

Veilleux, S., Haskell, N., et F. Pons (2011) « Influence of entry modes on communication strategies of international new ventures in foreign markets: a preliminary study », *International Journal of Business and Globalisation*, 6 (2): 117-135.

“Influence of Entry Modes on Communication strategies of International New Ventures in foreign markets: A preliminary study”

Abstract

International new ventures (INVs) – those that from the inception seek to use their resources and to sell their output in international markets – have been the subject of much research for more than a decade. However, research on INVs has so far ignored the importance of communication strategies directed toward foreign stakeholders during the internationalization of these young firms. In addition, INVs may utilize different and at times progressively more complex entry modes into foreign markets (for example, exporting, licensing, direct investment). An important concern is then the necessity to develop and implement appropriate communication strategies towards foreign stakeholders as the firm evolves in terms of its international activities. This study examines communication strategies of INVs in foreign markets when pursuing different entry modes. A communications model is used to develop propositions and these are explored based on interviews with 22 executives in high-tech companies. Insights for managerial practice and for future research are provided. Results suggest that INVs do communicate with different publics as they internationalize; however, they are not taking full advantage of a carefully planned communications strategy or of all the communications tools available.

Key words

International New Ventures, modes of entry, communication.

INTRODUCTION

The emerging literature on international new ventures (INVs) is in the early stages of describing the dynamics involved in internationalization and more research is needed into the process (Coviello 2006) and content (Coviello and Jones 2004) of the internationalization of new ventures. All new ventures must learn new organizational tasks, resolve role conflicts, and develop effective management structure and operational procedures while searching for committed investors, responsible partners, high quality employees and suppliers, and eventually interested customers (Stinchcombe 1965). Communication with these different stakeholders is required to build awareness of the firm and its actual or future products. It also reinforces the firm's credibility in the eyes of potential and actual stakeholders mentioned above, including leaders of community and financial institutions and government representatives. For firms going international, foreign stakeholders, new business cultures and ways of doing things must be incorporated into this learning process.

Furthermore, the international entrepreneurship literature emphasizes the importance for INVs to build these *networks* and to build *external social capital* in foreign markets (Loane and Bell 2006; Mort and Weerawardena 2006; Oviatt and McDougall 1994; Wright and Dana 2003).

Network membership permits the new venture to gain external social capital (i.e., management contacts, involved customers and suppliers) (Yli-Renko, Autio, and Tontti 2002) enabling the firm to gain access to foreign market knowledge and, in turn, to better communicate with foreign publics. Building awareness and credibility as a potential network member in foreign markets is therefore an important objective of INVs and the investigation of the communication strategies of these firms is an important subject of research. However, we know very little about how, why,

and with whom INVs communicate during the early stages of their development or how these strategies differ as the firm's international activities evolve.

This study takes the first step in exploring this process by examining the role of international corporate communications, or "marketing the firm" to international stakeholders (sometimes referred to as public communications or public relations) as opposed to marketing products and services to foreign customers through advertising and promotion). Specifically, this study addresses two research questions: first, whether INVs use different communication strategies when they approach foreign markets in different ways (i.e., using different entry modes); second, whether their communications becomes more formalized as they engage in more complex entry modes.

After a brief presentation of INVs and their specific needs for communication during the internationalization process, communications strategy and related propositions will be presented. And since internationalization strategies and practices may differ by industry, these propositions will be investigated and discussed from the viewpoint of high-tech INVs (an industry frequently used in INV studies). Analysis and results are then presented and discussed. Managerial implications are suggested for INV managers.

LITERATURE REVIEW

International New Ventures (INVs)

In the late 1980s, McDougall (1989) first underlined the necessity to distinguish new international ventures from domestic ones. An INV is often defined as "*a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries*" (Oviatt and McDougall, 1994).

Environmental, organizational, and founders/team management characteristics are all factors influencing early internationalization of young firms (Boter and Holmquist 1996; Crick and Jones 2000; Etemad 2004; Evangelista 2005; Madsen and Servais 1997; McAuley 1999; McDougall, Oviatt, and Shrader 2003; Oviatt and McDougall 1999; Rialp, Rialp, and Knight 2005). This dynamic environment, in constant mutation, is particularly evident in high technology sectors which are often global industries (Acs et al. 1997; Harveston et al. 2001; Ibrahim 2004; McNaughton 2003; Nummela 2004) where multi-pole network enterprises require symbiotic management in which each entity benefits from the contribution of others (Wright and Dana 2003). In countries where the domestic market is too small or the necessary resources are not available, the need for globalization is amplified (Gurau and Ranchhod 2007; Lindqvist 1997; McDougall and Oviatt 1996; Preece, Miles, and Mark 1998). Transportation and communication technologies also contribute to globalization, reducing the complexities of logistics (Dana, Etemad, and Wright 1999). All these factors call for early internationalization (Chetty and Campbell-Hunt 2004; Knight and Cavusgil 2004; McDougall 1989; McDougall et al. 2003). High tech start-ups with these characteristics often move toward INVs in order to develop their position and ensure their growth. They rely on hybrid governance structures such as alliances and networks to complement their lack of resources (Johnson 2004; McDougall, Shane, and Oviatt 1994; Otto 1997; Oviatt and McDougall 1994; Spence 2004; Varis, Kuivalainen, and Saarenketo 2005).

Communication and INVs

New ventures cannot rely, as established firms do, on corporate image, brand recognition, or financial track record when attempting to acquire resources from stakeholders for start-up and

growth (Aldrich and Auster 1986). Indeed, the need for a new firm to develop effective management, operational structures, and controls as well as the need to build confidence and support have been called “*liabilities of newness*” (Stinchcombe 1965). These “liabilities” are of concern to potential stakeholders who have little knowledge of the new organization and thus little confidence in the firm’s ability to successfully organize and manage for growth. Therefore, new ventures must address this lack of stakeholder awareness of its abilities, products or services, inspire confidence, and foster stakeholders’ willingness to support the firm. This aspect of the “*entrepreneurial problem*” (awareness, confidence, willingness to support) may be resolved by promoting cognitive legitimacy (the firm provides the stakeholder with sufficient information so that he accepts the firm as legitimate) and affective congruence (the firm provides information enabling the stakeholder to feel that the goals and values of the firm are consistent with his own goals and values) (Miles and Snow 1978). Stakeholder literature has focused on perceptions of those who acquire resources, and Choi and Shepherd (2005) examined the perceptions of stakeholders of an organization’s newness and the potential influence of these perceptions on their willingness to support the organization (i.e., to commit resources). They found that stakeholders differ in the primary motives for which they engage in an organization. New ventures may therefore need to address these different motivations in their communications. For the *international* new venture (INV), solving the entrepreneurial problem in terms of communication involves the added complexity of dealing with foreign stakeholders. The communications component may thus be even more complex in foreign markets where foreign stakeholders’ evaluations and perceptions of the INV may be influenced as well by a reticence or even a certain suspicion toward foreign entities and the products and services they produce (or will produce in the future).

The Internationalization process and modes of entry

Even though the international entrepreneurship literature has made much progress, few studies (Bell 1995; Lindqvist 1997; Shrader, Oviatt, and McDougall 2000) have proposed a pattern of internationalization based on entry forms (Burgel and Murray 2000). In addition, in the internationalization process models proposed in the international entrepreneurship literature (Bell et al. 2003; Coviello and Martin 1999; Crick and Jones 2000; Etemad 2004; Jones and Coviello 2005; Lindqvist 1997; Manolova and Manev 2004; Nummela, Puumalainen, and Saarenketo 2005; Oviatt and McDougall 2005b; Tesfaye 1997), internationalization behavior is still largely a void.

Process models have been integrated into the international new venture/international entrepreneurship literature over the last decade (Coviello and McAuley 1999; Etemad 2004; Jones and Coviello 2005; Oviatt and McDougall 2005a). Furthermore, Welch (2004) encourages a merger of research on international entrepreneurship and the stages model of international development to better explain the internationalization process of both domestic and international new ventures, since they have common heritage and a concern for similar issues. While the internationalization of high-technology companies may differ from the pattern for traditional firms proposed by Johanson and Wiedersheim-Paul more than thirty years ago (1975), the model is still useful (Johanson and Vahlne 2003) and will be used in this research.

International Communication

Communication with a firm's stakeholders (often called public or corporate communication) is a dynamic process in which objectives, strategies and tactics must be modified as the situation of the firm progresses. Since the beginning of 1980s, numerous researchers have contributed to the

development of communication theory (Moss, Ashford, and Shani 2003). However, research to date has mainly focused on very large companies, governments and nonprofit organizations.

Thus little knowledge exists on the use of communications by smaller commercial firms. Moss *et al.* (2003) suggest only that SMEs should act differently in terms of communications because of their limited resources (for example, during the start-up years, communications are usually direct and accomplished by the owner). As the firm grows, either an employee or a specialized firm is put in charge (Gregory 1996). Consequently, limited research has explored the communication strategies of small commercial companies with respect to their *international* activities.

There is a paucity of models in the communication literature which could be used to evaluate communication strategies and practices of INVs and the overall quality of communication strategy. However, Belch, Belch and Guolla (1998) propose a normative framework for communication strategy and tactics which may be useful in the international context of this study (Figure 1). It suggests that an evaluation of the firm's situation (in the present study, mode of entry and target groups) leads to the identification of desired changes in a target group's awareness, attitudes, or behavior toward the firm and its products or services. The firm then must develop appropriate communication objectives for these targets; i.e., communications which attempt to influence the awareness, the attitude, or the behavior of the targeted audience. The specification of adequate communication techniques, some of which are more appropriate than others for particular objectives, should assist in the attainment of communication objectives .

Insert Figure 1 about here

Progressing from cognitive to affective to behavioral objectives is common to all response models (Belch, Belch, and Guolla 2003). Therefore, in the case of INVs, the first role of corporate communication should be to insure awareness of the firm and its growing notoriety. Second, corporate communication should be used to build the firm's credibility by creating a positive attitude on the part of targeted publics. Positive attitude in the context of a firm's partner publics would be represented by a positive affective response to the firm and its activities; for example, willingness to learn more or being open to suggestions concerning entering into a relationship with the firm. The ultimate objective should be to influence behavior: to get investors to invest, partners to sign an alliance, and all stakeholders to support the development of the company.

The implementation of this framework requires judicious use of either mass communication techniques (press relations, publicity, and sponsorship) or personal communication techniques (events, direct communication) depending on the objectives being pursued. The following section describes propositions drawn from this framework.

Corporate Communication Targets and Objectives of INVs over different market entry modes

Lacave and Rolland (2000) reiterate the special need for young domestic high-tech companies to use public communication due to financial needs, short product life cycles, and their often precarious existence. The situation would appear more complex for the high-tech firm involved in international activities requiring at times domestic and perhaps foreign government support, trade association support, financial partners both domestic and foreign, commercial partners both domestic and foreign, and others. This leads us to propose that high-tech INVs do communicate with different foreign publics (foreign communication "targets") as they pursue different entry modes.

Proposition 1: High-tech INVs target different foreign publics (foreign governments, foreign investors, foreign partners, foreign clients, and foreign citizens) when using different entry modes.

Due to the need of INVs to reduce the liabilities of newness, mentioned earlier, and the need to influence actual and potential stakeholders, this study proposes that the “domestic” framework in Figure 1 may be applied to public communications in foreign markets and that, as a firm becomes more involved in a foreign commercial environment and must interface with new partners, new governments and new clients, it must adapt its communications strategy in terms of the objectives pursued. Common sense would suggest, for example, that entry modes requiring government support, as would be the case for foreign direct investment (FDI), would lead the firm to develop communications to make involved parties aware of its presence and objectives, then to influence a positive attitude towards the firm’s investment in the region, and finally to influence behavior (authorizing the investment, etc.). A firm already engaged in FDI would therefore be expected to use at least attitudinal and perhaps behavioral objectives towards the foreign government in question.

Consequently, we propose:

Proposition 2: High-tech INVs pursue different communication objectives (i.e., awareness, attitude or behavior) vis-à-vis different targeted publics when using different entry modes.

Depending on the communication objectives pursued (awareness, attitude, behavior), respondent firms will utilize certain communication techniques (personal or mass techniques) to attain those

objectives. For example, based on the firm's objectives, even niche-oriented INVs may use "mass" communication via specialized media or, for certain publics, press relations may be used to gain visibility at low cost.

Proposition 3: Mass communication techniques are used by high-tech INVs when the corporate communication objective is awareness of the firm and/or its products/services.

Proposition 4: Both mass communication and personal communication techniques are used by high-tech INVs when the corporate communication objective is to influence attitude towards the firm and its products/services.

Proposition 5: Personal communication techniques are used by high-tech INVs when the corporate communication objective is to influence behavior concerning the firm and its products/services.

METHOD

Sample

Although an industry's internationalization increases the pressure on firms to move into foreign markets (Oviatt and McDougall 1997), massive introduction of SMEs on international markets is not uniform among all industries (Manolova and Manev 2004). Therefore, it appears appropriate to concentrate on one industry at a time. High-technology industries are characterized by the need to serve emergent and niche-oriented international markets (Crick and Jones 2000; Lindqvist 1997). Madhok and Osegowitsch (2000) characterize biotechnology as a global high-technology industry, requiring companies to internationalize their activities very early in their

development due to the inadequacy of home-market demand to sustain the firm's development and growth. Biotechnology companies constitute an appropriate sample population because it is believed that companies specialized in this type of technology rely upon different publics to survive, such as potential investors, R&D, and marketing partners (Baum, Calabrese, and Silverman 2000; Baum and Silverman 2004; Deeds, Decarolis, and Coombs 1997; Priest 1995). Furthermore, certain publics may be more important to these firms than others at different points in their development. Therefore, the biotechnology sector has been retained for this research. 39 Biotechnology organizations in a major North American city were contacted by phone in order to request their participation in this study. 26 organizations agreed to participate in the study; however, four firms were not valid respondents since they had as yet no foreign involvement and the final sample included is 22 valid respondent firms. Comparisons of respondent firms and non respondent firms on sector, age, status, sales, and number of employees suggest that non response bias is not significant.

Data Collection and measures

Personal interviews with 22 executives highly involved in the internationalization and the communications of their biotech company were conducted using a structured questionnaire. Interviews lasted approximately 90 minutes. This procedure permits the collection of a maximum of data in a relatively short period (Patton 2002). Descriptive variables included size of firm based on number of *employees* and *revenue*, *age* of the firm, *status* of the firm (public, private), and *sector* of application of biotechnologies (health, agriculture, nutrition, environment). *Years-to-first-entry* into at least one foreign market was used to validate respondent firms as INVs, consistent with the 6-years-to-entry criterion (Coviello and Jones 2004). In addition, *international diversity* and *order of foreign market entry* were included as

descriptive variables to provide a richer profile of study participants' international activities. *International diversity* (Preece et al. 1998) refers to the number of countries in which a firm is involved. It also implies more complex international operations due to the necessity to plan, produce, and market to different countries. The *order of foreign market entry* was measured since the literature suggests that newly internationalizing firms begin their activities by doing business with their nearest neighbor(s) in order to reduce physical and/or psychological distance (Eriksson et al. 1997; Johanson and Vahlne 1977).

Stage of internationalization was measured by the most "advanced" mode of entry in which the firm was engaged (exporting, licensing, and foreign direct investment), with the addition of international R&D partnerships as a potential "first step" towards internationalization, coherent with the process model of internationalization and modified for the context of biotech INVs.

International communication strategy was assessed through the measure of 1) *communications objectives* to be attained (awareness (to be known), attitude (to be liked), behavior (to incite action)); 2) *techniques* used (later classified into *mass communication* and *personal communication*) and 3) for each *public* of the firm (government, investors, partners, clients, citizens) (Belch, Belch and Guolla; 2003).

RESULTS

Since there is little theory in the communication literature which is pertinent to the objectives of this study, and due to the ordinal nature of certain variables, descriptive and nonparametric analyses were used to trace a portrait of current strategies and practices and to observe proposed relationships between *communication strategies* and *stage of internationalization*. This is appropriate for the exploratory and preliminary nature of this research. Such analysis should allow the development of more sophisticated future research.

Sample Profile

Table 1 describes respondent firms. While characteristics of respondent firms vary, some principal characteristics are evident. 3 out of 4 respondents are private firms, and more than half are in the health industry. Biotechnology firms in the study are smaller firms: 13/22 (59%) have 50 employees or less, and 12/22 (55%) having \$1.5 million CAD or less in revenues. They are also relatively young: 2 out of 3 firms had been in business for 7 years or less, and 1 in 4 (5/22, or 23% of the sample) had been in business for 3 years or less. More importantly, the age of respondent firms at the time of entry into international markets places the vast majority in the category of international new ventures (INVs), often described as international entrepreneurs: 64% (14/22) had entered international markets within the first 3 years of operation. Another 23% (5/22) entered within the first 4 to 6 years of operation. Thus, 87% of respondents qualify as INVs using the 6-years-to-entry criterion of Coviello and Jones (2004).

Insert Table 1 about here

In terms of *international diversity*, 64% (14/22) of respondents are doing business in one or two foreign markets and the other 36% in three or four markets. In addition, coherent with the literature (Eriksson et al. 1997; Johanson and Vahlne 1977), the first country selected for international expansion was their “*nearest neighbor*”, either physically or psychologically: either the U.S. or France, for 77% of this North-American, predominately French-heritage sample. Furthermore, respondents may be classified in all four of the stages of internationalization, with early stages being more predominant than more advanced stages: the highest degree for 14/22, or 64% of firms is R&D partnership or exporting. Only 8/22, or 36% of firms are engaged in international licensing or foreign direct investment.

Qualitative analysis of the progression of respondent firms from one entry mode to another lends some support to a sequence similar to the stages model of internationalization (i.e., R&D, licensing, joint venture, foreign direct investment). However, as may be expected, variations in entry pattern were observed. Interestingly, no company engaged in the “stages” contrary to the suggested direction (for example, no firm engaged in licensing and then began exporting). Table 2 presents the sequence of entry modes used by the 22 biotech firms in the study. As of the date of data collection, eight firms limited their international activities to international R&D partnerships. In addition to R&D involvement, one firm also exported its technology, two exported their product and out-licensed their technology, and one, in addition to the previous degrees of implication, invested in a foreign country. Other firms used the leapfrog approach (Welch and Luostarinen 1988) by beginning their operations using an entry mode requiring more involvement. One firm started international activities with an international R&D partnership and then out-licensed its technology and invested directly in a foreign country (without exporting). Seven firms undertook exporting as their first internationalization step. One of the seven then directly invested in a foreign market while another one has successively out-licensed its technology, and directly invested in a foreign market. Still another jump-start pattern was followed by a company which chose to start its internationalization by out-licensing and another firm went directly to foreign investment.

Insert Table 2 about here

Descriptive statistics shed some light on this progression. The size of the firm, measured both by revenue and number of employees, is significantly related to the most advanced stage of international involvement achieved by the firm (Spearman’s nonparametric rho $p < .01$ for revenue and $p < .05$ for number of employees). Thus, larger firms are more apt to directly engage

in or progress to licensing and foreign direct investment. Other descriptive variables are not related.

Detailed Results

Proposition 1: Data do lend qualitative support to the notion that the most important communication targets for biotechnology firms are different for different entry modes. Results from respondents engaged in international R&D partnerships and those that licence their technology to a foreign entity suggest that partners are the most important targets of their communications. In an R&D partnership, clients are normally further from the immediate concerns of these firms, and it is the partner upon whom the firm must rely to attain its objective. This is not to say that clients are not important. However at the stage of an R&D partnership, communications are wisely directed toward partners. Firms licencing their technology to a foreign entity are naturally focused on these partners. They do not usually have contact with the customers of the licensee, so it appears normal that these firms focus on partners.

For firms involved in exporting or foreign direct investment, clients are the most important targets. These results also have external validity since the very nature of these activities puts the firm closer to its clients than would, for example, licensing or R&D partnerships. The survival of the exporting firm is founded on its knowledge of clients' needs (distributors, wholesalers, consumers) and the firm's ability to meet those needs. A firm which invests directly in a foreign country normally does so to manufacture and/or sell its products, investing, for example, in factories, distribution centers, sales subsidiaries or perhaps buying out a foreign competitor to gain an immediate foothold in the country. Clients are again extremely important to the firm's survival.

Proposition 2: Respondents indicated the most advanced entry mode they had attained and, for that entry mode, the most important type of objective pursued for each type of public. Tables 3, 4, and 5 present the objectives pursued by these firms and the groups targeted with these objectives. Combining the data from Tables 3, 4, 5 and 6, and despite the limited number of data points, data reveal that awareness is by far the most frequently pursued primary objective of communications, regardless of the public targeted, with the exception of *partners*. Awareness objectives are pursued by 81.8% of firms for government targets, 72.2% for investor targets, 31.8% for partner targets, 77.3% for client targets, and 90.9% for citizens. *Use of attitudinal* objectives is much less frequent. This type of objective is used by less than half of respondents (45.5%, 10 firms) but almost exclusively in communications directed to their *partners*. Objectives inciting action are rather rare. *Partners* receive *behavior-oriented* communications from 23% (5) respondent firms, while other publics are targeted with this type of objective by only 1, 2 or 3 firms depending on the entry mode. These results indicate that objectives may differ at different stages of internationalization as proposed by Proposition 2. However, the little use made of attitudinal and behavioral objectives by the sample as a whole make it difficult to arrive at any substantial conclusion.

Insert Table 3, 4, 5 and 6 about here

Proposition 3, 4, and 5, deal with the relations between, on the one hand, *awareness, attitude,* and *behavioural* objectives and, on the other hand, the use of *mass* or *personal communication* techniques to attain them. To evaluate *mass and/or personal techniques* to attain each *objective*, one-tailed nonparametric Spearman's rhos were computed using the total number of *targets* and the *mass techniques* score or *personal techniques* score. These are shown on the last line of each column of Table 7 (*Awareness* objectives), Table 8 (*Attitudinal* objectives), and Table 9

(*Behavioural* objectives). There is no significant correlation between *awareness* objectives and *mass* communication techniques or for *attitudinal* objectives and *mass* or *personal* communication techniques. There is no support for Propositions 3 and 4. Table 7 does indicate that there are significant, though negative, correlations between *attitudinal* objectives directed towards government publics and *mass* techniques (-.406*) as well as *personal* (-.402*) techniques. Table 8 indicates a significant correlation between *attitudinal* objectives toward citizens; i.e., that respondents do consistently aim to obtain a favorable attitude from citizens through *personal* communications. Finally, Table 9 does show a significant correlation between *behavioural* objectives and the use of *personal* communications for the sample as whole, as proposed in Proposition 5. This is especially true for partners (.402*). However, *mass* communications are the tools of preference when firms aim for a behavioural response from governments (.445*).

Insert Table 7, 8 and 9 about here.

DISCUSSION

Respondents did show a “pattern” of choosing specific groups to target with their communications when using different entry modes. Partners, as one would expect, are the most important communication targets for firms engaged in international R&D partnership and out-licensing. Firms involved in exporting and foreign direct investment choose clients as their most important communication target. Results are logical since R&D partnerships and out-licensing activities are pre-commercialization stages, requiring more contact with partners to develop their activities but not necessarily with customers or citizens at this stage. On the other hand, exporting and foreign direct investments require the commercialization of products or services, and direct contact with clients and citizens is extremely important. Sample firms are therefore

logical in their choices even though several elements of communication strategy may not be used to their full potential (i.e., adequate planning to reach each specific public in order to progress toward attitudinal and/or behavioral objectives by using the optimal techniques suggested by communication strategy).

The finding that biotech INVs rely most heavily on awareness objectives for all groups, with the exception of partners, is dismaying. While these generally young firms must first build awareness of the firm, communication theory suggests that awareness alone is insufficient to gain support. Far too few respondent firms use attitudinal and behavioral objectives. It is only in communications with partners that 10 of 22 firms, or 45.5%, use attitudinal objectives, and another 5 firms (22.7%) have developed objectives to influence the behavior of partners. Without these partners, many may not survive their initial years in foreign markets, or even in their home country, since they may need partner's specific competencies. All other results are negligible. These results are alarming from the standpoint of communications and reflect a potential lack of knowledge and perhaps resources to appropriately address the communications task. Early mastering of communication strategy is essential, since each degree of internationalization may be in a new foreign environment, requiring the firm to again build its corporate image and bring new foreign publics to act in its favor.

MANAGERIAL IMPLICATIONS

From a practitioner's point of view, the communications model explored in this paper, combined with the study's results, may provide some guidelines to assist managers in improving their use of communications to support their international development. For example, it is recommended that specific communications should be targeted to particular stakeholders, whose importance to the firm may be a function of the firm's entry mode. To accomplish this, it is recommended that

the firm develop corporate communication policies and structures very early in its development. This may mean employing a person with appropriate communications training to be responsible for communication strategy and customer service who reports directly to top management. It is also recommended that the firm specifically define the nature and the number of publics which are important at each step of the firm's development. Furthermore, specific communication objectives, including awareness, attitudinal, and behavioral objectives, should be defined and used in a progressive manner to insure the positive support of all stakeholders.

FUTURE RESEARCH DIRECTIONS

This research explores a set of propositions and creates a foundation upon which other academic studies may eventually build. It is descriptive in nature and limited to a single sector in one region. Propositions have been generated from a normative communications model developed for public communications; further research is required into its appropriateness for commercial companies. Future research should attempt to validate the model and the findings above and delve deeper into the actual evolution of communication strategy as the firm grows and engages in more sophisticated international activities. A broader sample should be used where possible, and different sectors could be compared. Specific events such as the transition to becoming public or the communication strategies used during the actual engagement in a more sophisticated degree of internationalization could be studied more closely. Attention could also be given to specific stakeholders individually and to complementary factors leading to successful relationships with such actors. The emerging and rapidly growing domains of study relating to international entrepreneurship/international new ventures and relationship marketing may provide important insights and tools for the study of such factors. In addition, the contribution of

internet technologies should be examined for their potential to provide new ways for INVs to communicate and not solely as a communication tool.

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TABLE 1
PROFILE OF SAMPLE FIRMS

Sample Profile	Frequency (n = 22)	Percentage
Status		
Private	17	77
Public (on the stock market)	5	23
Industry Sector		
Health	13	58
Agriculture	3	14
Nutrition	3	14
Environment	3	14
Size of Firm (employees)		
10 or less	5	23
11 to 50	8	36
51 to 135	4	18
136 to 150	0	0
151 or more	5	23
Size of Firm (revenue)		
1.5 M\$ or less	12	55
1.6 M\$ to 2.5 M\$	0	0
2.6 M\$ to 7.5 M\$	4	18
7.6 M\$ to 100 M\$	4	18
101 M\$ or more	2	9
Age of Firm		
3 years or less	5	23
4 to 7 years	10	45
8 to 12 years	5	23
13 years or more	2	9
Age of Firms at International Entry		
0 to 3 years old	14	64
4 to 6 years old	5	23
Over 6 years old	3	13
International Diversity (number of countries)		
1	8	36
2	6	27
3	4	18
4	4	18
Stage of Internationalization (most advanced entry mode)		
International R&D partnerships	8	37
Exporting	6	27
International Licensing	4	18
Foreign Direct Investment	4	18
First Foreign Market(s) Entered		
United States	9	41
France	8	36
Other	5	23

TABLE 2
SEQUENCE OF ENTRY MODES USED BY RESPONDENTS (N = 22)

Entry modes	Sequence used by firms																		
R&D Partnerships	1	1	1	1	1	1	1	1	1	1	1	1	1	1					
Exportation									2	2	2	2	1	1	1	1	1	1	
Licensing																	2	1	
FDI											4	3					2	3	1

Note: Multiple responses permitted.

Columns represent respondent firms. The number 1 indicates the first entry mode used by the firm; the number 2 indicates the 2nd entry mode used, and the number 3 indicates the 3rd entry mode used.

TABLE 3
PRINCIPAL COMMUNICATION OBJECTIVES FOR DIFFERENT PUBLICS AT THE STAGE OF INTERNATIONAL R&D PARTNERSHIPS (N = 8)

Publics	Objectives (%)		
	Awareness	Attitude	Behavior
Governments	7		1
Investors	7	1	
Partners	1	6	1
Clients	7	1	
Citizens	6	1	1

TABLE 4
PRINCIPAL COMMUNICATION OBJECTIVES FOR DIFFERENT PUBLICS WHEN EXPORTING (N = 6)

Publics	Objectives		
	Awareness	Attitude	Behavior
Governments	6		
Investors	4	1	1
Partners	3	2	1
Clients	4	1	1
Citizens	6		

TABLE 5
PRINCIPAL COMMUNICATION OBJECTIVES FOR DIFFERENT PUBLICS WHEN
LICENSING (N = 4)

Publics	Objectives (%)		
	Awareness	Attitude	Behavior
Governments	3		1
Investors	3		1
Partners	1	2	1
Clients	4		
Citizens	4		

TABLE 6
PRINCIPAL COMMUNICATION OBJECTIVES FOR DIFFERENT PUBLICS WHEN
INVOLVED IN FOREIGN DIRECT INVESTMENT (N = 4)

Publics	Objectives		
	Awareness	Attitude	Behavior
Governments	2	1	1
Investors	2	1	
Partners	2		1
Clients	2		1
Citizens	4		

TABLE 7
COMMUNICATION TECHNIQUES FOR AWARENESS OBJECTIVES (N = 22)

Publics	Communication techniques	
	Mass	Personal
Governments	-.406*	-.402*
Investors	.185	-.210
Partners	.135	-.085
Clients	.318	-.043
Citizens	-.014	.150
All publics	.076	-.184

* p < 0.05 (1-tailed Spearman's rho)
** p < 0.01

TABLE 8
COMMUNICATION TECHNIQUES FOR ATTITUDINAL OBJECTIVES (N = 22)

Publics	Communication techniques	
	Mass	Personal
Governments	.019	.190
Investors	-.223	.028
Partners	-.243	-.231
Clients	-.150	-.338
Citizens	-.226	-.363*
All publics	-.272	-.144

* $p < 0.05$ (1-tailed Spearman's rho)
 ** $p < 0.01$

TABLE 9
COMMUNICATION TECHNIQUES FOR BEHAVIORAL OBJECTIVES (N = 22)

Publics	Communication techniques	
	Mass	Personal
Governments	.445*	.336
Investors	.014	.288
Partners	.152	.402*
Clients	-.262	.336
Citizens	.244	.156
All publics	.153	.511**

* $p < 0.05$ (1-tailed Spearman's rho)
 ** $p < 0.01$

FIGURE 1
**A GENERAL FRAMEWORK FOR EFFECTIVE
 PUBLIC COMMUNICATION STRATEGY (BELCH, BELCH AND GUOLLA, 2003)**

