

INTERNATIONAL NEW VENTURES LEARNING PROCESSES AND THEIR ROLE IN INTERNATIONAL MARKETING

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Abstract

Learning processes of the small and medium sized enterprises (SME) are of special importance for their internationalization, as they may lead to gaining the Learning Advantage of Newness. The current literature suggests that the dynamic capabilities concept may help in understanding how the learning processes lead to the development of marketing capabilities necessary for foreign expansion of SMEs.

This study aims at identifying the learning processes of International New Ventures (INVs) and analysing their role in international marketing. The results of individual interviews with four Polish INV's founders and managers are presented. The studied companies are similar to the foreign ones with respect to the information gathering sources and processes. When looking for market opportunities they often rely on informal sources of intelligence and „congenital” knowledge of the founders. These sources substitute for firm-level international experience at early stages of international development. At the later stages of expansion they are supplemented with more external knowledge and sometimes also “grafting”, or purchasing expert knowledge.

Keywords: Enterprise learning processes; International New Ventures; International marketing.

1. Introduction

Fast learning of small and medium-sized enterprises (SME) is of special importance for their internationalization, as it leads to outrunning the competitors, despite the limited financial and physical resources. The developed learning capabilities of SMEs lead to identifying, analysis and evaluation of market opportunities connected with the current customer needs. However, the relationships between learning and early internationalization are still not well researched (Bruneel et al., 2010; Miocevic and Morgan, 2018). It is suggested that the dynamic capabilities concept could enable a better understanding of how the organizational learning processes lead to developing resources necessary for SME marketing activity in the foreign markets (Bocconcelli et al. 2018; Lonial and Carter, 2014). Moreover, according to the learning advantage of newness (LAN) concept the born-global companies, also called International New

Ventures (INVs, Oviatt and Mc Dougall, 1994), thanks to the “in-born” knowledge-gathering capabilities can identify market opportunities faster, which leads to their successful expansion (Sapienza et al., 2006; Zahra et al., 2000).

This study aims at identifying the learning processes of INVs and specifying their role in international marketing. The following research questions will be analysed:

- What marketing information sources are used by INVs?
- How do the various learning processes contribute to the INVs’ marketing activity abroad?
- How do the knowledge-gathering processes change during the internationalization progress?

In the initial section of the study the theoretical background behind the concept of organizational learning as a dynamic capability leading to internationalization has been presented. Secondly, the results of earlier research concerning the influence of learning on early internationalization of SMEs have been summarized. Finally, the results of a qualitative study conducted on four Polish INVs from the industrial processing industry, concerning their learning capabilities have been described, followed by conclusions and the study’s implications.

2. Organizational learning: sources and processes

The dynamic capabilities encompass the structures and processes enabling the companies to reconfigure their resource base, in order to face the requirements of the changing environment and to gain a sustainable competitive advantage (Teece, 2014). Sok et al. (2013) define the learning capability as a „bundle” of interrelated processes functioning in an enterprise to diagnose learning needs, and the firm’s unsuccessful activities, to communicate the lessons learnt from previous experiences, and to gather new and relevant knowledge to undertake the firm’s business activities. This capability leads to gaining an advantage over competitors by the faster recognition of market opportunities and faster new product development and implementation.

Sapienza et al. have stated that analyzing internationalization through the dynamic capabilities lens is appropriate and complementary with the so-called resource-based theories (2006). In specific, the learning capabilities and knowledge resources should influence international expansion, because when entering foreign markets, companies have to acquire, disseminate and assimilate new knowledge, to be able to compete and develop even if they do not have earlier practical experience (Autio et al., 2000). Weerawardena et al. specify three types of firms’ learning capabilities, important for SME internationalization:

- *market – focused learning capability*, i.e. „the capacity to build, integrate, and reconfigure technical and non-technical knowledge acquired from the firm’s customers and competitors”, this knowledge is later transformed into actionable knowledge which may be applied in international markets,
- *network learning capability*, i.e. „the capacity to build, integrate, and reconfigure technical and non-technical knowledge generated through external links and institutions”, the knowledge may lead to exploring the appearing opportunities and to entering new, valuable contacts (e.g. *know-who*).
- *internally focused learning capability*, i.e. „the capacity to build, integrate, and reconfigure technical and social (non-technical) knowledge generated through internal sources” including experimental learning, R&D, technical and social learning (Weerawardena et al., 2015; Zahra et al., 2000).

When analysing the learning capabilities of INVs, one should take into consideration the information sources, processes of its acquisition and subjects most important for internationalization. In this respect Pellegrino and McNaughton (2015), and Fernhaber et al. (2009) mention three main external sources of international knowledge: alliance partners, venture capital and proximal companies, plus one internal source - the earlier foreign experience of top management of the company. On the other hand, Casillas et al. classify internal sources as those connected with experiential knowledge, acquired during business activity abroad, and external sources – those collected from industry organizations, external consultants and top management’s “congenital” knowledge acquired earlier (Casillas et al., 2009). Fletcher and Harris (2012) have included direct experience of the firm and its managers among internal knowledge sources, on the other hand, according to them, the external sources include partners, suppliers, clients, consultants, industry and governmental organizations plus the newly hired managers.

Another classification of the routine organizational behaviors, connected with knowledge management, includes two processes related to foreign expansion (Levinthal and March, 1993):

- *market exploration*, including searching for knowledge about new, or already entered markets,
- *market exploitation*, including application and development of already acquired knowledge about the current markets.

However, this classification has been recently extended, to include four types of learning processes of internationalizing companies (Pellegrino and McNaughton, 2015). The new typology proposed by the mentioned authors includes *congenital learning*, based on earlier experience of the founders and employees of the company (see also: Bruneel et al., 2010); *vicarious learning*, through partners in the process of internationalization; *grafting*, e.g. by hiring the local specialists in the target market, or acquiring the local companies, and *experiential learning* of the organization (see also: Johanson and Vahlne, 2009). This classification seems to be most exhaustive and comprehensive, as it takes into account both the founders of INVs as well as the other workers and partners, as the learning process members.

The above classification is reflecting the earlier works of Yeoh, who has analysed so-called social learning and market learning processes of the INVs (2004). According to this author, social learning is a process of acquiring new knowledge and/or capabilities connected with new market entry, identification of foreign clients, managing risks connected with conducting activity in the specific foreign markets. Market learning concerns gathering new knowledge connected with adjusting the offering to various foreign target markets, managing numerous foreign partners (distributors and licensees), monitoring client needs, and market trends. It seems worthwhile to investigate which of the mentioned processes are applied in internationalizing SMEs.

3. Learning and rapid internationalization

It is assumed that at the early lifecycle stages on the international market the SMEs have intrinsic learning capabilities, exceeding those of older rivals, and leading to a *learning advantage of newness* (Sapienza et al., 2006; Zahra et al., 2000). The hypothesis about LAN existence is based on an assumption, that the rapidly internationalizing companies have fewer deeply embedded procedures and face a lower cognitive complexity and structural rigidity, than their larger partners. Thanks to this, they recognize market opportunities earlier and react faster to them, which leads to the successful expansion, growth and other advantages.

Rapid internationalization can stimulate the assimilation of knowledge to the company knowledge base, which in turn leads to better export results (Autio et al., 2000; Sapienza et al., 2006). The LAN existence is particularly connected with three types of organizational advantage: structural – connected with the smaller number of routine processes and internal constraints, and with the recognition of market opportunities. Secondly there is the so-called cognitive advantage, which means that young firms come across fewer “competency traps” than the older ones, and they are not isolated from certain knowledge types. Lastly, the positional advantage of the smaller firms is due to a lower number of ties with local partners and the smaller resistance to engage in relationships with foreign markets.

Baum and Sui have analysed statistical data concerning the export activity of 116 INVs from Canada (2013) and identified differences in learning “tracks” among INVs and traditionally internationalized companies. They have shown that shortly after starting export, the INVs learn much faster, which is reflected in the numbers of innovations introduced to the market. However, after certain time this advantage diminishes and „traditional” exporters introduce innovations more systematically. The authors connect this with the higher resource constraints of INVs compared to “traditional” exporters. As Fletcher and Harris (2012) have proved, based on case studies of 10 internationalized firms, vicarious learning from network partners, is necessary to get product/technology knowledge and knowledge about conducting business abroad. On the other hand, learning by purchasing knowledge (*grafting*) is more often the source of knowledge on products, than about the market and internationalization process.

Pellegrino and McNaughton (2015), based on a study of 4 born global firms from New Zealand, have shown that early internationalization is mainly stimulated by congenital experience of the company owners, which is supported by vicarious learning and active search for market opportunities. Various types of learning have different importance at the different internationalization stages. Congenital learning, supported by network information and marketing research significantly influences the SMEs’ competitive advantage, their initial offering, market scope, and speed of entry at pre-internationalization stage. However, learning by experience, and vicarious learning, monitoring the environment and noticing the changes, become more important at the early internationalization stage, when companies start to concentrate on gathering the knowledge concerning foreign markets and internationalization processes. Finally, at later stages of internationalization, learning by experience and other, more expensive learning types (e.g. *grafting*) get more important. Zhou et al. (2010) have studied 435 young INVs from China and found that the development of firm’s learning capabilities leads to advantages connected with the early internationalization, in the form of quick foreign sales growth, especially in relatively larger and more cost-efficient companies. Therefore, the learning processes should be constantly developed and the already acquired knowledge should be integrated into the company’s knowledge base and disseminated among workers, to bring concrete results. Similarly, Blomstermo et al. (2004) in a study of 206 Swedish companies have shown that those who internationalized earlier, collected much more knowledge about the foreign markets than those who internationalized later.

Knowledge gathering was also analyzed as an antecedent of market capabilities of INVs by the study of Weerawardena et al. (2015) on a large sample of INVs from the USA and Australia. According to that study the American INVs, who use the market-based learning processes, have better marketing capabilities than the “traditional” exporters, and thus they can introduce products to foreign markets more quickly. In those companies also learning from network partners and internal learning lead to increased innovativeness and successful internationalization. On the other hand, the Australian INVs used similar processes, but learning from contact network did not matter to them to such extent as to the US-based INVs. The above

review leads to establishing the study goal, which centers on identifying the role of various learning processes in the internationalization of INVs.

4. Methodology

In the presented study a qualitative approach was chosen due to the research problem nature and in order to include a broader perspective of marketing activity of the rapidly internationalized companies. The purposive sample selection technique was used to choose four Polish companies complying with the rapid internationalization criteria, specified by Knight et al. (2004), i.e. SMEs internationalized within 3 years from founding, with Polish capital only, who reached the export level of at least 25% of the total sales in the period of 5 years from inception.

In each of the studied companies semi-structured interviews with the company owner/board member and a sales/marketing department worker were conducted, in order to be able to obtain information on managing the company in the foreign markets, with an emphasis on marketing topics. The interviewed persons were up to 45 years-of-age, and with at least a few years of experience in export activity. The interviews lasted from c.a. 1-1.5 hours in case of the managers, to c.a. 30-45 min. in case of the sales/marketing department employees, as in that group they did not include the more strategic topics.

The card-game method was applied during the interviews, to enable interviewed persons to express more freely their opinions on the researched topics, and to make up a hierarchy of the concepts within international marketing activity of the companies (Muethel and Hoegl, 2007).

The interviews and card game proceeded along the following steps:

- each of the concepts shown on cards was described by the interviewed persons,
- the hierarchy of concepts from the perspective of the company marketing activity was assembled, and the relationships between the concepts were indicated with arrows,
- the interviewed persons commented on differences in roles of separate concepts in their activities in the local and foreign markets
- apart from the game several open and semi-open questions were asked concerning among others: internationalization beginnings, entry sequence, introduced products, learning sources and modes, performance.

The data obtained, after transcription, was analysed according to the principles of content analysis, i.e. (Malhotra and Birks, 2006; Srnka and Koeszegi, 2007) categories of content were established based on the literature, used earlier to prepare the interview scenario (deductive approach). Later the set of categories was supplemented with concepts spontaneously appearing during interviews, concerning e.g. influence of organizational culture on internationalization (inductive approach). Moreover, the obtained categories were split into smaller units of content, called subcategories. As a result, the hierarchy of 17 supercategories (e.g. company beginnings), reflecting the questions from scenario, 44 main categories (e.g. external reasons for establishment) and lower subcategories (e.g. high importance of customer responsiveness) was formed. The prepared set of categories was applied to code the transcripts.

As a result of two rounds of coding and an intercoder consistency analysis (Srnka and Koeszegi, 2007) a set of 1140 quotations was obtained. Next, to assess the importance of separate categories for the interviewed persons, the frequency of their occurrence was calculated with use of specialized software, and divided by the total numbers of quotations in each interview. Such an approach is based on the assumption that the repetitions of words reflect the focus of attention and the topics with central role for the speakers (Thiétart, 2008).

MAXQDA for Windows was used for the intercoder consistency assessment, frequency analysis and analysis of different categories co-occurrence.

Table 1 - Studied companies' characteristics

	(A)	(B)	(C)	(D)
Industry (specialisation)	Manufacturing (building materials; Styrofoam)	Manufacturing (packaging lines for cosmetics)	Manufacturing (sorting and packaging lines for food products; fruit)	Manufacturing (plastic packaging-bags and packaging foils)
Year of establishment	1991	2000	2010	2007
Internationalization beginning	3 years after establishment	2-3 years after establishment	1-2 years after establishment	2-3 years after establishment
Level of exports compared to total turnover	over 90%	over 25%	50-70%	over 30%
Time of reaching 25% of export sales in total sales volume	Within 3 years from inception	Within 5 years from inception	Within 5 years from inception	Within 3 years from inception
INV type	Export Start-Up	Export Start-Up	Export Start-Up	Multinational trader
Rate of exports growth (last 5 years)	15%	n.a. (positive)	90%	60%
Company size	medium-sized	medium-sized	medium-sized	small

Source: Own study.

5. Results

Among the cards describing the entrepreneurial marketing concept there were those reflecting the learning processes and information gathering (table 2). Tables no. 2-6 present the results regarding the frequency of occurrence of quotations, the categories' meaning for the studied INVs, and the relationships between separate content categories.

Quotations regarding learning were included in 4 main categories and there were 44 main content categories in the interviews. As the frequency analysis has shown, the learning-related quotations made up c.a. 14% of all quotations in the interviews (Tab.2). This can be considered a high number, compared to the relatively low average share of main categories regarding learning (9%) and it means that learning and information gathering are important processes from the perspective of marketing activity of INVs (Thietart, 2008). Firm B, the producer of innovative packaging lines for cosmetics, engaged strongly in internal R&D, had the strongest focus on learning, which is evident from Table 2.

Among the learning sources mentioned by the interview participants those connected with cooperating partners' network and with the clients prevailed. The interpretation of „Research and development” concept by the studied INVs shows, that it is mostly based on companies' own experience and internal experiments (Tab. 3). Only in company A – the oldest one – constant cooperation with a research institute is quoted. In all INVs R&D is perceived as a key factor of foreign expansion. This concept corresponds with *internal learning* defined by Weerawardena et al. (2015), and *knowledge exploitation* (Levinthal and March, 1993) concepts.

In some companies (e.g. „C”) *experiential learning* (Johanson and Vahlne, 2009) is explained as „*the market itself verifying the new product concepts*”.

The „knowledge infrastructure” concept (Tab.4) interpretation was ambiguous to the respondents, and was not always connected with primary role in international marketing and expansion. There were even mentions of some tools being introduced (CRM, encyclopedia of marketing, project management programme), but too late (firm A). There were also mentions of experimenting with not well-known tools (firm B). These findings show that so-called *grafting* or knowledge acquisition is still not popular among the studied INVs, apart from one oldest company (A). However the internal, informal knowledge exchange is important in serving the foreign clients.

The concept of „Market information gathering” (Tab.5) was interpreted as activities of monitoring the competition and legal/technological environment. Also in this process the informal knowledge sources prevail, but they are used spontaneously, without the predefined procedures, mainly through the intermediaries and partner networks. The interpretation of this concept corresponds with *network learning* (Weerawardena et al., 2015), and *vicarious learning* (Pellegrino and McNaughton, 2015). When talking about market information the respondents also pointed to the “gut feeling” and intuition’s role in searching for foreign markets. The *congenital learning* of founders (Bruneel et al., 2010; Pellegrino and McNaughton, 2015), and not the formal external sources seem to be the basis of undertaking the foreign market activity.

Table 2 - Frequency of quotations in categories related to learning - individual interview results

Category of content	E1. R&D	F 2. Knowledge Infrastructure	G 2. Market information gathering	L 1. Learning sources						Total no. of quotations related to learning	Percent of all quotations in an interview
				L 1.1 Learning from network partners	L 1.2 Learning from clients	L 1.3 Learning from competitors	L 1.4 Learning from internal R&D	L 1.5 Learning from formalized sources	L 1.6 Other sources of learning		
Respondents											
Firm A - respondent 1	8	11	6	7	2	0	1	4	2	41	16.7%
Firm A - respondent 2	0	2	4	1	0	0	0	2	0	9	7.2%
Firm B - respondent 1	7	2	6	1	1	1	0	1	3	22	11.4%
Firm B - respondent 2	2	2	3	7	6	1	3	1	5	30	24.0%
Firm C - respondent 1	2	4	2	0	2	0	2	2	3	17	8.1%
Firm C - respondent 2	3	2	2	2	1	0	0	2	1	13	13.1%
Firm D - respondent 1	2	2	2	2	2	1	2	1	3	17	15.2%
Firm D - respondent 2	1	2	2	0	0	0	2	0	0	7	21.9%
Total	25	27	27	20	14	3	10	13	17	156	13.7%

Source: Own study.

Table 3 - Main category „Research and development”: interpretation and role in international marketing (cross case comparison of quotations)

Firm	A	B	C	D
Category meaning	<i>Research and development – that’s the basic activity, or one of basic activities of the company. Without R&D we will be out of the market in 3-5 years. (...)In our case R&D is on one hand – to develop new products but also to adapt products to the new markets’ characteristics or other climate zones, other continents, metric systems.</i>	<i>In each case the company should have an R&D (system) or something which is in the company DNA. There must be each product’s “guru”. Somebody who knows what he wants to develop.</i>	<i>R&D – a kind of basic thing. So – first thorough knowledge what market we are entering, to whom we are offering. So even if we go to another country, we must know exactly to whom we are going. It is not that we are going to check if we are lucky or not. No, no. Thorough knowledge and preparation – from the basic elements. (...) In our case, of course we have serious research, we have people to conduct it, but the market later verifies on its own our ideas. Sometimes the political factors also verify the market, but generally yes (The R&D is needed).</i>	<i>I have to say yes – (R&D is necessary) to introduce innovations, because the clients, the market, are becoming more and more demanding. Also the clients want to be introduced to the product – so this is followed by the R&D.</i>
Role of the concept in international marketing	<i>Basic role (of R&D) – so to say – technologically, via expenditures on R&D, on building the network, on innovations introduction, we have become the European leader. Without the R&D this internationalization would not have taken place, would not have been a continuous, persistent, developing process.</i>	<i>This (role) is due not always to the client needs or to understanding the R&D role, but to the internal conviction that this is the right direction. That e.g. software should rather be an accompanying service and not a product ...</i>	<i>Of course R&D is indispensable. It’s not that we are trying for it to be so – this is just true. From R&D stem the quality systems in our company, internal and external quality systems. They stem from R&D, and they are later installed in the robots, so they can function in the way that they do. They need to have this software, so the machinery is also equipped with this software, so – to say – in our company, the machinery without R&D would be just mechanical – and now it is – complete.</i>	<i>We are at the stage of applying for technological credit. And R&D is crucial in that request. Without it we would not have applied. This is connected with the fact that we are introducing a new innovative product, which has not been manufactured on mass scale in our country.</i>

Source: Own study.

Table 4 - Main category „Knowledge infrastructure”: interpretation and role in international marketing (cross case comparison of quotations)

Firm	A	B	C	D
Category meaning	<p><i>Knowledge infrastructure: databases, CRM systems. We were not aware – well it’s interesting – last year we bought the CRM system, but we should have done it 5 years before. We were not aware of that...</i></p> <p><i>Q: Of its importance? Of its importance (...). This is a marketing and sales system, it produces in a simple way information in Excell tables, which are very easy to be used by the production department.</i></p>	<p><i>So to say – we have such a system for project management. So when there is a project - we know that the client needs a given machinery- then we have a system in which we can exchange internal company information. (...). It will be merged with CRM, so it will introduce organized infrastructure to conduct marketing activity, just how it should be.</i></p>	<p><i>So – e.g. connecting the service persons (with clients), who can fix something over the internet, this is very important for them. So sometimes when there are large installations, the clients go online, and many problems can be diagnosed from a distance.</i></p>	<p>(The concept was not clear)</p>
Role of the concept in international marketing	<p><i>... So we have created a marketing knowledge database, working in the way that in one folder we have something called a “marketing book” and in it we have all notes connected with very broadly understood marketing.</i></p> <p><i>This is all about collecting data – about advertisements (...) When the new employee comes, we do not have to teach him the ABC, but he opens and reads the notes, put down in a very clear way, by somebody else.</i></p>	<p><i>So if one has a product, one can start its promotion, targeting, networking, contacting the clients, communicating and convincing them to one’s innovations and entering the market. If you have the knowledge infrastructure and integrated business processes, the process can go on – and without it – the process would stop. And then the fall in sales can follow</i></p> <p><i>Q: So one cannot function without the other?</i></p> <p><i>That’s right, this is the process and the infrastructure – so the kind of basics. So they have to be in place from the beginning.</i></p>	<p><i>Knowledge infrastructure is very important in our company. This is also shown by the division of tasks – everyone has their area and they do not interfere with others. We have a separate man for every purpose.</i></p>	<p><i>Q: So do you have any kind of a system like CRM or other databases?</i></p> <p><i>No we don’t have such systems. We want to introduce ISO quality management, which will allow better quality control and improve the flow of information.</i></p> <p><i>Q: So you have a kind of internal library with data?</i></p> <p><i>Yes, about the clients who cooperated with us, and who still cooperate.</i></p>

Source: Own study.

Table 5 - Main category „Market information gathering”: interpretation and role in international marketing (cross case comparison of quotations)

Firm	A	B	C	D
Category meaning	<p><i>A very important thing to be checked during expansion is what the competitors are doing in a given market and how they do it. And if it works... Q: So some kind of market monitoring right? Yes it's the best to copy something, because if someone already has developed something then it's not worth discovering America again. At least at the beginning, when it's clear that a SME has not enough resources to conduct a complex market analysis, to invest in winning the appropriate partners, but it rather has to be smart then to spend a lot ...</i></p> <p><i>(...), „Market information gathering”, yes – that's what we do in a file called “Marketing book”, with a division among markets. Q: And this market information refers mainly to promotion? O: No it refers to competitors- their offering, the pricing level, the size of sales network, the certificates they have.</i></p>	<p><i>So we have to gather information -to cut the long story short – we have a vision of our products. At that moment we have to gather information concerning the target groups, to define the innovation to be introduced.</i></p>	<p><i>So the formal data is constantly monitored, reviewed, as it is the need of the day. It's not that we want to find something special about this information – we simply want to know what is the reality there (in that market) Besides – it's obvious, all industry news, and also trips, trips, going from client to client, by our dealer of course.</i></p>	<p><i>So of course we conduct analyses. We base it on our client's suggestions – those whom we sent samples already...</i></p>
Role of the concept in international marketing	<p><i>Q: So rather there isn't such regular scanning, search for information? No absolutely, no. It works rather on the basis of a network of contacts. The friend comes and says “You see I heard that it's possible, there's a market for X at the moment. There are high margins so we can try...”</i></p>	<p><i>So we do not carry out a formal, sort of research, because we would also have to know what to ask about... Frankly, we would not know what to ask about. So this is rather intuitive action. So it looks like this- we are looking for market segments, we analyse where there is a gap in the market, where there are no solutions, or the segment is growing. We build the product for this segment, we target this market and we have to be capable to introduce it globally – or rather regionally.</i></p>	<p><i>Q: So such formalized marketing research is rather rare? Yes, yes, we do not have such a thing. Like reports – you say – no, we do not have it. Q: So it's rather collected via the dealers you have, via the partners? Yes, or via the sales people who travel.</i></p>	<p><i>Q: And when it comes to some market research, surveys of secondary data – is it important in your activity? It is also important, because we need to know the client needs.</i></p>

Source: Own study.

By use of MAXQDA for Windows the co-occurrence of separate content categories was later analysed. The results are presented in Table 6.

Table 6 - Frequency of co-occurrence of the content categories representing learning with other interview topics

Main categories and subcategories of content	F3.1 Product innovations	H1.2 Responding to client needs	H4.2 Promotion and sales	N1.5 Relationships with intermediaries	H 2.2 Communication with clients	S 6.1 Foreign markets
E1.2 Research and development - experiences	12	10	0	0	0	0
E.1.1.1 Research and development – high importance	2	2	4	0	0	0
F2.1 Knowledge infrastructure – meaning	6	0	2	2	2	0
F2.2 Knowledge infrastructure - experiences	8	2	0	4	11	2
F2.3 Knowledge infrastructure – key success factors	3	0	0	2	3	2
G2.1 Gathering of market information - meaning	0	2	0	0	0	7
G2.3 Gathering of market information - key success factors	0	2	9	9	2	0
L1.1 Knowledge sources -from network partners	7	11	10	12	4	3
L1.2 Knowledge sources - from clients	7	8	4	6	0	2
L1.3 Knowledge sources - from competitors	0	0	0	2	0	0
L1.4 Knowledge sources - internal R&D	4	2	2	2	2	2
L1.5 Knowledge sources – formalized sources	0	0	0	4	0	2
L1.6 Knowledge sources - other	3	4	6	0	0	4
L3 Learning- role	2	0	0	0	0	0
Total no. of quotations	54	43	37	43	22	24

Note: Co-occurrence means that category from a column appears together with a category from the row in one statement of a respondent. Source: Own study.

The analysis of Table 6 shows that the most learning-related quotations co-occur with “product innovations” category. This indicates a relationship between these spheres in the studied INVs, especially among “product innovations” and internal “R&D” or „knowledge infrastructure”. Many times product innovations were mentioned together with knowledge “from network partners” and “from clients”, which is justified by the need to respond to clients’ needs. Response to client needs co-exists with learning from network and with the R&D.

The concept of „gathering of market information” co-occurs with quotations concerning “promotion and sales”, and with “relationships with intermediaries”. This suggests a key role of networks in gathering market knowledge, but also the role of sales and promotion analysis. Market information gathering is also mentioned in connection with foreign markets, and good relations with intermediaries enable this type of intelligence generation. Moreover, the card “knowledge infrastructure” co-occurs with “communication with clients” suggesting that this is an infrastructure used mainly for communication activities.

6. Discussion and conclusions

The information necessary for foreign expansion of the studied INVs is gathered through communication with partners, market and financial data analysis and reporting on product introductions. For INVs this type of knowledge is easily accessible, cheap, and often connected with the congenital knowledge of the founders or their experience. According to Weerawardena et al. (2015), learning from partners also has a significant influence on INVs' innovativeness, which is similar to the presented results. Tiwari and Korneliusen (2018), who studied the micro enterprises from an emerging market of Nepal, found that their main sources of experiential knowledge also relied on social networks, prior experience of the founders, and additionally on international fairs. In our study the fairs as an information source were also mentioned, but rather by older, richer companies, which may testify to their secondary role as a knowledge source.

Regarding the decisions on the foreign market choice, Pellegrino and McNaughton (2015) recommend to SMEs implementing structured processes of learning through distributors/dealers or going for study trips, to diminish the risks connected with internationalization. Instead of this, in the Polish INVs spontaneous knowledge-gathering from intermediaries and customers, the so-called interorganizational learning dominates, which is considered in the literature as an important knowledge-gathering process, but is dependent on the former establishment of strong ties with partners (Bruneel et al., 2010).

When comparing the studied firms at earlier development stages (C, D), with the more experienced ones (A, B), one can conclude that at the initial phases of company engagement abroad, the experience of owners/founders and their informal contacts dominate as information sources. One can notice that the Polish INVs mainly use internal learning when developing new products, similar as reported by Weerawardena et al. (2015), but also the knowledge exploitation strategy, i.e. they adjust and develop the current skills and concentrate on technologies, processes and products on the markets already served (Levinthal and March, 1993). These findings are in line with the results of studies of Bruneel et al. (2010), on a Belgian sample, which showed that these information sources "make internationalization moving" as an initial substitute of the knowledge coming from practical experience.

At the next stage of development – the fast export growth (Gabrielsson and Gabrielsson, 2013) – the learning from own experience and from intermediaries (*vicarious learning*) gains more importance. In our sample only in one, much more mature company (A) the *grafting* (purchasing knowledge) in the form of consulting services before CRM implementation and before the foreign market choice, was applied. It is consistent with the findings of Pellegrino and McNaughton (2015), concerning the later phases of growth of INVs from New Zealand.

To answer the question how the various learning processes contribute to the INVs' marketing activity abroad, it must be concluded, that internal learning, in the form of R&D, is needed for internationalization as an ongoing process, to develop innovations. The other important process which is market-focused learning, or the capacity to build, integrate, and reconfigure technical and non-technical knowledge acquired from the firm's customers and competitors (Weerawardena et al., 2015), is based on a network of INVs' intermediaries and salespersons. It takes the shape of informal gathering of knowledge, while almost no formalized market research is conducted. This is probably due to resource constraints, but also to the low level of trust in the formalized knowledge sources.

During the interviews all the studied INVs confirmed high export sales dynamics, and were confident in their good performance on the foreign markets (see: Tab.1). However the LAN-creating mechanisms, such as for example structural advantage due to a lack of rigid organizational structures (Sapienza et al., 2006) weren't the subject of interviews. Therefore it is difficult to say if the studied INVs obtained the LAN advantages. Nevertheless, the positional

advantage connected with lack of pre-established ties with the home country partners, which is a prerequisite of LAN, existed. Apart from that, the studied INVs applied the vicarious learning mechanisms, which may lead to LAN. Bruneel et al. (2010) have demonstrated that network learning and congenital learning of the founders have significant influence on expansion, when there is little experiential knowledge available. In the content analysis of interviews with the INVs it was also shown that learning processes co-occurred with product innovations, which may be the evidence of a cause-effect relationship.

6. Implications and future research

The implications stemming from the presented research are threefold. First, the successful gathering of market information by INVs is connected with good relations within networks and with their promotional efforts. It suggests that this information source deserves more attention during internationalization. Perhaps more learning processes and using in a structured way the knowledge obtained from the dealers would be needed for the Polish INVs to fully benefit from fast expansion. Second, it was demonstrated that the Polish INVs, similar as in the foreign ones, developed diverse learning capabilities, exceeding those connected only with experiential learning, described in so-called stage internationalization theories. Third, it was shown that at the early internationalization stages the Polish INVs put emphasis on informal sources of internationalization knowledge and on the congenital knowledge of founders, which constitutes a resource necessary for successful expansion. However at the later stage of fast sales growth the internal, experiential learning processes were coupled with network learning and knowledge exploitation. That shows the changing character of learning processes at different internationalization stages, and supports results of the former studies abroad. Thus, the presented study also proves that the INVs coming from the transformation country behave similarly and possess similar capabilities when it comes to learning and knowledge gathering processes, as their counterparts from more mature markets. This suggests that they are currently able to successfully compete internationally.

As for the future research directions, the learning mechanisms may play the role of mediators between the entrepreneurial capabilities (proactiveness, innovativeness, risk-taking) and export results, which is evidenced by results of studies on Chinese enterprises (Zhou et al., 2010). The analysis of similar relationships could become subject to further studies of International New Ventures, also coming from post-transformation markets.

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