactive factors rather than limits in home market; Process: format does not influence the internationalisation effort; tendency to a stronger RI; Outcomes: Preference for MES that can be controlled easily; preference for Canada and Europe</td>
</tr>
<tr>
<td>Quinn (1999)</td>
<td>Analysis of motives for internationalisation referring to the foreign market entry and international experience</td>
<td>None; referring to processes of internationalisation and perspective of Alexander (1990); pull/push motives</td>
<td>Primary data (n = 41) UK, overall, means, analysis of variance</td>
<td>Dominating growth and proactive factors; Initial expansion abroad is not influenced by home market; No significant differences regarding motives between the three groups (new, developing, experienced; classified according to international experience); only small weighting differences</td>
</tr>
<tr>
<td>Alexander et al. (1990/91)</td>
<td>Exploring motives for internationalisation; influence of the EU and NAFTA</td>
<td>None; evolutionary changes in the environment and referring to dichotomy of reactive and proactive motives</td>
<td>Primary data, two points in time (n = 80, 46) UK, overall, mostly national/RI/means</td>
<td>Caused by establishment of the EU, RIs from the UK focus more strongly on the EU market instead of the US market; The size and economic prospects of the EU market are particularly significant motives; Matrix used to structure motives: “autochthonous”, reactive, expansive and proactive motives; motives are not dichotomous and will shift in the course of internationalisation</td>
</tr>
<tr>
<td>Chen/Sterquist (1989)</td>
<td>Analysis of determinants causing some Japanese RIs to start international activities and others not</td>
<td>None; referring to Dunning’s eclectic paradigm, motives, geographical and cultural distance</td>
<td>Secondary data (n = 45), overall, 50% international; discriminant analysis</td>
<td>International RIs are characterised by higher sales, longer existence, larger sales areas in the home market, higher number of employees, as well as higher bank liabilities; No differences between sales productivity, profitability, and growth rates</td>
</tr>
<tr>
<td>Williams et al. (1992a; 1992b)</td>
<td>Conditions for internationalisation</td>
<td>None; referring to previous motives of int. motives that are transferable to factor or motive bundles</td>
<td>Primary data (n = 42) UK, overall, factors, frequencies</td>
<td>Identification of factors as dichotomy is not sufficient; Proactive and growth-oriented motives; as well as the innovativeness of the formation are most important; Passive growth barriers in home market are less relevant</td>
</tr>
<tr>
<td>Williams (1991)</td>
<td>Benefits from the formation of a strong retail brand</td>
<td>Different company advantages (based on Alderson 1957, Porter 1985, Meade 1989)</td>
<td>Primary data (n = 42) UK, overall, factors, frequencies</td>
<td>Identification of conditions for RI (check list): 1) existence and application of marketing skills, 2) exploitation of economies of scale; 3) development of a unique, internationally applicable and innovative concept; 4) development of a strong retail brand</td>
</tr>
<tr>
<td>Alexander et al. (1990)</td>
<td>Exploring motives supporting and hindering internationalisation of RI firms</td>
<td>None; referring to especially to Kacker (1985) and push/pull motives</td>
<td>Primary data (n = 26) UK, overall, frequencies, means</td>
<td>Proactive motives are dominant, especially niche opportunities, size and economic prospects of the market; Contradicting White (1984) and de Somogyi (1986); Restrictions: finding of appropriate locations, differences in competition, bureaucratic preferences</td>
</tr>
<tr>
<td>Hokkaido et al. (1999)</td>
<td>Analysis of RI between context and contingency Kacker (1985)</td>
<td>Conceptual</td>
<td>Conceptual</td>
<td>Contingency: EU deregulation, adjustment, establishment of context; conditions specific to country and firm; future development of internationalisation in retailing is not specified</td>
</tr>
</tbody>
</table>
The studies are based on objective indicators, expert opinions or in-depth interviews, which makes them hard to compare. Furthermore, the studies do not use a consistent theory, so the understanding of strategy types differs. For instance, Rugman/Girod (2003) estimate only one (geographically) global retail firm, and Pederozli (2006) acknowledges that a global strategy is the most popular among retailing firms. In contrast, Helfferich/Hinellauer/Kasper (1997) and Salmon/Tordjman (1989) find evidence for four strategy types. Both studies use the integration responsiveness (IR) framework as a theoretical basis and refer directly to the two axes of the framework. Furthermore, Goldman (2001) identifies six possible format transfer strategies for retail firms. The author examines a large number of retailers’ attributes as a basis for a descriptive categorisation like Pederozli’s (2006). On the other hand, Goldman interviews the subsidiaries of foreign retailers in China, while Pederozli interviews...
### Table 3: Studies examining market selection and (past) entries

<table>
<thead>
<tr>
<th>Author(s) and year</th>
<th>Research question and method</th>
<th>Theory framework</th>
<th>Empirical basis/sector/method</th>
<th>Core findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexander/Myers/Myers (2003)</td>
<td>Determining market selection and providing an overview of the expansion of international retailing in Europe, influence on retail structures</td>
<td>Psychic distance and internationalisation of retailing activities (models of firms influencing RI processes)</td>
<td>-(n = 240 samples/ten Western European, unconstrained observations, regression)</td>
<td>RI firms tend to expand into psychically close markets, into markets less developed than the home market; RI operations internationally tend to come from large home markets; Geographical and cultural proximity as guiding criteria of international activities; High importance of market size; Mutual influence of European markets</td>
</tr>
<tr>
<td>Girijesh Baldo (2005)</td>
<td>Development of a market selection model, “spatial interaction model”</td>
<td>Dunning’s eclectic paradigm and the behavioural theory of internationalisation process models</td>
<td>-(n = 96)/UK, over-salience, regressions</td>
<td>Market choice based on attractiveness and market distance (geographical and cultural)</td>
</tr>
<tr>
<td>Maharghe Hameleers (2005)</td>
<td>Analysis of the importants of certain factors determining decisions on market selection</td>
<td>Behaviourist paradigm of Vital-Farmand (1998) (model of factors influencing RI processes)</td>
<td>Primary data (n = 223/USA, non-food, mostly national RI firms, frequencies, means, ranking)</td>
<td>- Most important criteria for market selection are political and economic stability, as well as market size; - Intention to enter a certain foreign market does not influence the importance of the factors</td>
</tr>
<tr>
<td>Border (2003)</td>
<td>Evaluation of reasons for the preferred market choice for international RI</td>
<td>None</td>
<td>Secondary data (n = 150/overdetermination of 75 countries/overall, world-descriptive)</td>
<td>- Criteria of attractiveness of China: market size and future consumer spending, less “modern retailing”, so far no concentration; - Barriers: insufficient infrastructure, geographical and cultural differences, customers’ price sensitivity, aggressive local RIs, strong competition with Asian RIs.</td>
</tr>
<tr>
<td>Alexander Silka (2002)</td>
<td>Demonstration of re-framing structure for international RIs in South America, especially Brazil</td>
<td>Concept of geographical and cultural distance</td>
<td>In-depth interviews (n = 25/RIs and service providers in the Brazilian market)</td>
<td>- Demonstration of the market structure in Brazil, foreign RIs, largest RIs, wholesalers, shopping centres, etc. - Increasing purchasing power seems to be a criterion for entry of foreign RIs, supported by Godfrey/Fletcher 2000 - Concept of psychic distance supported by Evans/Treadgold/Mavondo 2000</td>
</tr>
<tr>
<td>Myers (1997)</td>
<td>Description of the relevance of European markets for Western European RIs</td>
<td>None</td>
<td>Primary data (n = 50/European food, frequencies, means)</td>
<td>- Geographical proximity as fundamental variable for market selection - Especially economic and structural development as criteria of attractiveness for Eastern Europe - Intensity of competition as a further key criterion</td>
</tr>
<tr>
<td>Danneels (1996)</td>
<td>Comparison between concepts of market segmentation and reality</td>
<td>Concepts of market segmentation</td>
<td>Primary data (n = 25/Belgium, Fashion/qualitative)</td>
<td>- No RI had conducted segmentation before market entry - Entry with unchanged concept, then adaptation of marketing mix to country; competitors are observed; target group in new market not defined in advance, but develops over time - Normative models can only be used to a limited extent</td>
</tr>
<tr>
<td>Alexander (1995c)</td>
<td>Effects of establishment of the EU on the attractiveness of the UK market</td>
<td>None; mention of perceived cultural, psychic and geographical distance</td>
<td>Primary data (n = 46)/an international RI descriptive/frequency/means</td>
<td>- Despite psychic distance, establishment of the EU led to those markets becoming attractive; this distance however remains an obstacle to market entry intentions for the coming years - EU area is perceived as the most attractive foreign market (from the perspective of UK RIs).</td>
</tr>
<tr>
<td>Table 3</td>
<td>Clarifying the effectiveness of endogenous and exogenous market entry barriers</td>
<td>Referring to Porter (1985) (exogenous barriers) and Shepheard (1979); Yip (1982) (endogenous barriers)</td>
<td>Primary data (n = 203)/USA, overall, but RIs operating nationally/means, analyses of variance</td>
<td>- Most effective barriers are capital requirements, availability of locations and qualified employees, as well as a clearly defined image toward competitors - Barriers are perceived as more effective when it comes to entry into a new market (compared to entry into own market) - Advertising campaigns and sales promotion activities as reaction toward new competitors, which means emphasizing endogenous barriers to strengthen the exogenous ones</td>
</tr>
<tr>
<td>Burt (1999)</td>
<td>Summary of RI processes research and time-series analysis of choice of country market and selection of MES of non-food retailing</td>
<td>None; mention of perceived cultural, psychic and geographical distance</td>
<td>Primary data (n = 46)/international RI descriptive/frequency/means</td>
<td>- Demands research development from a geographic focus (who is moving where) toward process dimensions - Decreased/constant MES over time; fashion: predominantly internal growth; core activity: dominated by non-food firms, UK markets - Market selection: preferred entry of UK RIs to the US market, followed by France, Netherlands and Germany</td>
</tr>
<tr>
<td>Lauagany/Ablo/Laugang (1993)</td>
<td>Analysis of the extent of internationalisation of RI in their “development of retailing”</td>
<td>Control and risk as central dimensions, RI without a “geographical index”</td>
<td>Secondary data (n = 20)/retailer and fast food, over</td>
<td>- Data regarding the number of foreign markets and domestic turnover, interval scale; demonstration of geographical fields of activities (world map); By combining variables, several geographical distributions are shown, also according to the market of origin</td>
</tr>
<tr>
<td>Burt (1998)</td>
<td>Ex-post observation of the chosen country markets of European RIs and their MES (market entry in the years 1980-1990)</td>
<td>Ex-post observation of the chosen country markets of European RIs and their MES (market entry in the years 1980-1990)</td>
<td>Secondary data (n = 725)/EU, over-salience, variates</td>
<td>- International direct expansion pattern can be explained by considering the risk (cultural and geographical proximity, level of development of the market); - Link market selection and MES: acquisitions/internal growth in the less risky markets, franchising in risky markets - The chosen expansion strategy and the retail sector could be used to explain RI</td>
</tr>
<tr>
<td>L.Guerrini (1992)</td>
<td>Investigation of determinants of foreign direct investments (FDI)</td>
<td>Theory of FDI, eclectic paradigm, internationalisation theory, oligopolistic reaction, cultural distance, competition theory</td>
<td>Secondary data (n = 169)/nine service industries in Japan, Europe and North America</td>
<td>- FDI are influenced positively by host country market size, openness of the host country to the inward FDI, international competitiveness of the service industry in the home country, global oligopolistic reaction and firm size - FDI are influenced negatively by the cultural distance - FDI can be explained simultaneously by different theories</td>
</tr>
</tbody>
</table>

**Table 3**: Studies examining market selection and (past) entries

3.2. Studies analysing market selection and entry strategy of international retailers

3.2.1. Market selection

Most studies address country market selections (international segmentation) and a few look at customer selection (integral segmentation). We focus on country market selection, where normative approaches include one-stage models, which mainly screen a country’s macroeconomic indices, and multi-stage models, which refer to decision steps of market evaluation and selection (e.g. Andersen/Buvik 2002; Papadopoulos/Chen/Thomas 2002). In retail research, the work of Laulajainen/Abe/Laulajainen (1993) is an example of index building. The authors consider the number of foreign markets, the level of foreign sales, and the geographical areas. A normative research question is asked by Gripsrud/Bento (2005), but they only analyse the attractiveness and the perceived distance of markets in a descriptive way. Danneels (1996) compares normative approaches with ad-hoc procedures in retail practice. In normative multistage models, it makes sense to distinguish between an inter-country and a country-specific selection, the whole value chain including feasibility stage (Swoboda/Schwarz/Hälsig 2007), and determining factors (Li/Gaisinger 1992).

Descriptive studies address the way in which firms enter foreign markets. This supports early theories that see country selection as a function of geographical proximity and cultural distance, while geographical distance is relevant in the first steps of internationalisation (Myers/Alexander 1996; 1997 for Western European retailers, and Vida 2000 for US retailers, see Tab. 2). Further factors are shown by Maharaj/Heitmeyer (2005), e.g. economic/structural development, intensity of competition, political stability, while Sakary/Eckmann/Hylleberg (2007) look at cultural distance and customer receptiveness. Gable et al. (1995) analyse the impact of various barriers on market selection. Studies focus on entries to specific countries (Alexander/Silva 2002 Brazil, Bordier 2003 China, Fulop 1991 Hungary) while Alexander/Rhodes/Myers (2007; Alexander 1995c) analyse the interdependencies between the EU markets, among other things.

Specific international stage approaches consider the development of international retailers across country markets over time. A basis was established by Alexander (1997), who describes historical stages within the expansion process, which is similar to recent studies. Waarts/van Everdingen (2006) consider various foreign distance barriers on market selection. Studies focus on entries to specific countries (Alexander/Silva 2002 Brazil, Bordier 2003 China, Fulop 1991 Hungary) while Alexander/Rhodes/Myers (2007; Alexander 1995c) analyse the interdependencies between the EU markets, among other things.

The three research streams – normative, descriptive and process studies – are not closely connected. Particularly the last two, are empirically based, mostly using secondary and ex-post data, and combine a review of entry markets and strategies. Their theoretical basis is relatively broad and not different from early studies in general

Table 3: Studies examining market selection and (past) entries

| Swoboda/Schwarz/Hälsig (2007) | Development of a market selection model with regard to basic decision-making processes | Conceptual model for market selection as part of further areas of decision in internationalisation | Conceptual and case study analysis (n = 1), supported by primary data/secondary data/qualitative/quantitative | Step-by-step decision-making process | 1. International market selection (tunnel attachment: preliminary research, scoring and categorisation, selection models, ranking, management decision) | 2. Country-specific market selection (three-step feasibility study) | The model shows pre-decisions for market selection (policies, strategies, resources, etc., as well as interacting decisions) |
| Sakarya/Eckmann/Hylleberg (2007) | Development of a tool to compose foreign country models | None/consider long-term market potential (n = 1); US fashion retailer | Conceptual and case study analysis (n = 1), US fashion retailer; Turkey as emerging market/Segmentation | The four criteria of the conceptual framework can be applied for market selection of an emerging market | Strong future market potential, manageable level of cultural distance, supportive and developing industry and positive customer receptiveness in the case of Turkey as a selected market for a US fashion retailer |
| Wawro/van Everdingen (2006) | Role of cultural influencing factors as part of the expansion pattern in European (fashion) retailing | Holistically and relatively | Secondary data (n = 9); concept-based EU market list/Conceptual EU fashion list of market entries (country and year respectively) | Role of geographical and cultural factors in the course of expansion of RFs in new countries; importance of geographical proximity especially during the first stage of expansion; importance of cultural proximity in the following stages | Identifying of three cultural country clusters; RFs follow a step-by-step cluster-approach (successive entry to countries in a distant cluster) |
| Jones (2003) | Internationalisation of Debenhams in the Middle East | Case study (n = 1)/Debenhams/ qualitative | Examination of market selection (especially economic and political environment, market structures); M&E: franchising | Marketing activities; several country-specific adjustments |
| Fulop (1991) | Change in structure in None Hungarian retailing due to the beginnings of liberalisation | Secondary data/Single/macro commerce/descriptive | All present; governmental planning and currency risks hinder market entries, also lack of infrastructure and of marketing/promotion opportunities | Different modes of entry by foreign RFs |
| Firm (1997) | Theoretical perspective and criteria of market attractiveness: financial and evolutionary theories | Secondary data/Comprehensive/descriptive | Attractiveness of the market is dependent on the chosen theoretical point of view | Certain market segments in Canada are attractive from various theoretical perspectives, some are just attractive from one only |
3.2.2. Market entry strategy

Some empirical studies deal with the choice of market entry modes, a core research field in international business research. Studies dealing with specific operational modes of retailers (e.g., international franchising) are only mentioned on the basis of examples.

First, in addition to Tab. 4, some further studies should be pointed out. Burt's (1991; 1993) see Tab. 3 analyses switches in the chosen market entry strategy over time for grocery retailers. Acquisitions were the most important market entry mode up to the late eighties, before a switch was noted to wholly owned subsidiaries. Gielens/Dekimpe (2001; see Tab. 5) identify subsidiaries as the prevalent market entry strategy for grocery retailers in the period from 1988 to 1998, as well as observing significantly better long-term sales performance compared to acquisitions and joint ventures (JV). In contrast, Vida (2000; see Tab. 1) describes preferences by non-food retailers, as do Fernie/Moore/Lawrie (1998) by showing a broader portfolio of market entry modes than for fashion retailers (e.g. own stores, franchising, distributors). In a mixed retail sector sample, Alexander (1990; see Tab. 1) underlines that some retailers prefer only one entry mode, meaning that half of the retailers surveyed use one market entry strategy and only 12.5 % use three strategies. Swoboda/Jager/Schwarz (2007) confirm the presence of a preferred strategy for the largest grocery retailers.

<table>
<thead>
<tr>
<th>Author(s) and year</th>
<th>Research question Theory/ framework</th>
<th>Empirical basis/ sector/method</th>
<th>Core findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gielens/Dekimpe (2007)</td>
<td>Factors influencing speed and size of market entry</td>
<td>Conceptual framework, based on common management literature referring to factors influencing market entry decisions</td>
<td>- firms identified four preferred marketing entry strategies over the period of observations, - these strategies are: wholly owned subsidiaries, joint ventures, franchising, and a hybrid strategy.</td>
</tr>
<tr>
<td>Schweizer/Jager/Schwarz (2007)</td>
<td>Factors influencing the choice of MES</td>
<td>Conceptual, six case studies (FI: France, Austria, Germany, Italy, Spain, UK), descriptive analysis</td>
<td>- significant relationships between risk perception and choice of MES, - low risk perceptions lead to MES with high control potential (own subsidiary), - high risk perception leads to MES with low control potential.</td>
</tr>
<tr>
<td>Loosemore/Johnson (2002)</td>
<td>Identification of MES depending on countries/regions</td>
<td>Conceptual framework, based on common denominator size</td>
<td>- identification of three generic MES characterized by different consumption of resources, - MES use various MES simultaneously depending on geographical and cultural distance of the foreign market</td>
</tr>
<tr>
<td>Gielens/Fletcher (2000); Gielens (2002)</td>
<td>Demonstrations and explanation of FDI in the British retail market</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- private purchasing power is the strongest factor contributing to investments in foreign countries, - compare four retail sectors, each shows specific processes, - relevance of OI for foreign FDI, which played a dominant role in the British market for over 30 years, vanished in 1991</td>
</tr>
<tr>
<td>Fernie/Moore/Lawrie (1998)</td>
<td>Growth strategies, MES, their changes in the fashion industry as well as impact on cities</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- frequent change from private property to quotation, sale of shares to investors or creation of luxury goods conglomerates in order to finance the international business, - diversification into less fashionable markets with other brands in order to secure growth, - selling via wholesalers, franchising, concessions, own stores, - occupation of prime locations by larger corporations</td>
</tr>
</tbody>
</table>

### Conceptual Studies

<table>
<thead>
<tr>
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<th>Empirical basis/ sector/method</th>
<th>Core findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park/Sternquist (2006)</td>
<td>Conceptual explanation of market entry of RFs</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
</tr>
<tr>
<td>Huong/Sternquist (2007)</td>
<td>Conceptual explanation of market entry of RFs</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
</tr>
<tr>
<td>Nicol-Coupey (2006)</td>
<td>Determinants of choice of MES</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- firm’s characteristics, marketing policy and characteristics of the foreign markets as explanatory variables and motives for internationalization, - networks as moderating variables on four factors that lie behind the decision process on MES, - four factors are: flexibility, unintentional transmission of knowledge, restrictions on resources and control, and choice of MES as a result of the decision process</td>
</tr>
<tr>
<td>Alexander/ Doherty (2004)</td>
<td>Determinants of choice of MES</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
</tr>
</tbody>
</table>

### Table 4: Studies on choices of market entry strategy

<table>
<thead>
<tr>
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<th>Research question Theory/ framework</th>
<th>Empirical basis/ sector/method</th>
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<tbody>
<tr>
<td>Gielens/Dekimpe (2007)</td>
<td>Factors influencing speed and size of market entry</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
</tr>
<tr>
<td>Schweizer/Jager/Schwarz (2007)</td>
<td>Factors influencing the choice of MES</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
</tr>
<tr>
<td>Loosemore/Johnson (2002)</td>
<td>Identification of MES depending on countries/regions</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
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<td>Gielens/Fletcher (2000); Gielens (2002)</td>
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<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
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</tr>
<tr>
<td>Fernie/Moore/Lawrie (1998)</td>
<td>Growth strategies, MES, their changes in the fashion industry as well as impact on cities</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
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</table>

### Table 5: Studies on choices of market entry strategy

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<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
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<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
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<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
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### Table 6: Studies on choices of market entry strategy

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<td>Gielens/Dekimpe (2007)</td>
<td>Factors influencing speed and size of market entry</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
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<tr>
<td>Schweizer/Jager/Schwarz (2007)</td>
<td>Factors influencing the choice of MES</td>
<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
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<td>Conceptual framework, based on common denominator size (market sizes/UK, average/UK, overall/regressions)</td>
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<td>- framework to explain determinants of the RF’s market entry strategy, - wholly owned vs. franchise, - main determinants are ownership, internalization and pioneeering advantages</td>
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</table>
Determinants of strategy choice are linked by Ahmed et al. (2002) to the perceived risk, with results in accordance with that of general international business research, but only one quarter of his sample covers retailers. Lessassy/Jolibert (2002) show evidence that food retailers use different market entry strategies simultaneously, depending on the geographical/cultural distance of the host country. Godley (2002) and Godley/Fletcher (2000) investigate in particular the importance of the macroeconomic factors as determinants of foreign direct investments, but only in one country and not regarding the choice of market entry strategy. Gielens/Dekimpe (2007) examine the determinants of entry speed and size based on inter- and intra-retailer information.

The conceptual studies are more differentiated. This can be shown by the institutional economic framework of Huang/Sternquist (2007), who argued that the choice of market entry strategy is influenced by regulative, normative and cognitive dimensions. Picot-Coupey (2006) identifies the desires for flexibility, knowledge transfer, resource commitment and control as central determinants of the choice of market entry strategy. The models provided by Alexander/Doherty (2004), Doherty (1999; 2000) relate to fashion retailers.

In conclusion, most of the empirical studies in this research field are descriptive and based on secondary data. The conceptual studies are not confirmed empirically, but consider characteristics of retail firms, e.g. networks of outlets.

In addition, studies dealing with a specific market entry mode are only mentioned by way of example. Thus, studies focusing on international franchising type arrangements investigate

- potentials of franchising in a specific country (Goncalves/Duarte 1994; Sinclair/Xiong 2006; Welch/ Alon/Falbe 2006), in a specific retail firm (Whitehead 1991), determinants of strategy choice (Doherty 2007), or in general (Petersen/Welch 2000; Sanghavi 1991; Welch 1992)
- conceptual frameworks for franchising types (Doherty/Quinn 1999; Quinn 1998; Quinn/Alexander 2002), standardisation (Thompson 2000), early internationalisation (Perrigot/Cliquet/Mes-bah 2004), and internal coordination (Doherty/Alexander 2006)


3.3. Studies analysing market operations of international retailers

The analysis of international market operations focuses on firms’ strategies by analysing format transfer strategies and adaptation decisions (Tab. 5).

One prominent paper in Tab. 5 is provided by Evans/ Bridson (2005), who analyse the impact of culture on the market operations of international retailers, as well as the impact of culture on retail performance (Evans/Mavondo 2002; see Tab. 6a). The work provided by Goldman (2000; 2001) has already been mentioned in the context of internationalisation strategy. The author conceptualises formats into 40 external (visible and offer-related) and internal (non-visible and related to know-how) elements. Adaptation or standardisation was evaluated in a binary system and classified into several strategy types according to the level of adaptation. Gielens/Dekimpe (2001) show that retail formats that are innovative in the host country and, at the same time, familiar to the international retail firm hold greater prospects of success (considering market entry strategy and timing of entry simultaneously, see also Gielens/Dekimpe 2001 in Tab. 4). Finally, Hudjinacou/Barnes (1998) examine the impact of currency depreciation and intensity of competition on the marketing instruments in a border region. A basis for a more frequently used conceptualisation is provided by Goldman (1981; 2000; 2001). These studies dominate the current empirical findings because other conceptual studies only try to find mechanisms in market operations, mainly on a case study basis.

The first group contains studies dealing with adaptation levels and the role of environmental factors. Different approaches are applied. Bianchi/Arnold (2004) and Bianchi/Ostale (2006) choose an institutional approach, highlighting local norms and rules, for example, as determining factors, and focusing, like Goldman, on internal and external elements of market operations. Also Currah/ Wrigley (2004) comply with the content of Goldman’s research, but choose the network theory and competence-based view as theoretical bases. All these studies conclude that retailers operating internationally tend to adapt their international operations. Retailers use back-end processes in order to adapt their front-end processes to the consumer culture abroad. Earlier studies can also be assigned to the issue regarding standardisation or adaptation of retail formats. Goldman (1981), for example, conceptualised the supply side (internal elements) and the demand side (customer-oriented/external elements), as did Martenson (1987), Kacker (1988), to whom Goldman refers, conceptualises retail know-how as a central determinant of retail internationalisation and understands this to be a technical dimension (e.g. location choice, store layout, atmosphere) and a management
Table 5: Studies on market operations (standardisation vs. adaptation)

<table>
<thead>
<tr>
<th>Author(s) and year</th>
<th>Research question</th>
<th>Theory/ framework</th>
<th>Empirical basis/ sector/method</th>
<th>Core findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burns/ Britton (2005)</td>
<td>Explanation of the degree of adaptation of retail instruments by psychic distance</td>
<td>Concept of psychic distance</td>
<td>Primary data: n (n = 102)</td>
<td>Psychic distance ≠ cultural + business-related distance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(mon.-food, worldwide) regressions</td>
<td>(Perceived) psychic distance leads to stronger adaptation of the marketing mix</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Particularly market structure, business practices and language (business-related distance) enhance the degree of adaptation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No significant influence by cultural distance</td>
</tr>
<tr>
<td>Seiler/ Dekimpe (2001)</td>
<td>Demonstration of effects of strategic time-of-entry decisions on long-term performance</td>
<td>None</td>
<td>Secondary data: n (n = 169 entries)</td>
<td>Five strategic time-of-entry decisions: extensive visibility of entry; M&amp;E, sequences (which other foreign RPs were in the country before; what place in the sequence), format (new or known in the country), familiarity with the format (in terms of new or known to RP, exported)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(West-EU, food, grocery/descriptive, correlations)</td>
<td>Positive performance effects: size (larger is better in the beginning), greenfield investments (better than acquisitions and joint-ventures), order of entry (earlier the better), new format (better in host country) and familiar format (better)</td>
</tr>
<tr>
<td>Goldman (2000)</td>
<td>Analysis of success factors in the super-market format in China</td>
<td>“Food retail modernisation theory”</td>
<td>Secondary data: n (n = approx. 80)</td>
<td>Comparison of traditionalism formats in China in terms of external (visible to customer, assortment, store design, service, location, price) and internal factors (a) repertoire in terms of norms, experience, strategies, b) technology in terms of systems, methods, techniques, organisational structures</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(China, food, supermarkets)/ qualitative</td>
<td>Conclusion: modernisation of retail structures of local chains essential, but not for foreign chains; when establishing format, supply chain factors are a problem, but not customer behaviour, government, or traditional retailers</td>
</tr>
<tr>
<td>Hedgmark/ Barnes (1998)</td>
<td>Adaptation of the marketing mix of retailers in border zones (especially USA/Mexico)</td>
<td>None</td>
<td>Primary data: n (n = 176) USA/Mexico, nonspecific, frequencies, means</td>
<td>Marketing mix selected, store atmosphere, promotion, merchandising, price, service, convenience; these were surveyed regarding the influence of currency depreciation and competition</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Cross-border competition within the marketing mix is usually not considered, but currency depreciation; thus, instruments that are not price-related should be considered more seriously</td>
</tr>
</tbody>
</table>

Conceptual Studies

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</thead>
<tbody>
<tr>
<td>Blanchard/ Costale (2006); Blanchard/ Arnold (2004)</td>
<td>Test whether RPs adapt to market conditions or are more successful on the basis of divestments and Home Depot in Chile</td>
<td>Institution-related theory and concept of Goldman (2001)</td>
<td>Case study analysis: n (n = 4), based on primary data</td>
<td>Theory that RPs are successful abroad if they stick to the local institutional norms, regulations etc; this can be achieved by adapting internal and external instruments (similar to Goldman 2001)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Chile, qualitative)</td>
<td>Negative examples: all four RPs fail on the market as they have not acquired legitimacy in society</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RPs are successful when they adapt to institutional norms and hence receive legitimacy from society; supply mix adapted to social habits, managers integrated into national networks and also relevant to success: behaviour by competitor, market share</td>
</tr>
<tr>
<td>Burf et al. (2005)</td>
<td>Demonstration of internationalisation in the retail format in China</td>
<td>None</td>
<td>Case study analysis: n (n = 1), secondary data</td>
<td>Drugstore format does not work in some countries due to the competitive environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Drugsstore, Books)</td>
<td>Retail brand internationalisation (in the export sense) through sale of part of the assortment to foreign RPs, this is more successful than own stores</td>
</tr>
<tr>
<td>Elgood/Sinkovics (2004); Shotter/Sinkovics (2001)</td>
<td>Development of a model for market selection and orientation that lives up to the complexity of reality</td>
<td>Networks and market cases, secondary data: n (n = 2)</td>
<td>Conceptual and primary data: n (n = 8) USA/ RP; over- all/qualitative</td>
<td>Positioning in host country is dependent on general matching as well as matching of the host country’s activities, activities and resources on macro and micro level</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(France/ qualitative)</td>
<td>Strategic customer orientation and commitment in the host country affects inter- and intra-market orientation in the host country and, ultimately, the firm’s position there</td>
</tr>
<tr>
<td>Gruber/ Wrigley (2004)</td>
<td>Explanation of adaptation of RPs (according to Goldman 2001) by learning</td>
<td>Networks and market cases, secondary data</td>
<td>Conceptual and resource-based view</td>
<td>Description of international RPs as “Retail TNCs” with own network structure; learning should take place in the whole network through top-down or bottom-up mechanisms</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(export success)</td>
<td>According to Goldman 2001, know-how (internal) and offerings (external), inter-relations in between RPs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Retail TNCs prefer to adapt within international activities; they use innovations in back-end processes to adapt front-end processes of the format to the foreign culture</td>
</tr>
<tr>
<td>Burf/ Sparks (2002)</td>
<td>Analysis of the relevance of corporate branding (CB) within RI</td>
<td>Corporate branding approaches</td>
<td>Short case studies: n (n = 3), secondary data: GMS, UK (Tesco, Marks &amp; Spencer, Sainsbury/qualitative)</td>
<td>Internationalisation makes standardisation CB difficult as positioning and image are hard to standardise, dependency on employees, local relationship networks</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>International brands in retailing are often to be found in niche markets, and even there adaptations (in terms of assortment, communication policies, service) are necessary, i.e. fashion</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Strategic decision on whether international attitude emphasises standardised approach or local adaptation</td>
</tr>
<tr>
<td>McCoun (2001)</td>
<td>Explanation of differences in the development of retail systems in France and the UK</td>
<td>Intermediary society analysis; theories, approaches by Rubery (1994)</td>
<td>Primary data: n (n = 27)</td>
<td>Economic and cultural factors explain different cross-national designs (i.e. retail system/structure, labour law, level of fashion)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(France/ qualitative)</td>
<td>RPs have to pay attention to these factors to be successful</td>
</tr>
<tr>
<td>Reif/ Piasek (2001)</td>
<td>Analysis of category killer format through comparison of assortments and competitive advantages for internationalisation</td>
<td>None</td>
<td>Case study analysis: n (n = 12), field studies/fields, USA/Frequencies, means</td>
<td>In emerging countries, wholesalers enter first, price-sensitive formats, such as discounters and hypermarkets, in the 2nd phase, supermarkets in the 3rd phase (dominated by localisation), “gap closure” in saturated markets in the 4th phase with convenience stores, and finally service orientation and home shopping in the 5th phase</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Identification of two central elements of the new category killer format is potential for internationalisation: 1. in by store retailing, brand penetration is low and thus allows all brands to survive. 2. cost structure allows category killers to offer marginally lower prices</td>
</tr>
<tr>
<td>Sillers/ Sanghavi (1995)</td>
<td>Analysis of category killer format through comparison of assortments and competitive advantages for internationalisation</td>
<td>None</td>
<td>Case study analysis: n (n = 12), field studies/fields, USA/Frequencies, means</td>
<td>Identification of two central elements of the new category killer format is potential for internationalisation: 1. in by store retailing, brand penetration is low and thus allows all brands to survive. 2. cost structure allows category killers to offer marginally lower prices</td>
</tr>
<tr>
<td>Bowen/ Burt (1992)</td>
<td>Summary of different studies on RI processes</td>
<td>Mention several concepts, i.e. IO paradigm by Dunning, pilegrims 1991</td>
<td>None</td>
<td>Standardisation/adaptation debate can be conducted on different levels within RPs</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>Level of standardisation at brand/image level; level of concept/format and marketing instruments; level of management systems</td>
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</tbody>
</table>

Szwaboda/Zentes/Elsner, Internationalisation of Retail Firms: State of the Art after 20 Years of Research
dimension (e.g. retail concept, systems, control, strategy). However, Brown/Burt (1992) already pointed out that the standardisation versus adaptation debate in international retailing has to be conducted at different levels: the level of brand/image, the level of concept/format, the level of marketing instruments, and the level of management systems. They conclude different consequences from each of the levels for the market operations by international retail firms. Segal-Horn/Davison (1992) underline this and mention some instruments that could be standardised more easily than others.

Further studies by Elg/Ghauri/Sinkovics (2004) and Ghauri/Elg/Sinkovics (2004) analyse a specific aspect, namely the consumer orientation of the international retail firm. They postulate a match between internal and external elements in foreign markets and conceptualise the impact of strategic customer orientation and of commitment in the host country on inter- and intra-market orientation, as well as on the position of the retail firm in the host country (see also papers on success in Tab. 6a).

Some papers deal with specific marketing instruments in a general or country-related context, or related to specific retail formats. Burt/Sparks (2002) consider the standardisation opportunities of the corporate brand. The authors see this as a strategic decision because standardisation is restrained by internationalisation, and the marketing mix requires adaptation, even for standardised corporate brands. Burt et al. (2005) consider strategies relating to international expansion of private labels. Not listed in Tab. 5 are studies dealing mainly with international comparisons of marketing instruments. One example is Fann/Yang (2006), with a primary data analysis on promotions by national fashion retailers in Portugal and New Zealand. Corstjens/Corstjens/Lal (1995) compare price and private labels of grocery retailers in France and the UK.

Studies that analyse customer perceptions differ with regard to theory and methodology from the studies mentioned. They share the view that there is a need for adaptation and thus, for analysis of customer expectations and perceptions, mostly in a country, format or cross-country analysis. Customer expectations in Eastern Europe are addressed by White/Absher (2007), analysing 22 expectation dimensions. McGoldrick/Ho (1992) consider 14 attributes of retail image of department stores in Hong Kong. Swoboda et al. (2008) analyse the impact of the perceived marketing mix factors on store image by simultaneously comparing five western retailer formats in an Eastern European country. With regard to the country-of-origin effect, Chancy/Gamble (2008) analyse the store choice of domestic and foreign retailers by Chinese consumers. On a comparative basis, Burt/Mavrommatis (2006) consider the store brand image of discounters in Spain and Greece. With regard to Marks & Spencer, Burt/Carralero-Encinas (2000) examine the customer perception of this retailer in two countries. A further international alternative for analysis is demonstrated by Newman/Patel (2004), who analyse the positioning of a national and a foreign fashion retailer in the UK. This is linked implicitly to country of origin research, which is not very distinctive in international retailing research. The study by Denstadli/Lines/Grønhaug (2005) is similar, but deals with the timing of market entry. The authors analyse the image and the reasons for the consumer choice of foreign discounters that entered Norway at different times.

### 3.4. Studies analysing performance and failures by international retailers

#### 3.4.1. Studies on performance

Many studies focus on performance (Tab. 6a) and on failure (Tab. 6b) by international retail firms. Performance is usually seen as the final outcome variable, while failures are analysed more deeply with regard to their characteristics, determinants and consequences. Evans/Mavondo (2002) highlight the importance of psychic distance as a predictor of the strategic effectiveness

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**Table 5: Studies on market operations (standardisation vs. adaptation)**

| Reference | Lead standardisation/adaptation debate | Globalisation/standardisation debate | Conceptualisation of conditions, effects, and transfer processes of retail know-how across country borders | Conceptualisation of “retail know-how”: subdivided into technical dimension (e.g. retail concept, systems, control, strategy) and external (consumer-oriented behaviour) | Transfer of retail concepts planned/not planned | Standardisation debate according to Levitt (1983) | Some instruments are easier to standardise than others, three management components considered: role and management of employees, role of intermediaries, three conditions of a global strategy: presence of international customer segments, economies of scale from global activity, formation of international trade zones | Conceptualisation of “retail know-how” subdivided into technical dimension (selection, store design and atmospherics, etc.) and management dimension (retail concept, systems, control, strategies) | Case study analyses (n = 1), primary data/furniture (IKEA), Swedens/qualitative | Two areas postulated for research: 1. Supply side: dependency on technologies, infrastructure, etc., are needed for a format 2. Demand side: foreign consumer behaviour | Result: as there are different conditions on both sides, supermarkets do not yet fit into China |

| Segal-Horn/Davison (1992) | Lead standardisation/adaptation debate within retail sector (for the first time, was neglected before) | Globalisation/standardisation debate according to Levitt (1983) | None; sporadic case studies based on secondary data | Conceptualisation of conditions, effects, and transfer processes of retail know-how across country borders | None (criticises different evolutionary and growth theories, which do not explain transfer of retail concepts between two locations) | Conceptualisation of “retail know-how” subdivided into technical dimension (selection, store design and atmospherics, etc.) and management dimension (retail concept, systems, control, strategies) | Conceptualisation of “retail know-how” subdivided into technical dimension (selection, store design and atmospherics, etc.) and management dimension (retail concept, systems, control, strategies) | None; conceptual | Case study analyses (n = 1), primary data/furniture (IKEA), Swedens/qualitative | Typical for industry: presence of international customer segments, economies of scale from global activity, formation of international trade zones | Conceptualisation of “retail know-how” subdivided into technical dimension (selection, store design and atmospherics, etc.) and management dimension (retail concept, systems, control, strategies) |

### Notes

- RF = retail firm
- MES = market entry strategy
- RF = retail internationalisation

### Table 6:

- Factor of standardisation: internal (behaviour of management, organisation structure, level of decentralisation) and external (consumer-oriented behaviour)
- The targeted customer group is likely to adopt new trends
- It is possible to exist with a standardised marketing concept in an otherwise locally shaped business, supported by a highly coordinated supply
- A study by Denstadli/Lines/Grønhaug (2005) is similar, but deals with the timing of market entry. The authors analyse the image and the reasons for the consumer choice of foreign discounters that entered Norway at different times.

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**References**

- Brown/Burt (2005) consider strategies relating to international expansion of private labels. Not listed in Tab. 5 are studies dealing mainly with international comparisons of marketing instruments.
- Burt/Sparks (2002) consider the standardisation opportunities of the corporate brand.
- Fann/Yang (2006), with a primary data analysis on promotions by national fashion retailers in Portugal and New Zealand.
- Corstjens/Corstjens/Lal (1995) compare price and private labels of grocery retailers in France and the UK.
- Evans/Mavondo (2002) highlight the importance of psychic distance as a predictor of the strategic effectiveness.
3.4.2. Studies on market failures/divestments

Studies concerning market failures/divestments analyse the determinants in particular, but look less at the consequences of international failures/divestments (Tab. 6b).

The study by Burt/Dawson/Sparks (2004a; 2004b) links divestments (structured by exits, closures, and restructuring) in a descriptive manner to countries/regions, market entry strategies (e.g. less often for organic growth and most often for alliances/franchising) and formats (e.g. less often for discounters and most often for supermarkets). Alexander/Quinn/Cairns (2005) consider the following determinants: duration of presence in the market (e.g. the longer the presence, the fewer divestments), firm’s size, and environmental influences (e.g. market crises). Furthermore, the authors show more divestments in the fashion retail sector than in the food retail sector. From a methodological point of view, both studies are descriptive. In terms of the theory applied, both studies refer to their own conceptual papers, as well as to theoretical approaches from industrial organisation and organisational studies. With regard to one country market, Elgar/Rachman-Moore (2007) indentify strategic decision-making, decision-making by the local entity, and cooperation between retailers operating internationally and the local entity as the main determinants of failures.

The conceptual studies are based on different theories. In Tab. 5, the papers based on institutional theory by Bianchi (2006), Bianchi/Arnold (2004) and Bianchi/Ostale (2006) are mentioned. All studies argue that failures result from a lack of adaptation to institutional norms, rules, etc., and therefore suggest adapting internal and external format elements (conceptualised according to Goldman 2001). The systematisation of divestments and their determinants (market-related, competition-related, organisational, and business-specific) are analysed by Burt/Dawson/Sparks (2003), Burt et al. (2002) and Mel-lahi/Jackson/Sparks (2002). The authors state that internal factors are the main reasons for the international retailer crisis, especially lack of management capability (e.g. doing nothing, underestimating situations, inappropriate reactions). Similar structuring can be found in Lane/Hunter/Hildebrand (1990), while Godfrey/Fletcher (2001) provide an overview of the number of divestments by British retail firms. Palmer (2004) and Palmer/Quinn (2007) use the entire internationalisation process as the basis for analysis of divestments. The authors criticise that divestments are generally not integrated into internationalisation process models (see also Wrigley/Currah 2003) and consider them as a strategic learning option for international retailers. The divestment process, including the decision phase, the realisation phase and the phase of financial consequences, is analysed by Alexander/Quinn (2002).
4. Conclusions and research implications

4.1. Overall review

One contribution from this state-of-the-art article is that current findings within the research field of international retailing are merged into one paper in order to show that there are a large number of conceptual and empirical studies. Even if we only focus sporadically on studies that covered interdependencies between two or more research fields, the studies in each research field differ with regard to content, theoretical and methodological emphases.

In order to assess the emphases of research, the number of studies in one research field could be compared to those of other research fields. Thus, the emphasis is mainly on research covering motives for going abroad and market selection, with approximately 40 papers. This underlines the early stage of retail research, compared to general international business research. Both research fields are linked to each other. The first analyses the item characteristics of motives (host, home country and internal) ex-ante, while the second analyses the markets entered and the determinants (macro, micro and internal) ex-post. In contrast, there are fewer findings concerning

<table>
<thead>
<tr>
<th>Author(s) and year</th>
<th>Research question</th>
<th>Theory/framework</th>
<th>Empirical basis/method</th>
<th>Core findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evans/ Mavondo/ Dibb (2008)</td>
<td>Analysis of the sever al determinants of retail organisational performance</td>
<td>Concept of psychic distance, retail strategy and market entry strategy</td>
<td>Primary data (n = 102), non-food, worldwide/ regressions</td>
<td>- High level of control of entry strategies influences strategic effectiveness positively (organisational performance)</td>
</tr>
<tr>
<td>Evans/ Mavondo (2002)</td>
<td>Empirical test of the concept of psychic distance in order to explain differences in performance between retailing</td>
<td>Concept of psychic distance and connotation of emphasis by Evans/Teagd loft/ Mavondo (2000)</td>
<td>Primary data (n = 102), non-food, worldwide/ regressions</td>
<td>- Two countries: psychically close and distant markets</td>
</tr>
<tr>
<td>Leopold-Auer/ Ghauri (2007)</td>
<td>Analysis of influencing factors and the role of MO in the retail market entry process</td>
<td>Internationalisation process theory, matching, MO, network theory</td>
<td>Case studies (n = 2), based on primary data/semi, Marks &amp; Spencer/ qualitative</td>
<td>- Different knowledge is needed within the internationalisation process depending on the phase</td>
</tr>
<tr>
<td>Jonsson/ Ely (2006)</td>
<td>Analysis of the role of learning and knowledge (exchange) and transferable and non-transferable</td>
<td>Case study (n = 1), based on primary data/semi, Sweden, Russia/ qualitative</td>
<td>- European RFs transfer to different phases in the process of internationalisation</td>
<td></td>
</tr>
<tr>
<td>Wyles/ Moore/ Binns/ Prime (2005)</td>
<td>Performance factors in internationalisation of fashion RFs based on six topics of RI according to Akhurst/Alexander 1995</td>
<td>Case studies (n = 2), primary data/UK, and US, fashion/ qualitative</td>
<td>- European RFs transfer to different phases in the process of internationalisation</td>
<td></td>
</tr>
<tr>
<td>Negers/ Ghauri/ George (2005)</td>
<td>Effects of MO performance in the international context</td>
<td>Concept of MO party matching</td>
<td>Case study (n = 1), Tesco/qualitative</td>
<td>- Different knowledge is needed within the internationalisation process depending on the phase</td>
</tr>
<tr>
<td>Moon (2005)</td>
<td>Demonstrate growth strategies of US RFs in the home market based on four growth strategies according to Aaker</td>
<td>Short case studies (n = 5), US, overall/ qualitative</td>
<td>- Different knowledge is needed within the internationalisation process depending on the phase</td>
<td></td>
</tr>
<tr>
<td>Car (2004)</td>
<td>As an internal factor</td>
<td>Industry- and resource-based view (mentioned)</td>
<td>Case studies (n = 2), secondary data/overall/ qualitative</td>
<td>- Different knowledge is needed within the internationalisation process depending on the phase</td>
</tr>
<tr>
<td>Hernandez (2003)</td>
<td>Effects of entry by a RF or format on the market structure (DIY sector)</td>
<td>Case study (n = 1), secondary data/ Home Depot, USA/ qualitative</td>
<td>- The introduction of Home Depot in Canada was a success resulting in many dispossesses of former competitors' stores; DIY is now common society</td>
<td></td>
</tr>
<tr>
<td>Arnold (2002)</td>
<td>Demonstration of similarity/performance factors of successful RFs, which are relevant inter-sectorally</td>
<td>Case studies (n = 5), secondary data/overall/ qualitative</td>
<td>- Similarities of the best RFs worldwide: 1) Inspirational leadership; 2) motivating organisational culture; 3) strategic flexibility, adaptability, leadership, opportunistic behaviour (culture); 4) relevance to customers; 5) and to communities</td>
<td></td>
</tr>
<tr>
<td>Shoakleton (1998)</td>
<td>Influence of firms strategy and culture on international performance, especially in terms of transfer, adaptation and implementation</td>
<td>Concepts of firm culture</td>
<td>Case study (n = 1), analys interviewed Sanders, UK, US/ qualitative</td>
<td>- Performance of Sanders in the USA is based on successful transfer of firm's ideologies and strategies, and of its management principles</td>
</tr>
<tr>
<td>Uppal/ Prime (1996)</td>
<td>Development of a model to explain factors within the interplay between performance of format</td>
<td>Business-related distance, elements of format</td>
<td>Conceptual</td>
<td>- Performance factors in format internationalisation: 1. degree of new product/idea; 2. retail strategy, especially in marketing, mix, either adaptation or globalisation; 2. other relationships (investors, suppliers, etc.); 3. degree of cultural adaptability</td>
</tr>
<tr>
<td>Tung (1988)</td>
<td>Explanation of the development of hypermarkets in France and whether they could be successful in the USA</td>
<td>None</td>
<td>None</td>
<td>- Two development conditions are crucial to good performance: 1. appropriate environment; market growth, price orientation of customers, weak competition, and legislation; 2. format-specific know-how; concept, purchasing power, logistic strategies,捅eniczlar, personal resource</td>
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Table 6a: Studies dealing with international performance
international retail performance or market operations, as well as market entry strategies.

With regard to empirical studies, a relatively large number of studies based on secondary and ex-post data have been conducted in the fields of motives and market selection, while there are only five empirical studies in the research fields relating to performance/failures, four on market operations, and four on internationalisation strategies. Conceptual and case study-based papers are valuable, but the need for empirical studies and studies

based on a large sample is evident in order to support and generalise findings. As pointed out initially, however, there is some unwillingness by firms to provide primary data. Thus, the number of empirical studies based on secondary data is much larger than the number of studies based on primary data. For instance, in the three research fields mentioned where empirical research is low, six empirical studies are based on secondary data and two on expert opinions. Hence, only five empirical research studies are identified that are based on primary data, meaning that a
large number are based on interviews from retail managers, whereas three of these studies actually use the same data sample (Evans/Bridson 2005; Evans/Mavondo 2002; Evans/Mavondo/Bridson 2008).

The theoretical emphasis applied can only reasonably be estimated in each research field. The characteristic of retail research is that scientists often refer to retail-specific literature only for their conceptualisations. Of course, the characteristics of retailer internationalisation affect the adaptation of theories and measurements, but not the application of theories in general. For instance, Ekeledo/Sivakumar (1998; 2004) show that findings regarding the market entry strategies of manufacturing firms can be transposed to retail firms to a certain extent. Thus, well-known theories from international business research should be adapted in order to conceptualise retail-specific frameworks and to formulate hypotheses that allow generalising research results.

4.2. Implications for further research

In spite of the fact that the studies available stimulate the progress of knowledge in the relatively young research field of retail internationalisation, some limitations can be determined in terms of content, theory and methodology. This should be considered in contrast to the general, international marketing and management research. With regard to this, research proposals will be elaborated in the following for future empirical studies in international retailing research, focussing on the leading empirical studies in each research field. Empirical studies in each research field could address item characteristics, determinants and consequences.

Implications for research on motives

Comprehensive studies on motives for going abroad (particularly Alexander 1990; Evans et al. 2008; Hutchinson et al. 2007) show that the characteristics of country-specific motives have not yet been analysed to a large extent. Thus, future research could address these country-specific motives from three different perspectives. Firstly, item characteristics, determinants and consequences of different motives for entry into a specific country show challenges for future analysis. Established concepts, for example dealing with the roles of different countries (e.g. core or peripheral country markets) or their role in a firm’s country portfolio (e.g. Harrell/Kiefer 1993), have not yet been investigated empirically in retailing research. Secondly, the way in which different motives influence marketing operations in a specific country are subject to question. One research objective may be to establish whether and how retailers adapt and decentralise activities in core country markets, where the goal is maximisation of sales and gross profit, or whether and how they achieve this in peripheral markets. Thirdly, it would be useful to compare goals at the time of market entry with achievement of the set targets in order to gauge performance (e.g. Cauvsgil/Zou 1994). From a methodological point of view, it is important to point out that the widely used interviews with managers of firms not operating internationally yield different results to those with managers that do have international experience. The same can be stated for ex-post and ex-ante surveys.

Implications for research on internationalisation strategies

Comprehensive papers (particularly Goldman 2001; Leknes/Carr 2004; Rugman/Girod 2003) provide retail-specific strategy typologies. In this research field, in particular, the controversy on the researchers that use well-known theories from international business research comes to the fore (particularly Pederzoli 2006). In future research, the established integration-responsiveness (IR) framework should be used as a basis. Thus, item characteristics of strategy types (e.g. in different retail sectors) and consequences of strategies (e.g. structures, performance) can be analysed, similar to the wide body of research on manufacturing firms (Harzing 2000). Without a doubt, typologies are useful because they can reduce the complexity of international organisations to a manageable volume of interrelated characteristics, which in turn facilitates the understanding and explanation of firms’ foreign activities. Furthermore, it could be argued according to Pederzoli (2006) that an analysis from the viewpoint of a firm’s headquarters is more meaningful because corporate strategies guide host country decisions. The opposite view (e.g. Goldman 2001) implies that country-specific internationalisation strategies are analysed. In this case, the categorisations of units and country-specific motives are relevant.

Implications for market selection research

The literature review concerning studies on market selection has shown that there is a widespread lack of normative approaches to international market selection, whereas ex-post evaluations dominate the empirical studies in Tab. 3. Known normative models can also be applied to retail firms if they only relate to the macro-and meso-level of market selection (e.g. Anderson/Buvik 2002). Feasibility studies and country-specific selection steps as characteristics of retail firms can be linked to studies concerning location choice (e.g. González-Benito/Anderson-Benito 2005; Swoboda/Schwarz/Hülsig 2007; Thompson 2003). Furthermore, real option approaches, for example, have not yet been discussed in international retailing research. The process approaches, describing international retail development across country markets over time, could be developed if they refer to general international business literature, which offers a huge body of knowledge on internationalisation dynamics, stages, and patterns over time.

Implications for research on market entry strategies

With regard to only six empirical papers published during the literature review, some items were indicated

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for further research. Further empirical studies concerning the determining factors could investigate the systematised relevance of external and internal factors, or even their moderating role. Resource-based conceptualisation could consider the impact of a preferred entry strategy on mode choice (e.g. cooperative or fully controlled modes), with external environmental variables as moderators. An alternative framework could also consider the impact of environmental factors on mode choice and the moderating role of a preferred strategy. An empirical examination of the wide frameworks provided by Huang/Sternquist (2007), Picot-Coupey (2006) or Park/Sternquist (2008) has not yet been conducted. The analysis of grocery versus non-food retailers or a glance at small retailers’ preferences in market entry strategies is an interesting approach (e.g. Alexander/Doherty 2004; Doherty 2000). A very promising approach in order to estimate the speed and size of market entries is provided by Gielens/Dekimpe (2007). Furthermore, switches in entry strategy, e.g. from alliance to fully controlled modes, would be an interesting point of contact for further research, also in the context of manufacturer (Calof/Beamish 1995).

Implications for research on marketing operations

The review of marketing mix operations in international retail firms shows that the link between visible offers (e.g. store location, assortment, price, store layout) and internal elements (e.g. repertoire as norms (experience, strategies, technologies) and systems (methods, techniques, organisational structures)) is essential (see Goldman 2000; 2001 as the possibly most influential researcher on this topic). Nevertheless, further research could be addressed in several ways in terms of definition, conceptualisation and empirical investigation.

Fundamental conceptualisation and measurement concepts are needed for the internal processes. Thus, value chain research serves as a possible basis for conceptualisation of marketing processes (e.g. location, category planning), supply chain processes (e.g. purchasing, logistics), and management processes (e.g. structures, systems, culture) (see Coe/Lee 2005)

Secondly, insights on the relationship between visible marketing offers and internal marketing processes are limited. The adaptation or standardisation of retail marketing instruments does not need to be in accordance with the adaptation or standardisation of marketing and supply chain processes, and vice versa. While Goldman (2001) examines both as emancipated domains, it would be interesting to investigate whether and how retailers see the relationship between both, perhaps with regard to culturally close and culturally distant markets

Thirdly, the standardisation of structures or cultures takes place at a different level to the standardisation of visible marketing instruments. The question of integration or even centralisation on the one hand and the adaptation of visible marketing instruments on the other leads once more to the axes of the IR framework (e.g. Harzing 2000 as an overview)

Differentiation between a country-specific and an inter-country view would be interesting. Item characteristics, determinants and consequences of marketing instruments and processes are determined or even moderated by the local environment (specific to one country or one culture). This need not be in accordance with an inter-country view of instruments and processes

The customer-based studies on perceptions, store choice and image mentioned by way of example should be extended substantially, for example in terms of methodology.

Implications for research on performance/failures: The very few empirical studies on performance only address the cultural determinants (Evans/Mavondo 2002; Evans/ Mavondo/Bridson 2008), but not the item characteristics and consequences of performance. With regard to the consequences, Jain (1989) already provided evidence that adaptation in foreign markets depends on environmental variables and on performance. As retailers tend to multiply their standardised home market processes (e.g. Rogers/Ghauri/George 2005), this would be a challenging framework for empirical studies in international retail research, whereas performance is used in previous studies as a resulting variable only. Furthermore, the context of performance studies is always questionable internationally as to whether it is country-specific or across countries. Failures are analysed empirically in a more targeted manner than performance (particularly Alexander/Quinn/Cairns 2005; Burt/Dawson/Sparks 2004a; 2004b; Etgar/Rachmann-Moore 2007). Compared to international business research, there is no investigation of the determining factors of success/failure. Furthermore, well-known conceptualisations cover the impact of strategy, processes and structures on performance. Nevertheless, the impact may not necessarily be direct, as is already known from configurational fit research. Moderating, mediating, co-alignment and other relationships are conceivable (see Venkatraman 1989). This can also be applied to divestment research. With regard to performance, country-specific and inter-country perspectives should also be taken into consideration. Performance in one country may be the same as a retail firm’s performance across other countries or as a whole.

5. Final remarks

Retail internationalisation is becoming more and more important nowadays. In spite of the fact that this is a fairly recent field of research, this state-of-the-art article shows that the issues relating to the decision to going abroad are already well researched. This is not so much the case, however, for questions relating to the perspective of being abroad, such as marketing operations and performance. Thus, the current findings of international retail research are presented in a structured manner. Based on existing studies, some implications for further research have been
elaborated with regard to content, theory and methodology. We hope that the overview of the research in the last two decades and the implications will stimulate further research in the field of international retailing.

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M A R K E T I N G·J R M·2 / 2 0 0 9


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Park, Y./Sternquist, B. (2008): The Global Retailer’s Strategic
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- Energy efficiency
- Material efficiency
- Waste management and recycling
- Sustainable water management
- Sustainable mobility

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