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From Fragile to Agile: Marketing as a Key Driver of Entrepreneurial Internationalization

Purpose:
The paper conceptualizes and theorizes strategic agility, a composite of flexibility and selective responsiveness in entrepreneurial internationalization.
The role of marketing "under particular conditions" – those of entrepreneurial internationalizers - is investigated.
Design/methodology/approach:
The study is based on in depth case studies of four entrepreneurial internationalizers using an abductive approach.
The role of marketing is studied along a set of four key business processes, i.e. sensing through selective customer/partner intimacy and intensity; innovation and business development through experimentation and testing; coordination and harmonization of multiple stakeholders and resources and creative extension of resources.
Findings:
Strategic agility is a composite of flexibility and selective responsiveness.
Marketing plays a prominent role in achieving strategic agility through the design and implementation of business processes.
Marketing's contribution to strategic agility means an ability to cope with time, relationship and functional dependences.
Practical implications:
The findings show managers and practitioners in new ventures a path to strategic agility to overcome the many parallel challenges that come with firm foundation and internationalization.
Originality/value:
Strategic agility is a novel explanation for entrepreneurial internationalization.
The prominent role of marketing in achieving strategic agility is emphasized.

Introduction

New ventures that internationalize early are an interesting firm cohort to study. Early internationalizers manage successfully both the inherent uncertainty of their new business, and the uncertainty and complexity arising from a dynamic international environment – notwithstanding their resource constraints. They cope with the challenges arising from the liability of newness, of smallness and of foreigness and can achieve early and fast growth in international operations (Zahra, 2005). Adding to the explanations for their superior international performance is therefore of huge interest to scholars and entrepreneurs alike. Extant research has investigated multiple drivers of early internationalization[1], ranging from the founder's and entrepreneurial team's international orientation (Madsen & Servais, 1997), their social capital (Kocak & Abimbola, 2009) and capabilities (e.g. Weerawardena et al., 2007), to strategy considerations (Hagen & Zucchella, 2014; Hagen, Zucchella, Cerchiello, & De Giovanni, 2012), to particular high-tech and knowledge-intensive industry patterns, and, most recently, to (lean) business models and thinking (Hennart, 2014) or agility (Nemkova, 2017). Comprehensive reviews of extant literature have been periodically published (see Jones, Coviello, & Tang, 2011; Keupp & Gassmann, 2009; Rialp, Rialp, & Knight, 2005). However, marketing in an early internationalizing context has received surprisingly little attention, inspite of the fact that research points to its important role (e.g. Gruber, 2004; Aspelund et al., 2007; Mort et al., 2012; Rispollés and Blesa, 2012; Gabrielson & Hallbäck, 2013; Hill et al., 2008; Vanninen, Kuivalainen, & Ciravegna, 2017).

[1] We use entrepreneurial internationalization and early/accelerated internationalization interchangeably although there are some differences. We believe this is appropriate since early internationalizers usually display innovative characteristics and combinations to be able to enter the international arena quickly.

Entrepreneurial marketing has been discussed at the entrepreneurship/marketing interface (Hills, Hultman, & Miles, 2008; Morris et al., 2002), marketing in a small firm context (e.g. Gruber, 2004), or marketing in born globals[2] (Mort, Weerawardena, & Liesch, 2012). Consistent with the entrepreneurial and small firm stance, entrepreneurial marketing interface research essentially focuses on "doing more with less" (Morris et al., 2002) and "re-acting proactively/ahead of competition" (Covin & Slevin, 1990) while work in the international marketing arena instead emphasize the different contextual conditions across markets in order to discuss the need for adaptation of the firm's marketing strategy and activities when expanding abroad (Dominguez & Mayrhofer, 2017).

Our research bridges both fields, entrepreneurial marketing and international marketing, with the aim to understand how the entrepreneurial venture - through marketing - manages the manyfold parallel challenges arising from the triple liabilities of newness, smallness and foreignness. We argue that marketing with its boundary spanning function establishes a link between the firm's external and internal contexts (Day, 1994). Marketing thoughts, marketing processes and practices therefore play a key role in achieving early and appropriate response to customer expectations in many different markets, especially in times of increased competition and rapidly changing customer needs. Marketing under such a perspective is either the main or a significant contributor to the venture's core processes, that concur to the overall objective of generating customer value, i.e. commercially viable responses to customers' currently unsatisfied or latent needs. Marketing's contribution to entrepreneurial internationalization then means to find a way to mobilize, leverage and extend resources; complement and align own resources and capabilities with those of (international) partners (Riviera, Suder & Bass, 2018). It means to develop the ability to coordinate the firm's value chain and to cooperate with up-and downstream partners to produce value for the customer to foster interaction and relationships with. Marketing, under such a view, is an ability to cope with time, relationship- and functional dependences which are of importance in an international and small firm context.

Also, the structural flexibility of the young and small firm (Chen & Hambrick, 1995) puts marketing into an advantageous position to compete on the dimension of proactiveness and responsiveness. Short hierarchy, the absence of organizational silos, lean structures, autonomy, quick knowledge sharing and learning advantage of newness (Autio, Sapienza, & Almeida, 2000) are all elements which contribute to timely and rapid (re)-actions.

Our qualitative findings from four entrepreneurial internationalizers allow us to introduce and conceptualize a novel international performance driver, i.e. strategic agility, reflected on selective responsiveness and flexibility. It also allows us to show the role of marketing in the design and implementation of the underlying key set of business processes and abilities, and provides an alternative explanation for entrepreneurial internationalization. We therefore complement and extend marketing theory through the integration and clear conceptualization of international *and* entrepreneurial marketing in the international venture. Further, with the identification and discussion of core business processes and marketing practices that lead to strategic agility, we provide a more detailed view on whether and how marketing aligns with contexts in young and small international firm. We include a dynamic aspect in our conceptualization which considers that the nature of the opportunity may change, especially when operating in foreign markets.

[2] Born globals or International New Ventures are young and small firms that internationalize at or close to foundation, intensive and with broad geographic scope.

Marketing and core business processes in young and small firms

Murray (1981) among others argues that of all the areas of specialist technical and professional expertise in the firm, marketing is "uniquely equipped, and indeed should feel uniquely responsible, for analyzing environmental evolution and translating its observations into recommendations for the (re)design of the corporate resource base and its product-market portfolio" (Martin, Javalgi, & Cavusgil, 2017). Under this perspective marketing senses the environment to identify promising areas for the firm, which then guide the creation of product-market interdependencies and help to design the organizational form which is best adapted to and capable of adaptating to that environment (Murray, 1981; Day, 1994). In other words, marketing is in a unique position to identify opportunities and to guide the firm in their exploitation.

We look at business processes and capabilities to discuss the contribution of marketing to entrepreneurial internationalization (Miles & Darroch, 2006). The analysis at business process level enables a holistic view of value creation for the customer. It also allows for an understanding and analysis of interlinkages and potential synergies and the identification of core value drivers of the firm which are of importance in the new and small firm. Importantly, exploiting interdependencies across core business processes will lead to increased customer value and produce better market performance.

Following Srivastava et al. (1999) we concentrate on four business processes which are central for the creation of both customer and overall firm value, namely the the development of new customer solutions and/or the reinvigoration of existing solutions (i.e. innovation management or business development); the continual enhancement of the acquisition of inputs and their transformation and desired outputs (i.e. supply chain management or value chain management); the creation and leveraging of linkages and relationships to external marketplace entities, specially channels and end users (i.e. customer relationship management); and the information and search process (i.e. market sensing). According to Srivastava et al. (1999) marketing substantially contributes or is home to these core processes. Under this view, marketing becomes the glue across the firm by integrating the customer's voice and expectations and by providing oversight and coordination. It assumes a key role because it embraces all four areas and has the potential of guidance towards customer value and responsiveness (Efrat, Gilboa, & Yonatany, 2017).

The key role of marketing and business processes "under particular conditions"

Marketing and business processes in general do not take place in a vacuum, their design and implementation depend on the external macroenvironmental and competitive factors but also on the firm's internal context within which they exist (e.g. Morris et al., 2002; Srivastava et al., 1999; Mort et al., 2012). The small and young firm which moves in conditions of uncertainty and continous change therefore will exhibit marketing and business practices and processes that are different from those of longer established small firms.

For example, in the presence of the "new breed of customers", of continuous and disruptive technological and market change, a market driving product development process may entail shifting from an emphasis on designing the most technically superior product to creating a solution that enables customers to experience the maximum value and benefit from its use (Ghauri, Wang, Elg, & Rosendo-Rios, 2016). Such a process may also emphasize the design and development of solutions that can be customized to create and satisfy individual customers' needs. It co-innovates or co-produces with its customers to ensure that product features respond to customer needs. Further, the supply chain process would not only look for the "best" input but develop a network of relationships and integrate its own supply chain with those of suppliers and customers. In the marketing core process of customer relationship management a move from a transactional view and its focus of identifying, targeting and selling to developing and fostering relationships and interaction with individual customers or sets of customers would be recommended (Srivastava et al., 1999; Elg, Ghauri, & Schaumann, 2015). As is evident from the three examples above, marketing plays an important role in all business processes as it embraces skills and competences that help it understand customer needs and markets together with those that help the firm to operate more effectively and responsively (Day, 1994). At the same time, marketing is called to act on external change given the frame of specific internal conditions, in our context the conditions of the new and small firm.

In the special case of the entrepreneurial internationalizers, uncertainty characterizes not only their external environment, it is inherently present also because of their new, innovative endeavours (Muralidharan & Pathak, 2017). Firms today act in an environment consisting of convergence of industries, fluid firm boundaries, and decreased ability to forecast (Hitt & Reed, 2000; Read et al., 2009). Also, early internationalizers have been described frequently as originating from high-tech or knowledge intensive industries where even more than in other industries product life cycles are compressed, technological change is rapid, and windows of market opportunities are narrow (e.g. Hitt et al., 1998). These conditions, but also unpredictable or serendipitous events like successive rounds of venture capital funding, a stroke of luck or being in the right place at the right time require processes and capabilities conducive to recalibrate and capitalize on opportunity (Ghauri et al., 2005).

When approaching foreign markets firms pursue differentiated strategies (Gomes et al., 2011; Vrontis et al., 2009). At the same time, the actual international context, characterized by increased uncertainty and by speed of change, requires marketing time-oriented strategies, capable of providing organizational agility (Barkema et al., 2002; Grewal & Tansuhaj, 2001; Poolton, 2006; Junni, Sarala, Tarba, & Weber, 2015) Weber and Tarba, 2014). The international marketing discourse, traditionally centered on the dichotomy standardization versus adaptation (Szymanski et al., 1993; Tan and Sousa, 2013; Theodosiou and Leonidou, 2003), is probably now requiring the inclusion of new dimensions and a better understading of the underlying marketing processes. Business processes therefore must account for the role that external market *and* organizational challenges play in shaping strategic design and operational decisions. Marketing here identifies a way forward to integrate the uncertainty and complexitiy which arises from external conditions with the design and implementation of the value-creating processes to achieve customer value and ultimately superior performance in international markets.

Different from dominant conceptualizations of entrepreneurial marketing, we focus on the firms processes and capabilities more than on their propensity or orientations, because the propensity to act in an entrepreneurial manner must not be automatically matched with the firm's ability to do so. Through the analysis of core business processes (e.g. market sensing, innovation, coordination of and cooperation with value chain partners) and the role of marketing in these processes, we also go beyond a functional discussion, thus reflecting a small venture reality, where functional boundaries are less clear and where exploiting synergies is the key. We do not aim at defining boundaries against similar concepts but aim to identify common elements on which to build a holistic concept of what may be marketing's contribution to entrepreneurial internationalization. We are particularly interested in addressing a gap in studies in the role of marketing in entrepreneurial internationalization (Autio, 2017) in conditions of internal and external conditions of uncertainty.

Method and data

Our research has an exploratory nature and aims at achieveing a deep understadning of new and complex phenomena, which need to be approched under a holistic perspective. A case study method therefore is particularly suitable (Ghauri & Gronhaug, 2010). We undertook our empirical study along the lines of a grounded theory approach following the so-called “Gioia method” (Langley & Abdallah, 2011, p. 213). Gioia and colleagues (e.g. Corley & Gioia, 2004; Gioia et al., 2012) have established a systematic inductive approach for concept development and related data analysis which departs from first order participant perspectives (i.e. being close to the lived experience and incidents of management word), adds authors’ second-order interpretations of the perspectives and distills them into a set of inter-related overarching categories (i.e. themes). The approach can capture concepts[3] relevant to the human organizational experience in terms that are adequate at the level of meaning of the people living that experience and adequate at the level of scientific theorizing about that experience (Gioia et al., 2012).

Sampling

The firms under analysis were selected through purposeful sampling (e.g. Patton, 2014). We departed from entrepreneurial internationalizers we knew well from ongoing (different) research and teaching projects. To uncover potential changes of business processes in longer “post”-foundation phases, we chose not only newly founded ventures but also a more established young company. All companies are international and so were simultaneously challenged by managing their new businesses and new market opportunities (domestic and international). Since early internationalization has been frequently explained with high-tech or knowledge intensive industry patterns (Axinn & Matthyssens, 2002), we looked for variation in technology levels (low-medium-high tech) without restriction to industry or type of customers (B2B or B2C) but with a focus on firms with digital business models. This focus comes with the emergent discussion of lean business models (Hennart, 2014; Autio 2017; Tanev et al. 2016) which have been related positively to speed and scope in international expansion (e.g. lean internationalization as described by Autio & Zander, 2016). Choosing digital firms consequently helped control other major influencers than marketing in business processes. In the first stage we chose 3 start ups. In a second stage, as we were beginning to analyse the transcripts and draw theoretical elaborations, we decided to add a further non-digital case to our study in order to confirm or disconfirm our preliminary findings (Ghauri, 2004; Patton, 2014). During the first interviews we had realized that “agile” took on particular importance in our digital companies. It was primarily associated with project teams and speed in software development but had in one case triggered a pervasive company culture which came in some instances close to the flexibility and responsiveness we were deriving from our data. Also with the fourth firm, as is the case with the other three firms, we had already established personal contacts with (for more detail please see table 1 below).

[3] Concepts are precursors to constructs.

Table 1: Case firms' key facts and data information

Company	Founda-tion	Key activity	International	Firm size (nr employees)	Inter-views	Key informants/sources
Company A	2010, Italy	Horizontal platform development for different eco-systems (e.g. cities, travel, CRM) providers based on innovative search	Offices in London (2014) and Brussels (2017); international projects	80	3	Founders, CFO Company reports and presentations, websites, press information; videos from the internet
Company B	2015, Italy	Visibility and awareness objectives for digital marketing; In 2017 a spin off to enter performance marketing	2017, subsidiary in Spain, 3 entries planned in 2018	30	2	Founder, Marketing Director; Company presentations, social media.
Company C	2014 US	Software -analytics for Volleyball matches	2015 European, Asian, Latin American customers	10	3	Founder and CEO, Social media; websites, reviews.
Company D	2014, Italy	Local food; casual concept	2015, pop up shop then food truck in London	6	2	Founder and CEO, homepage; reviews

Data collection

We collected data triangulating two main sources of information: semi-structured interviews with more than one person in the same firm and secondary data from various firm's internal and external sources. Triangulation of different sources enabled us to obtain a deeper understanding of our cases as well as to avoid misinterpretation (Mäkelä & Turcan, 2007). Nevertheless, insights regarding the core of our research aim – understanding marketing's role in a set of key business processes - was gained mainly via in-depth, face-to-face interviews with knowledgeable informants.

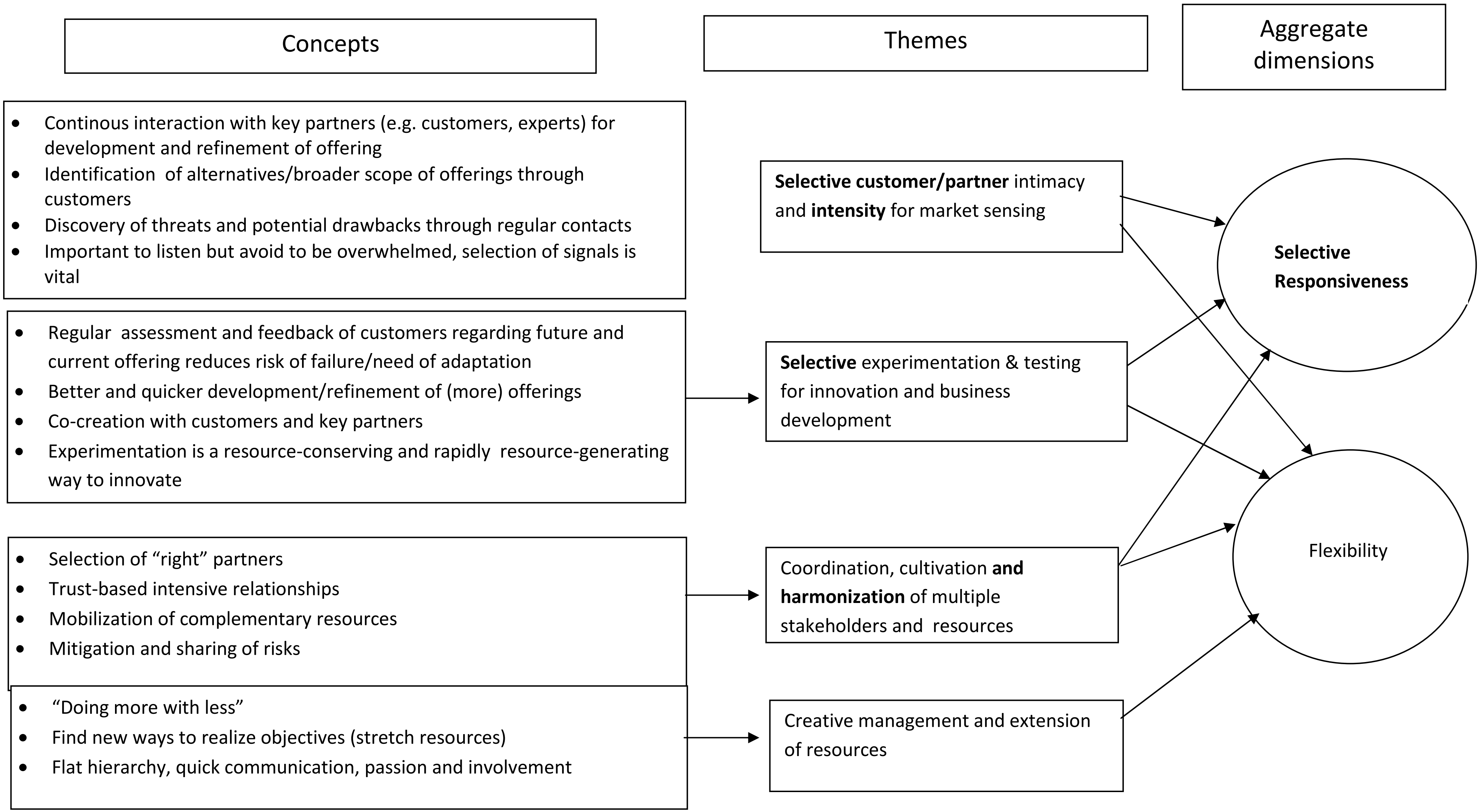
We conducted 10 in-depth interviews (please see Table 1) with highly knowledgeable informants (Eisenhardt & Graebner, 2007) viz. the owners, founders, or top management team members (e.g. CFO, marketing manager). Two researchers participated in each interview that lasted between one and two hours. The interview protocol was almost standardized across interviews. We began by asking the informants to illustrate the key features of their company, the internal/external challenges they faced, their internationalization endeavours, their set of key business processes (prompting some of them if they were not mentioned by the informants) and, importantly, the role of marketing in these processes. Blumer (1954) suggests that concepts should be used in a sensible way to create a reference and to function as a guideline when entering the empirical world. The successive refinement of concepts implies that they constitute input, as well as output of an abductive study. Abductive analysis involves a recursive process of going back and forth and between case evidence, (unexpected) emerging patterns, and existing theory (Ghauri, 2004; Santos & Eisenhardt, 2009; Dubois & Gadde, 2002; 2014). Interviews were recorded on a digital device and transcribed or carefully documented with handwritten field notes. Both researchers transcribed the interviews and confronted each other 's transcripts or fieldnotes.

Analysis

We followed the "Gioia protocol" in analysing the data. We started with open coding (i.e. the first order *concepts*, or *conceptual* coding) based on informant experience and information (Strauss & Corbin, 1990). Two researchers independently coded the interview transcripts and subsequently met to compare each other's codes. Based on a discussion undertaken by the two researchers and a third independent one, who had been asked to provide a neutral perspective, the set of codes was agreed upon. After that, by focusing on the similarities and differences between the open codes, we aggregated the first level concepts into more abstract second order themes (see Gioia et al., 2010). In line with the grounded theory approach, second order themes are developed through the constant analysis of emerging patterns, relationships, and existing theory via abduction (e.g. Gioia et al., 2012; Peirce, 1974). Finally, we collapsed second order themes into overarching aggregate dimensions to facilitate the presentation of our emergent model (i.e. data structure). The findings are illustrated below in the data structure (please see figure 1) containing first order concepts, second order themes, aggregate dimensions, and, importantly their relationships.

As illustrated in figure 1, there are four main themes to the model of marketing in entrepreneurial internationalization which are collapsed into two main dimensions, i.e. selective responsiveness and flexibility. To better understand why each of these aggregate dimensions and their costitutive themes emerged, it is important to remember the internal and external firm context (i.e. uncertainty and challenges arising from simultaneously founding and internationalizing a business) and to gain a sense of strategic agility.

Figure 1: Data Structure



Strategic agility: a composite of selective responsiveness and flexibility

Agility implies a sense of being nimble in moving into an advantageous position, or being able to side-step a potential source of adversity (Evans, 1991). Importantly, it is not defined as the ability to absorb change but the ability to reorganize rapidly, smoothly, and unexpectedly, whereby the end state or situation needing change are not established a priori (Sambamurthy et al., 2003; Evans, 1991; Goldman et al. 1995). These notions of agility we found in early literature primarily underlining flexiblility but they neglect a second key dimension of agility, namely responsiveness (Sharifi & Zhang, 2001). The first, flexibility, is the ability to react effectively to changing circumstances, i.e. in due time and without incurring unsustainable cost (Amit & Schoemaker, 1993; Teece, 2007; Sharifi and Zhang, 2001; Santos Bernardes & Hanna, 2009). The second dimension, responsiveness, instead is customer focused. In an era characterized by a "new breed of customers", i.e. customers that are increasingly unwilling to settle for mass-produced items or offerings with limited value (Handfield & Nichols, 2002; Hitt et al., 1998; Zhang et al., 2003), responsiveness may be one of the most important capabilities needed (Santos Bernardes & Hanna, 2009). It allows the firm to adjust in response to an external stimulus, for example the identification of a latent or unsatisfied customer need, changing customer needs or different customer expectations in foreign markets. Responsiveness thus connects the firm with the customer and includes a firm's knowledge and recognition of stimuli as well as the preparation and actions necessary to address them (Kohli & Jaworski, 1990; Narver & Slater, 1990; Slater & Narver, 1994).

As in market orientation literature (Narver & Slater, 1990; Elg et al., 2015), responsiveness therefore is a "performance"-related concept which originates in the interaction with customers and markets and involves decisions about when and how much to utilize competencies and capabilities to act upon and accomodate particular stimuli. Flexibility instead is an internally oriented enabler of responsiveness. Both dimensions are needed to achieve strategic agility: it requrires linking external sensing and understanding of customers and markets with mechanisms that trigger flexible behavior. Strategic agility is thus the ability to concomitantly identify, assess and re-organize to meet changing customer latent or current needs and it is about consistently doing so more quickly than anyone else and rapidly enough to retain the value of the decision or idea for the customer (Meehan & Dawson, 2002). In our context we underline that flexibility and responsiveness must be achieved without occuring unsustainable cost or, in conditions of resource constraints.

In summary, we borrow from Evans (1991, p 75) to describe strategic agility as a capability "which enables organizations to mutate – to transform itself, in a manner somewhat analogous to a chameleon changing its colour, to take advantage of its surroundings" and as the fundamental point of marketing according to McKenna (1991). As illustrated in Table 2, strategic agility is reflected on two dimensions, i.e. responsiveness and flexibility, derived as two overarching dimensions of marketing's contribution to a key set of firm business processes.

Table 2: Data supporting themes and aggregate dimensions

Themes	**Representative quotations**
Selective customer/partner intimacy and **intensity** for market sensing	"We always ask feedback to our customers. At the end of each volley season we ask what proved best or worse and what they would like to add for the following season" (Company C). "Customers are a vital source of knowledge. Foreign customers further improve the diversity of our knowledge base and learning opportunities. Though the rules of volley are the same worldwide, different countries and – inside a country – different teams develop their own way to playing volleyball. This represents a great richness for us and being exposed to such diversity is vital to our success" (Company C) "Selecting customer signals is vital for an organization to grow and survive" (Company C) "Listening to every voice has high costs" (Company C) "International customers permitted us to understand our potential" (Company C) "I develop very close relationships with each customer, to the best of my capacity. With our best customers we have frequent meetings and phone calls. We are used to invite customers at our company anytime there is a volley match of their teams close by. They are now happy to come, we just take them 45 minutes, offer a meal and speak about their needs. They feel their opinion counts and can make a difference in product development". " I personally visit my foreign customers in Europe, Asia and Latin America. This is a great source of ideas and customer insight, with some tradeoffs" (Company C) We also have partners that further enhance our learning and customer insight, for example major volleyball and referees associations (Company C) "At the beginning we were listening a lot to every customer, we wanted to hear all the voices to validate our value proposition. But in the end in food this may cause problems. Everybody feels like a Masterchef referee but wants to pay as little as possible. We got soon overwhelmed by all this listening. We learned to filter comments and reviews and to focus attention on experts' opinions." (Company D) "Being exposed to demanding customers in the Central London, but mainly to a general society, in which people care about the environment, made us increasingly concerned about waste issues. We now recycle all the bread is not sold, to make a bread cake. We want to move towards a zero-waste business model." (Company D) "We know everything of our users, because we track them continually in their habits, behavior, trends." (Company B) "We develop an insight through observation, interests and passions, exposure to social networks and conversations in teams." (Company B) "We launched company BB to enter a different type of business: it is always digital marketing but it is instead performance and not visibility driven. To launch this new business we leveraged on the experience acquired in digital marketing and working with media centers". (Company B) "Our investors do not only provide us with capital, they are also a source of inspiration and highly valuable in the exchange

	of comments on ideas. We have regular meetings scheduled but I hear many of them, just for a quick exchange and hear their opinion. " (Company A)
Selective experimentation & testing for innovation and business development	"We need to constantly validate our value propositon and make quick adjustments to our products." (Volleymetrics) "All this exposure to diverse customers and possibly also competitors generate a number of hypotheses, but it is the responsibility of the entrepreneur to make decisions. You need to decide among options to put forward in development. I call this filtering." (Company C) "We ask our customer often which functionalities they'd like to add. But then we only develop the most wanted and strategically relevant for their team performance." (Company C) "The scope of an idea or project rests basically on the customer insight – stay focused on the customer and simple." (Company C). "We also learned how to use scope creep risk to develop a differentiated offer, from basic to premium packages." (Company C). "You must excel in manageing tradeoffs and do it quickly." (Company C) "Our first international customers were asking for our premium package and helped us to refine it dramatically." (Company C). "We are constantly working along experimentation-validation cycles, which are rather short. The process of looking ahead and looking back accompanies this cycles." (Company C) "Experimentation permits to use fewer resources to achieve product development and launch." "We experienced revenue generation on the domestic market because of the international customers – more ambitious teams wanted the same (premium, the authors) service." (Company C) "Engaged customers spend more." (Company C) "When we started London operations, we began with a pop-up restaurant. The aim was to explore a new market from the inside and understand better if our value proposition could work. The London experience helped us in developing also a few "fusion" meals, though the basic offer remained the same as in Italy. (Company D) "Certainly the idea of the pop up store has used fewer resources than opening a permanent shop. Also, when this temporary store closed, we decided to chose an innovative and lower cost start, using a curious mobile van (Apecar, an iconic small Italian truck) to advertise and contemporary sell throughout London." (Company D) "In London we developed a limited number of menus (Company D types) options, just nine. After considering more menus (due to the above mentioned initial listening to many different people, the authors) we found that 9 options was a good compromise between variety, quality and prices. We did the same with wines (4 local quality brands) and beer (one craft local brand)" (Company D) "Once you have a restaurant you can try to experiment gradually new things, as we did with the two "fusion" options in our London Menu. But for us it is key to avoid consumer confusion and to lose our identity, strongly rooted in local specialties

	from an Italian region" (Company D) "We test the insight on a small group of people, which may embody the personas we have in mind." (Company B) "We are testing the idea of sending products to our users and receive feedback. This is an alternative way to have consumers' feedback but it is more complex (goods delivery) and engages smaller numbers. We'll see how the tests go." (Company B) "In developing the Company B app we started from a very small community around our original Facebook page: we invited people to take photos of branded products and have coupons as a reward. The market answer has been good, and enabled us to further develop the value proposition and business model, as well as the technical features of their app. From there we started proposing the services to brands and further developing the app." (Company B) "Recently we are also making market research for the customers, using the community. We propose a similar mechanism as for the main business: we provide coupons/credits for those who answer a questionnaire" (Company B) "Spain may involve some adaptation of our approach, but we are ready for this, developing continually our offer based on customers and communities response is key to our success from the start."(Company B) "We are setting up labs with companies and institutional partners to co-create different platforms (i.e. experimental projects). For example, one with the Department of Engineering of your University is up and running."(Company A)
Coordination, **cultivation** and **harmonization** of multiple stakeholders and resources	"Designing our value chain with outsourcing match analysis to Bulgarian and Cambodian partners further enhanced our responsiveness to changes in value proposition and product-market portfolio." (Company C) "We have partners who can provide reliable analytics in a very short time and almost cover a 24 hour time zone. They also enable a segmented offer, because the Bulgarian partner provides high quality analytics in very short time, while the Cambodian one can provide a more basic type of analysis at a lower cost. This accomodates needs of different partners worldwide." (Company C) "International customers permitted us to understand our potential and to mitigate a number of risks." (Company C) "We had a major problem in 2015 when our software did not work. We had to manage furious customers but we only lost one over 100, thanks to the good and trust-based relationships we developed." (Company C) "In the digital business, especially when you work with developers, you are constantly exposed to agile management. The challenge is to transfer this logic to the entire organization, to support fast international growth." (Company C) "We have a 100 % retention rate and we could maintain even in our hardest time, when our software had a major bug. " (Company C) "We do our best to establish a contact with customers, using social media and a loyalty program" (Company D) "Some of them (partners, the authors) also accepted to co-finance our crowdfunding campaign. "We try to have partners with the same ambitions but wine providers follow very old fashioned business logics and to not really support our ambition – the craft beer producer really shares our mentality and business logics. (Company D) "We discussed with our investors the entry plan and they helped us in planning commercial contact." (Company B)

	“Outsourcing is good for a few activities, but certainly not for our core like technology development, creativity and community management.” “We work with some media centers and the Spanish have a systems of relationship with Italian ones.”(Company B) “We wanted investors who could support our growth through a good knowledge of the business and providing useful commercial contacts.” (Company B) “We foster international institutional projects and contacts with other companies in the same area to jointly build the context conducive to our growth (ideas of small valleys in Europe, the authors).”(Company A) “We are running graduate programs and master programs together with partners to form the personnel of our future”.(Company A)
Creative management and extension of resources	“We also have partners that further enhance our learning and customer insight, for example major volleyball and referees associations. They also serve for our legitimation and reputation.” “Our customers are key also because we can leverage on their own networks to gain new customers and to have positive reviews.” (Company C) “Now we also have a loyalty program for three different types of customers (regular, business, on which we particularly focus with discounts, because they bring in employees and work lunches, and lately sport people, eg from gyms or tennis courts around.” (Company D) “We certainly benefited from being a small and young team of people.” (Company C) “Those who are involved in agile processes are more engaged and involved in problem solving, look constantly for creative solutions and are less easily stopped by difficulties and challenges, thanks to a good working of teams and scrums.” (Company C) “We do not operate under resource dependency. Instead, we reasons collectively under resources stretching, when we envisage a good opportunity” (Company C) “I went for crowdfunding, a novel thing to me. Crowdfunding may not succeed but it will help my brand recognition and also it is putting me in contact with other potential equity investors.” (Company D) “We have 30 people organized in teams (e.g. creativity, development, community management internationalization team etc.) while at the beginning everyone did everything. “ (Company B) “We leverage on the community of users to launch and test new businesses. For example recently we are also making market research for the customers. “(Company B) “Many of our investors have brought friends and partners to invest in our venture. (Company A) We have a flat hierarchy, mainly organized in teams. “(Company A) “Our high-level institutional contacts bring reputation and legitimation. We are now talking with top level in companies, cities etc. which would not have been possible for a small unknown start up. “(Company A)

Selective customer/partner intimacy and intensity for market sensing

The ability to explore markets, and to learn about the international market, it is essential for recognizing opportunitiy and developing marketing knowledge. Recognizing the opportunity is the earliest stage of the internationalization process (Tasavori, Zaefarian, & Ghauri, 2015). This stage is heavily influenced by marketing and market-related knowledge because such knowledge is not only required to spot the opportunity but also for evaluating whether it is worth pursuing and for assumptions about the viability of the new business opportunities (Fernhaber & McDougall-Covin, 2009). It also leads to the creation of more effective marketing strategies and sustainable superior returns (Mort et al., 2012). Firms with stronger sensing ability then should be better positioned to create and satisfy demand and achieve early revenue and growth in international markets (Ghauri et al., 2016).

However, in an uncertain environment, the nature and level of demand frequently remains unclear but is dependent on the strength and creativity of marketing effort (Gruber, 2004). In an uncertain environment, the venture is not only faced with limited predictability but also with complex and varying signals. One aspect of knowledge is substantive knowledge of market information, the other, crucially relevant for marketing, is the "knowledge" of where to find market data (Kirzner, 1973). One way for the small internationalizer is to rely on direct customer contact to ensure the acquisition of the "right" information. Customer intimacy, one of the dimensions present in conceptualizations of entrepreneurial marketing (Morris et al., 2002), here resonates well with our findings.

> *"We know everything of our users, because we track them continually in their habits, behavior, trends." (Company B)*

Still, according to our findings, marketers do not only know their customers extremely well, they have also a high level of customer intensity (Jayachandran, Hewett, & Kaufman, 2004) – that is they closely work and interact with current and potential customers to identify opportuntities and so possess an in- depth understanding of explicit and latent needs of both, current and future customers.

> *"I develop very close relationships with each customer, to the best of my capacity. With our best customers we have frequent meetings and phone calls. We are used to invite customers at our company anytime there is a volleyball match of their teams close by. They are now happy to come, it just takes 45 minutes, we offer a meal and speak about their needs. They feel their opinion counts and can make a difference in product development… Customer intensity reduces the risk of product innovation/change." (Company C)*

Opportunity discovery or creation through and with customers/partners is one of the dimensions of customer intensity, the other one, less recognized, is the reduction of chances of failure. The crucial elements and the novel elements of marketing in our context are customer/partner intensity but also selective listening because it does not only allow for the recognition/creation of alternative offerings, but it also adds the potential of better and quicker judgement and better and quicker responses.

> *"At the beginning we were listening a lot to every customer, we wanted to hear all the voices to validate our value proposition. But in the end, this may cause problems. Everybody feels like a Masterchef referee and wants to pay as little as possible. We got soon overwhelmed by all this listening. We learned to filter comments and reviews and to focus attention on experts' opinions" (Company D).*

Selective experimentation and testing for innovation and business development

As we have mentioned above, facing market uncertainties in international markets, the small young firm is called to translate customer/partner insight and expectations into propositions of commercially viable products and services. Marketing thus substiantially contributes to another process, that is rapid, frequent and inexpensive experimentation (Amit & Schoemaker, 1993) with new offerings in the widest sense of "new combinations" (Schumpeter, 1934), e.g. products and services innovation, business models, international marketing decisions. Experimentation thus is based on the afore mentioned ability to select signals and develop strategic alternatives based on customer- and market knowledge which helps make well grounded decisions in a timely manner.

The customer need and propositions regarding how to satisfy and best respond to this need begin the series of steps that culminate in the completion of the activity. The process thus implies a bottom-up approach based on discovery, learning, and co-creation. As is the case in "customer/partner" sensing, creation of value and responsiveness towards and with the customer and partner is the focal point. Value can ultimately be defined only by the customer and therefore, also in experimentation and testing, the interaction with the customer is the key. Nambisan (2002) argues that customers serve three valuable roles in stimulating firms' competitive actions: a source of innovation ideas, co-creaters in the development and design of innovative products and services; a user in testing the products or in helping other users learn about the new product or service.

> *"Our first international customers were asking for our premium package and helped us to refine it dramatically." (Company C)*

> *"We are setting up labs with companies and institutional partners to co-create different platforms (i.e. experimental projects). For example, one with the Department of Engineering of your University is up and running."(Company A)*

> *"We are testing the idea of sending products to our users and receive feedback. This is an alternative way to have consumers' feedback, but it is more complex (goods delivery) and engages smaller numbers. We'll see how the tests go." (Company B)*

Involving customers is not only an efficient way but also an effective way of experimentation. The test with customers, e.g. with a friendly audience, involving them in focus groups, the use of online user communities, or open innovation networks is an economic and fast option which levels the playground for small firm experimentation and it is a way to broaden the scope or define the "right scope" for experimentation. It also takes less time for companies to teach potential customers about the benefits of a product and how to use it if the customers have already spent time learning about a product and its uses before they come to buy (Hennart, 2014).

In innovation management both the role of marketing and the involvement of customers; are long recognized. The agile elements, quick, economic and frequent experimentation and iterative processes are also present in strategic management (Amit & Schoemaker, 1993), entrepreneurial marketing (Morris et al., 2002; McHenry & Welch, 2018) and lean thinking (Blank, 2003; Ries, 2011). Agility adds the idea of series of propositions, i.e. options and multiple options to be tested. Multiple alternatives help to widen the available scope of actions and so contribute to flexibility in addition to generating the most and appropriate and fastest responses to customer needs.

"The London experience helped us in developing also a few "fusion" meals, though the basic offer remained the same as in Italy." (Company D)
"We also learned how to use scope creep risk to develop a differentiated offer, from basic to premium packages" (Company C).

Another less recognized dimension is to sustiantially reduced chances of failure. Experimentation in this sense alters the risk profile of the venture on the basis that it discovers what is difficult to predict (Reeves & Deimler, 2011). Further, experimentation minimizes time and and cost: it reduces the time to "innovation" and the time to market and therefore binds less resources and accelerates rates of return.

"We are constantly working along experimentation-validation cycles, which are rather short. The process of looking ahead and looking back accompanies this cycle." (Company C)

" Certainly the idea of the pop up store has used fewer resources than opening a permanent shop. Also, when this temporary store closed, we decided to choose an innovative and lower cost start, using a curious mobile van (Apecar, an iconic small Italian truck) to advertise and contemporary sell throughout London". (Company D)

When early international growth is envisaged, marketing must envision offerings, business models and/or creative strategies which open options for quick growth and inexpensive adaptation. To grow internationally means to consider potentially different needs of international customers and markets and integrate these at the very first stages of experimentation. Experimentation at this stage requires marketing thinking in a way that different needs of customers are designed into the series of experiments that are undertaken. Early and rapid internationalization to a broad range of potentially very different markets and customers however also requires the ability to leverage or reconfigure existing capabilities according to their needs, an ability which is valuable also if international growth occurs unexpectedly. Under this perspective, key to establishing agility and subsequent growth is to anticipate the (marketing) efforts of the next stages of company growth because strategies suited for a current stage might prove liablities later (Moore, 1981).

"Spain may involve some adaptation of our approach, but we are ready for this, developing continually our offer based on customers and communities' response is key to our success from the start."(Company B)

When a venture tests its options in interaction with the customer, assesses their impact and decides whether, how and where to move, it has to adapt while it moves, reduces time and overall risk.

"Being exposed to demanding customers in Central London, but mainly to a general society, in which people care about the environment, made us increasingly concerned about waste issues. We now recycle all the bread we do not sell but we want to move towards a zero-waste business model". The exposure to diverse customers and possibly also competitors generates a number of propositions, but it is the responsibility of the entrepreneur to make decisions. You need to decide among options. I call this filtering" (Company C).

Under a holistic view related to business processes, marketing assumes a boundary spanning function (Day, 1994) through the integration of the external component, the market and the customer with the internal component, regular and continual interaction with the core process of innovation management. As these external and internal components become more dynamic and complex, also boundary functions must become more agile. Marketing contributes significantly to the formulation of propositions for experimentation and the overall assessment of the value provided, the assessment of whether the market is scalable, large enough, and accessible or not. Consequently, international growth but also the firm's vulnerability is very much in the hands of marketing.

Coordination, cultivation and harmonization among multiple stakeholders and resources

Partnering or networking aims to leverage the assets, knowledge and competencies of external entities, e.g. customers, suppliers, distributors etc (Coviello, 2006). Huge research attention has been paid to networks in IB (Vahlne & Johanson, 2013) and IE literatures. Especially research on early internationalizers emphasizes the importance of networks as sources of knowledge and as a substitute for resources in general (Zucchella, Palamara, & Denicolai, 2007). Research has also acknowledged the positive and important role of social and business networks in exploration and exploitation of opportunities (e.g. Elg et al., 2015), in the way those opportunities are recognized and implemented, and in explaining performance such as, for instance, early internationalization. Zaheer and Zaheer (1997) also found that firms with wide-ranging information networks were able to exhibit superior responsiveness and performance in turbulent business environments. What is less discussed in extant work is that firms must not only effectivly acquire knowledge and other assets but that they are also called to harmonize such resources and capabilities with partners and to do so with speed (Sambamurthy et al., 2003).

> *"We wanted investors who could support our growth through a good knowledge of the business and providing useful commercial contacts." (Company B)*

> *"In the digital business, especially when you work with developers, you are constantly exposed to agile management. The challenge is to transfer this logic to the entire organization, to support fast international growth." (Company C)*

Moreover, it is important to think of strategy in terms of dynamic (and agile) business systems and effective strategies at network level (Reeves & Deimler, 2011) without being able to rely on strong control mechanisms. The relational and functional dependance of the small and young firm supports this thought and underlines the need of a strong ability of cooperation and coordination.

> *"We foster international institutional projects and contacts with other companies in the same area to jointly build the context conducive to our growth (ideas of small valleys in Europe, the authors)…Also, we are running graduate programs and master programs together with partners to develop the personnel for our future". (Company A)*

> *"We try to have partners with the same ambitions, but wine producers usually follow very old fashioned business logics– the craft beer producers for example really share our mentality and business logics." (Company D)*

In the context of the early internationalizer the idea of business systems means that the move from a dominant network view to a business process view, as we propose it, is appropriate. We put focus on the notion of value chain and stakeholder/ customer relationship because it particularly emphasizes the creation of value throughout the different horizontal and vertical firm activities.

"Designing our value chain with outsourcing to match with our Bulgarian and Cambodian partners further enhanced our responsiveness to changes in value proposition and product-market portfolio."(Company C)

We have already mentioned above the boundary spanning role of marketing and, thus, its relevance to cooperation and coordination. Here we add the role of matching and bonding (Day, 1994). Bonding in the customer context includes cultivating strong customer relationships, especially in an early stage, not only with respect to their co-creation and testing roles. Strong customer relations allow the firm to continuously and quickly increase their knowledge of and experience with them, it can be used for monitoring and for insight into retention mechanisms or how to lower cost of serving them (Srivastava et al., 1999). In general, strong customer relationships reinforce loyalty and so produce an immunization effect for these customers about competitive actions, and in turn, lead to higher retention and advocacy. Morris et al. (2002), in a similar vein, refer to this as the establishment of visceral relations with customers.

"We had a major problem in 2015 when our software did not work. We had to manage furious customers, but we only lost one out of 100, thanks to the good and trust-based relationships we developed." (Company C)

Beyond establishing customer relationships, the bonding role (Day, 1994) of marketing can also be exploited to harness marketing infrastructure. For example, Coviello and Munro (1995) point out that an effective way to do so is the building of relations with well established firms, and to practice interaction-based marketing, which increases market exposure and useful business knowledge. Parallel innovation or co-promotion can be also achieved through establishing cooperation and strong bonds with value chain partners, be they suppliers or distributors or other partners.

"We work with some media centers and the Spanish have a systems of relationship with Italian ones." (Company B)

"Some of them (partners, the authors) also accepted to co-finance our crowdfunding campaign." (Company D)

The lean structure and the short hierarchy of new ventures should permit the persons who detect changes in the environment and those who are in contact with partners to respond quickly and proactively. The lean structure also puts the basis for knowledge sharing and learning across the entire organization. Importantly, the new firm also is described to profit from the learning advantages of newness (Autio et al., 2000) and it is not yet subject to any relevant path-dependencies. Structural flexibility (Chen & Hambrick, 1995) then increases the exploitation of synergies, speed of decision making and makes coordination easier and quicker and so contributes considerably to the flexibility and responsivness dimensions of strategic agility. Management must rely on strong bonding capabilities because the young ventures lack the power to establish strong control mechanism.

Creative management and extension of resources

We have mentioned above that small size, structural flexibility (Chen & Hambrick, 1995) and learning advantages of newness (Autio et al., 2000), makes the new ventures' learning faster, communication more direct, and decision making quicker - all elements which should reinforce an ability to act in a nimbler fashion when discovering opportunities in the marketplace (Gruber, 2004). Thus, essentially we argue that small firms and new firms do more with less (Morris et al., 2002; Elg et al., 2015) as they leverage the characteristics of smallness and newness to achieve firm flexibility and responsiveness. However, smallness and newness are also associated with resource scarcity which makes the firm vulnerable. Constraints in terms of finance are widely recognized as is the lack of intangible resources such as market knowledge, diverse skills, reputation, brand equity or an installed customer base. In this context we have already mentioned that through building and managing partnerships marketing is able to mobilize and use resources from a broad variety of partners building on the ongoing discourse in entrepreneurial marketing (Morris et al., 2002; Gruber, 2004; Mort et al., 2012). Mobilization and leveraging of resources is also posited to be integral to the success of new ventures, consistent with the need in small firms to overcome resource poverty and resulting limitations in its action repertoire (Tesfam et al., 2003).

> *"We have partners who can provide reliable analytics in a very short time and almost cover a 24 hour time zone. They also enable a segmented offer, because the Bulgarian partner provides high quality analytics in very short time, while the Cambodian one can provide a more basic type of analysis at a lower cost. This accomodates needs of different partners worldwide… We do not operate under resource dependency. Instead, we reasons collectively under resources stretching, when we envisage a good opportunity." (Company C)*

This line of thought can be illustrated with an issue of crucial importance in the new venture, namely the process of building an identity and a brand. The young internationalizing firm lacks legitimacy, market acceptance and trust. Now, the process of building credibility can be initially based on customers and partners who are personally known to the entrepreneurs (e.g. a social and/or a business network).

> *"We started from a very small community around our original Facebook page: we invited people to take photos of branded products and have coupons as a reward. The market answer has been good, and enabled us to further develop the value proposition and business model, as well as the technical features of their app. From there we started proposing the services to brands and further developing the app."(Company B)*

For such a customer base the anonymity of the firm is less important and firm-based credibility is compensated through person-based credibility (Gruber, 2004). The firm will respond to first and few customer requests in the best manner possible to have them spread positive word-of-mouth and catalyze a virtous circle which helps the firm gain broader credibility and establish an identity.[4] From such an approach, two other vital effects result, namely getting quickly first sales without legitimacy and, secondly, building a loyal customer base which can be served with decreasing cost and may be of help for continual experimentation, sourcing of innovation, etc. Although extant literature has stressed the importance of social and business networks in the early stages of the venture lifecycle as a source of contacts and information, it has not fully considered the positive effects of extending resources and combining them to achieve and accelerate the establishment of assets and competitive advantage as described above.

> *"We also have partners that further enhance our learning and customer insight, for example major volleyball and referees associations. They also serve for our legitimation and reputation. " (Company C)*

[4] Also note that peer recommendations are valued much higher than is company information.

"Our high-level institutional contacts bring reputation and legitimation. We are now talking with top level in companies, cities etc. which would not have been possible for a small unknown start up." (Company A)

Another key explanator of early internationalization, the niche strategy, is neither a random choice nor a choice dictated by the lack of market power or competitive conditions. Also in this case, marketing strategically extends resources, i.e. a small customer base, because it can be served globally without adaptation and so is responsive to a global customer segment, is timely and resource conserving in its response because it does not need time nor funds for adaptation (Hagen et al., 2012). The niche also satisfies the requirement of being flexible. For example, in times of economic downturns the loyal customer base can be leveraged to achieve additional sales with other products and strong retention mechanisms. In the more positive case of exploding demand appropriate scaling allows to adequately respond and manage such demand.

Strategic agility and entrepreneurial internationalization

We have already mentioned some characteristics that distinguish new ventures and early internationalizing ventures from larger and more established organizations. These characteristics include the liabilities of newness, smallness, foreignness and, importantly, the inherent uncertainty of their undertaking (Gruber, 2004). As Gruber (2004) notes, uncertainty is both an unavoidable aspect of entrepreneurship and of a valuable opportunity in that it serves as a basis for asymmetrical perceptions among actors. The new venture capitalizes on an opportunity that others do not see or that is inaccessibile to them, and, in this sense, moves in an "experiment mode" because it tests its innovative resource combination against others, existing or alternative combinations in real-life. Looked at it under this light, the experimentation and testing we mentioned above is the attempt to reduce the firm's overall uncertainty and risk by limiting it to and in a limited time, resources and market space and a valuable example of how the entrepreneurial internationalizer may limit market-risk or failure, or, in opposite terms enhance market acceptance and superior performance.

For example, foreign market entry is accelerated by adapting offerings faster and better to international markets' needs. Using experiments based on customer interaction products/services move faster through the product adaptation process, contribute significantly to customers' getting the desired products and getting them faster, i.e. being responsive. Faster processes reduce not only the cost of adaptation but also the time for market acceptance. Using marketing propositions and customer interaction in the product/service development process plays a central role in deciding more quickly both to do the right things, ie responsiveness and to do them faster and better, ie flexiblity.

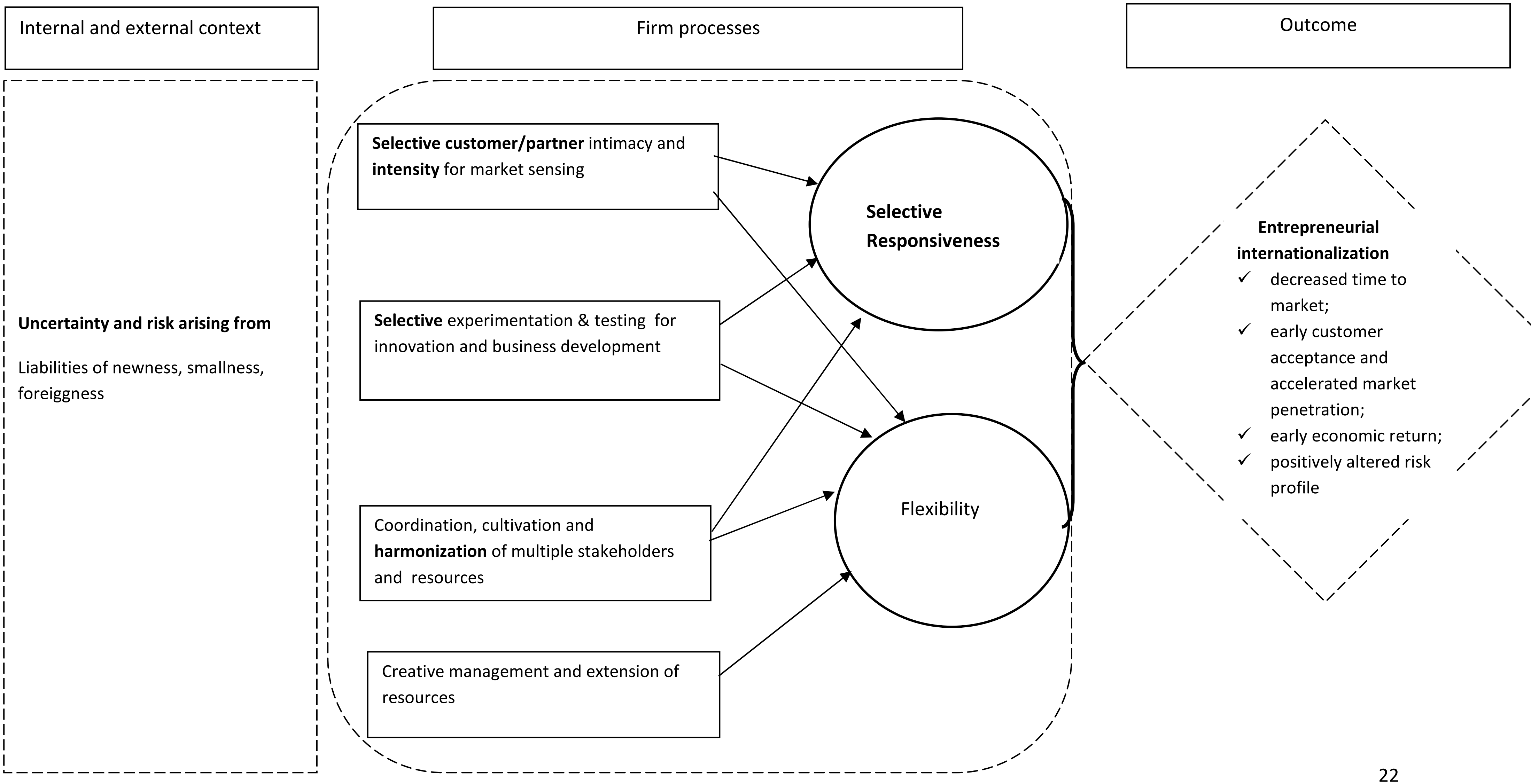
Getting the right inputs, such as customer requirements, contacts or marketing infrastructure from partners offers valuable resources that can help eliminate or reduce false starts and delays. A failure to manage time to market and to select the "right" foreign markets results delayed internationalization and slowed pace of international expansion or necessary de-internationalization - missed opportunities may be extremely costly in terms of both time and money and they may threaten survival in the case of the young and small internationalizer. Reducing the time to market and related time to getting international sales are especially important in resource constrained small firms. Most ventures understand the importance of time to market but frequently they fail to realize that attention to barriers to customer and market acceptance can delay the adoption and diffusion of the product/service and thus international sales. Moreover, timely market inputs that help evaluate attractiveness and growth of markets or customer segments guide rapid resource (re-)allocation to development of products for emerging markets/customer growth segments and to yield superior international sales and growth.

We thus argue that agile marketing presents an attempt and a viable way to alter the risk profile of the venture through processes of designing, testing and implementing innovative resource combinations that are flexible and responsive and lead to superior outcomes. This means that agile marketing and strategic agility enable the firm to cope with uncertainties that result from dynamic and turbulent environments such as rapid changes in technology and customer expectations, convergence of industries, and unknown international territories. Flexibility allows the firm to limit disadvantages in cost and time which may arise because of the adaptation need and growth in many international markets. Responsiveness instead will maximize the advantages of exploiting change and adaptation, that is early market acceptance, faster penetration of markets and consequently superior international sales and growth. Also, understanding distributors motivations enables firms to co-create the right programs or educate distributors, thus satisfying the need of responsiveness and flexiblity.

Customer relationship building, experimentation and testing build more rapid product awareness, entice early product trials, and promote repeat purchases. We have already discussd the positive word-of-mouth and network externalities linked to customers and the size of the customer base as drivers of market acceptance. Convinced customers do not only allow for early entry and first sales and free publicity, but they also become loyal, are less expensive to serve and so support sustained international performance. Under a longer term perspective, literature suggests that customer loyalty is the entry barrier which is the hardest to overcome (Reichheld, 1996). Each customer contact, whether new or longer established, contributes to identifying sources of innovation to experimentation and testing, and to potentially bringing in new customers. It follows that customer relationship management overall contributes to lessen market risk and so may allow the firm to take more risk by entering more markets quickly, to achiever better market penetration and thus long term international performance.

Overall strategic agility at the same time helps to control uncertainty and risk (Sarasvathy, 2001) and helps to take risk that ensues from early internationalization. Moreover, strategic agility enables the firm to respond strategically (and not only opportunistically) and with a larger repertoire of options which will allow to exploit long term growth and performance to the full. Agility in this sense alters the risk profile in both directions – in its flexibility and responsiveness regarding resource allocation and regarding choices regarding offerings and international market. Finally, it builds on an integral characteristic of the firm, its structural flexibility, which makes it ready to develop advantage based on agility and fits well with their external context as illustrated in figures 2.

Figure 2: The conceptual framework



Conclusion

We bring the concept of strategic agility into the discussion of entrepreneurial internationalization. In our conceptualization strategic agility is reflected in two underlying dimensions, i.e. flexibility and selective responsiveness. We argue that those dimensions are built on marketing's contribution to business process and resulting abilities, namely an ability to sense the "customer/partner" and understand, select and act on signals; the ability to selectively experiment and test quickly and inexpensively; the ability to, coordinate cultivate and harmonize multiple stakeholders and resources; the ability to creatively leverage and extend resources. Marketing helps design and implement these processes to account for an increasingly dynamic and complex international environment and the internal organizational characteristics of the small and new firm. We argue that marketing presents the glue across these key processes and plays a key role in achieving flexibility and responsiveness.

Most firms understand the importance of flexibility and, time and speed to market but they neglect the importance of responsiveness which is core to marketing. Flexibility, that is the ability to re-act to changes in a timely manner, is the main perceived notion of agility which is also reinforced by just-in-time and lean production principles. Flexiblity, however, is only one dimension of strategic agility. It must be paired with responsiveness to the customers' latent and current unsatisfied needs to create value for the customer, achieve market acceptance and ultimately international market performance. While flexibility and responsiveness may be seen as a trade-off, we show that marketing and adequate process design allow instead for the achievement of both and their mutual reinforcement. Understanding of and continual interaction with customers/partners, i.e. customer intensity, is one of the foundational processes of agile marketing, boundary spanning, partnering and creatively extending resources being key contributors to other key processes such as innovation/business development and value chain coordination which, jointly and in a synergetic manner, foster flexibility and responsiveness and shape the strategically agile firm.

We have conceptualized strategic agility as a novel explanation and key driver of entrepreneurial internationalization. Strategic agility reflects organizational processes that are valuable to navigate through a continually changing and complex external environment. We thus argue that strategic agility is key for any entrepreneurial activity under conditions of uncertainty and resource constraints.

Overall, our paper extends the marketing orientation and the entrepreneurial marketing literature (Narver & Slater, 1990; Hills et al., 2008; Morris et al., 2002) by conceptualizing marketing under conditions of uncercainty and liabilities of newness, smallness and foreignness. Beyond this conceptualization, we illustrate its key role along business processes and argue that it is a major contributor in the creation of strategic agility of the firm. Strategic agility, in turn, is a novel explanator for superior international performance, the key characteristic of early internationalizers. Our data and conceptualization demonstrate how and why marketing leads to strategic agility and how and why strategic agility enables early and accelerated internationalization. We also propose that agile business processes must integrate the external conditions of continuous and unpredicatable change and organization characteristics in design and implementation of such processes and that they bear potential to alter the risk profile of the firm. Marketing in particular plays a key boundary spanning and coordinating role towards achievement of customer value, i.e responsiveness and firm value, ie. superior international performance.

We show managers and practitioners in new ventures a path to strategic agility that can enable them to overcome the many challenges they have to confront simultaneously. These challenges relate to the development of an offering that satisfies the rapidly changing expectations of customers, overcoming resource constraints, and the establishment of collaboration and cooperation with market partners.

In the first instance, ventures must embed processes for opportunity recognition, creation and exploitation in customer/partner intensity and an experimental, iterative mode which moves offerings from the concept stage to market-ready commercially viable options and which integrates options for international growth. Another set of practices must address resource mobilization, leverage and extension, including marketing practices that establish legitimacy for the newly internationalizing firm and its offering. Again, this set is based on interaction with the customer, and bonding with various stakeholders. All business processes are based on customer and partner interaction to create solutions that best respond to latent and fast changing expectations and so allow for quick market acceptance and accelerated penetration of markets, yielding early and growing returns from internationalization. Overall, our study confirms that strategic agility constitutes a useful mechanism particularly for small and new firms in their internationalzing efforts.

Limitations and directions for future research

While we use the context of early internationalizers as a valuable setting to illustrate our concepts of agile marketing and strategic agility, our conceptualization and discussion of strategic agility is not confined to such a cohort. Comparing early internationalizers with domestic high growth firms, more gradually internationalizing SMEs, or comparing early internationalizers with domestic new ventures may provide further insight into the processes in the domains of marketing and strategic agility. Also, the development of propositions with further qualitative work and operationalizations of constructs is suggested. That would help to prepare hypotheses testing for further deductive and quantative work.

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