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**International Opportunity Development of Born Global Firms: The Role of Institutions**

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# International Opportunity Development of Born Global Firms: The Role of Institutions

## Abstract

### Purpose

The purpose of the study is to investigate the international opportunity development process of born global firms embedded in two different institutional contexts: China, an emerging economy, and Italy, a developed country. Drawing on the entrepreneurial opportunity literature and institutional theory, this study explores and draws insights into how home country institutions of born globals can influence the international opportunity development process of the firms.

### Design/Methodology/Approach

We adopt a qualitative case study approach with in-depth, semi-structured interviews of six born global companies from China and Italy. In doing so, we employ a flexible pattern matching design, which is consistent with the qualitative research design of the paper.

### Findings

The findings of the study indicate that home institutions play an influential, yet differential role on the international opportunity development processes of Chinese and Italian born global firms. While the Italian firms shape their opportunities mainly through product innovation, their Chinese counterparts develop opportunities primarily through networks embedded in their home institutional context.

### Originality

The key contributions of the paper relate to an integrated analysis of the international opportunity development process of born globals in China and Italy based on institutional theory, which has received limited attention in the International Entrepreneurship (IE) literature. In addition, our study advances the similarities and differences in the international opportunity development process in two different countries, thus providing valuable insights for policymakers and practitioners to enter international markets successfully.

**Keywords:** *born global firm, institutional theory, opportunity development, internationalisation, networking, product innovation*

## 1. INTRODUCTION

In the last decade, international opportunity development and exploitation have garnered increased attention in the international entrepreneurship (IE) literature, and, particularly, in the context of born global firms (e.g., Mainela, *et al.*, 2018; Chandra, 2017; Hannibal *et al.*, 2016; Chandra *et al.*, 2012). Born global firms are unique types of entrepreneurial ventures that are globally orientated from inception and seek to derive significant competitive advantage through resource utilisation and the sale of outputs in multiple countries (Andersson *et al.*, 2013; Coviello, 2015). In line with the definition of IE, born globals actively develop new opportunities through the “discovery, enactment, evaluation and exploitation of opportunities across national borders - to create goods and services” (Oviatt and McDougall, 2005, p. 540). Essentially, the internationalisation process of born globals can be conceived as the formation and exploitation of international entrepreneurial opportunities (Evers and Andersson, 2021).

As a central argument of IE, international opportunity has been defined as the chance to undergo an exchange with partners in new foreign markets (Ellis, 2011). International expansion typically requires the development of an opportunity. Chandra *et al.* (2009) note that “international opportunity recognition is the beginning of the internationalization process and deserves more systematic research attention than it has so far received because it is the trigger that starts off everything” (p. 31). More recently, the adoption of opportunity as the unit of analysis has been increasingly considered an appropriate way to examine born global internationalisation (e.g., Cavusgil and Knight, 2015; Knight and Liesch, 2016). The opportunity lens can, in fact, represent a framework to interpret the internationalisation of small companies (Covin and Miller, 2014), as opportunity can be considered a precondition of internationalisation in the analysis of the early and rapid internationalisation of firms (e.g., Chandra *et al.*, 2009; Chandra *et al.*, 2012). Johanson and Vahlne (2009) argue that the phenomenon of born globals becomes more understandable through an international opportunity lens. Further, they point out that the nature of this phenomenon is consistent

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3 with the Uppsala model in the sense that “most born globals are really *born regionals*, with  
4 international activities that do not really span the globe in any significant fashion” (p. 1,420). Also  
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6 consistent with the Uppsala model is our argument that born globals develop new opportunities for  
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8 internationalisation in a process of knowledge development, trust building, and commitment  
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10 development. The only difference is that “the knowledge and the relationships might indeed be in  
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12 place prior to the formal founding of the focal firm, but that is a formality of no major significance.  
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14 It is true too that having those factors already in place may accelerate the process” (Johanson and  
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16 Vahlne, 2009, p. 1421). Although the application of this approach has increased over the years, the  
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18 international opportunity development process has generally not been widely investigated in the  
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20 context of born globals (e.g., Jones *et al.*, 2011; Mainela *et al.*, 2018).  
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27 However, Alvarez et al. (2015) and Johanson and Vahlne (2009) argue that foreign market  
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29 opportunities develop within certain institutional settings. Accordingly, IE scholars believe that this  
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31 field of research should devote more attention to the institutional characteristics of a firm’s home  
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33 country as these characteristics can pose constraints on the shaping of foreign opportunities (Alvarez  
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35 *et al.*, 2015; Vahlne and Johanson, 2017) by influencing the costs of “engaging in business activity  
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37 of a given form in one nation as compared to another” (Henisz and Swaminathan, 2008, p. 537).  
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39 Previous studies in IE indicate that the differences in how born global entrepreneurs respond to  
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41 opportunities and threats in international markets are due to the cultural and institutional contexts in  
42  
43 which the companies are embedded (e.g., Coviello 2015; Krammer *et al.*, 2018; Paul *et al.*, 2017).  
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45 For example, extant research shows that firms with similar resources and skills internationalise at  
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47 different speeds as a result of their varied contexts (e.g., Andersson *et al.*, 2014). This explanation  
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49 opens the way for studies granting more relevance to the role of context (Paul *et al.*, 2017). Other  
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51 authors assert that opportunity research should devote more attention to external factors and market  
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53 processes, which can affect opportunity development by born globals (e.g., Alvarez and Barney,  
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55 2008). As Reynolds et al. (1999) observe, the most critical factor contributing to entrepreneurial  
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opportunities is a “set of social and cultural values along with the appropriate social, economic, and political institutions” (p. 43). Analysing international opportunity development processes in different institutional contexts, can, thus, represent a fruitful way to determine the influence of these institutions (Coviello *et al.*, 2011; Jones *et al.*, 2011; Karami *et al.*, 2019).

Although the critical role of context in born globals’ internationalisation processes has been acknowledged (Andersson *et al.*, 2013; Ryan *et al.*, 2019; Whetten, 1989; Zahra and Wright, 2011), there is a lack of research on the influence of institutional factors on some aspects of born globals’ internationalisation processes (Knight and Liesch, 2016). More specifically, the understanding of how the institutional context influences the development of international opportunities has been rather fragmented, and studies on this topic are relatively limited (e.g., Jones *et al.*, 2011; Shane, 2012). We respond to this research gap and position our study by addressing the following research question in the context of the home institutions of an emerging and a developed country:

**Research Question:** *How does the home institutional context influence the international opportunity development process of born global firms?*

To address the research question, we draw on concepts from opportunity literature and institutional theory. Following previous studies that have examined the internationalisation process through the entrepreneurial opportunity lens (e.g., Chandra *et al.*, 2012; Chetty *et al.*, 2018), we analyse the international opportunity development process of six born globals. Our analysis includes three case companies from an emerging economy (i.e., China), and three case companies from a developed country (i.e., Italy). Drawing on the institutional perspective, we examine how home country institutions influence the development of initial international opportunities of born global firms (Busenitz *et al.*, 2000; Peng, 2003). We adopt qualitative research methods by conducting six in-depth case studies using a flexible pattern matching design (Bouncken *et al.*, 2021; Sinkovics,

2018). This approach to data analysis allows for further elaboration on the influence of different institutional contexts on international opportunity development by born globals.

Our study provides a key contribution to IE literature by considering the influence of an institutional context on the international opportunity development process by born globals as a critical question in IE research (Cavusgil and Knight, 2015; Chandra *et al.*, 2012; Knight and Liesch, 2016; Zander *et al.*, 2015). Analysing firms from two contrasting institutional contexts represents an appropriate framework to better understand the influence of institutional settings on born globals' international opportunity development. As such, our study provides key empirical insights into how local institutional embeddedness can be a contributory factor in shaping the opportunity development process of born globals. This suggests giving more prominence to interactions between macro- and micro-elements by showing that flexible pattern matching can represent a suitable method to this purpose (Sinkovics, 2018).

The paper is organised as follows. We first establish the theoretical background with a detailed review of the literature to position the research question of the study. We then discuss the research methods and the context of the study. Next, we present the findings related to the study context and cross-case analysis. Finally, we conclude by discussing the theoretical contributions and the limitations of the study, and we outline some potential avenues for further research.

## 2. LITERATURE REVIEW

### 2.1 International opportunity development in the born global literature

Opportunity has become a central concept in IE research in that the internationalisation of firms is often explained in terms of international opportunity development (Chandra *et al.*, 2012; Coviello *et al.*, 2011). IE research has noted that opportunity opens a new and vast theoretical area for explaining the internationalisation of small firms and companies endowed with resource limitations (Zander *et al.*, 2015). The opportunity literature distinguishes between certain types of opportunities, namely the creation versus discovery of opportunities. According to Alvarez and Barney (2007), some

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3 opportunities are rooted in the external environment, independent from the entrepreneurs and waiting  
4 to be discovered by alert entrepreneurs. On the other hand, some opportunities are created by  
5 entrepreneurs who can imagine a better future. Some scholars consider both opportunities and discuss  
6 the duality of these opportunities and the way they enable one another (Chetty *et al.*, 2018; Zahra,  
7 2008). There are also other scholars who explain opportunities in the interface between these two  
8 major opportunities. For these scholars, opportunity has elements of both discovery and creation, in  
9 the sense that there should be some objective elements of opportunities through which entrepreneurs  
10 can further develop and create a new opportunity (Garud *et al.*, 2014; Ramoglou and Tsang, 2017).

21 According to the opportunity-based view, there is generally no difference between born  
22 globals and traditional SMEs when examining the firms' internationalisation process (Chandra *et al.*,  
23 2012; Johanson and Vahlne, 2009; Vahlne and Johanson, 2013). Rapid internationalisation tends to  
24 represent a truly rapid process only when ignoring the history of born globals' first international  
25 opportunity development (Vahlne and Johanson, 2013; Chandra *et al.*, 2012). This view explains born  
26 globals' formation as a process of entrepreneurial opportunity development and exploitation (Evers  
27 and Andersson, 2021; Di Gregorio *et al.*, 2008). Johanson and Vahlne (2009) note that the subsequent  
28 internationalisation of born globals is often fast, but, considering the history of the companies' initial  
29 internationalisation, it is still a gradual process, which usually starts in psychically close markets and  
30 attributes high strategic importance to the founders' existing relationships with international partners  
31 and previous international experience. Chandra *et al.* (2012) explain the firm's rapid  
32 internationalisation by focusing on the importance of the history of rapid internationalisation and  
33 emphasising the dynamic entrepreneurial processes of international opportunity development by born  
34 globals. Indeed, studies on post-entry growth of born globals demonstrate that most of the firms  
35 reconfigure their international activities in the long run, complying with traditional  
36 internationalisation theories, whereas "true born globals" remain relatively scarce (Choquette *et al.*,  
37 2017; Vissak and Masso, 2015).



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3 However, the opportunity research stream highlights the importance of explaining how the  
4 initial international opportunity is developed to better understand the subsequent internationalisation  
5 of the firm (e.g., Evers and O’Gorman, 2011). Particularly, in the case of born globals, the initial  
6 international opportunity development happens soon after its inception, during the most  
7 entrepreneurial phase, which tends to be less investigated compared to other phases (Ciravegna *et al.*,  
8 2014). For instance, Ciravegna *et al.* (2014) find that the proactive search of the first client in  
9 international markets can be a predictor of the intensity and geographic scope, but not of the speed of  
10 firm internationalisation. The authors underline the importance of studying the first international  
11 opportunity development as it may contribute to determining the firm’s long-term international  
12 orientation, suggesting that internationalisation must be considered as “a strategically and actively  
13 pursued process” (Ciravegna *et al.*, 2014, p. 1088). Thus, the development of international  
14 opportunity provides a common ground between the traditional internationalisation models (Johanson  
15 and Vahlne, 2009) and born global theories (e.g., Knight and Cavusgil, 2004). Approaching this issue  
16 also represents a fertile ground to develop a ‘collaborative’ approach on entrepreneurial  
17 internationalisation, in line with recent calls for studies at the crossroads between IB and IE (Verbeke  
18 and Ciravegna, 2018).

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There is broad agreement on the centrality of opportunity development in the born global literature; however, our understanding of the mechanisms through which these firms develop their internationalisation opportunities remains rather incomplete (Zander *et al.*, 2015) - and even more limited when we consider the influence of difference institutional factors on the entire process of born globals’ internationalisation (Domurath *et al.*, 2020). A review of the born global literature shows that an important capability to create successful born globals is the ability of the founder to identify and acquire resources necessary to further develop and finally exploit market opportunities (Arthurs and Busenitz, 2006; Zander *et al.*, 2015). Follow-up studies emphasise that international opportunity development processes may change according to the growth phase of born globals (Romanello and Chiarvesio, 2017; Chandra, 2017). Romanello and Chiarvesio (2017) find that entrepreneurs were

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3 generally more proactive towards international opportunities during the entry stage, while they  
4 became more reactive, when they entered the post-entry stage. According to Chandra (2017),  
5 entrepreneurs tend to use simple rules to evaluate international opportunities during the early stage,  
6 but this aspect is influenced by time pressure, prior decision-making models, and the firm's  
7 positioning. In contrast, during post-entry stages, entrepreneurs often benefit from their ability to  
8 revise international opportunities evaluation, thus achieving better results. Research also highlights  
9 that international and industry-marketing experience of born global founders often lead to the creation  
10 of international market knowledge, network building activities, and the development of opportunities  
11 (e.g., Andersson and Evers, 2015; Efrat and Asseraf, 2019; Freeman *et al.*, 2010; Martin *et al.*, 2020).  
12 In particular, the founders' entrepreneurial capabilities may become fundamental to the creation of  
13 born globals (Karra *et al.*, 2008) and to early internationalisation activities (Autio *et al.*, 2000; Evers  
14 *et al.*, 2012; Romanello and Chiarvesio, 2017). These capabilities can contribute to reducing the firms  
15 'liability of newness' (Autio *et al.*, 2000).

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33 In addition, learning is an important mechanism of international opportunity development  
34 (Ryan *et al.*, 2019). From the opportunity development perspective, learning often plays a critical  
35 role in the analysis of a firm's internationalisation process (Blomstermo *et al.*, 2004; Knight and  
36 Liesch, 2016) in that the development of international opportunities often entails connecting prior  
37 experience and knowledge, and observations of external conditions and events (Mathews and Zander,  
38 2007). While the Uppsala model has focused more on experiential learning as the major form of  
39 learning (Johanson and Vahlne, 2009), born globals often experience different types of learning  
40 through their engagement with different opportunities. For example, Ciszewska-Mlinarič *et al.* (2020)  
41 develop a model of born global learning, which explains different types of learning, including  
42 searching, congenital learning, experiential learning, vicarious learning, and grafting. Learning can  
43 help small firms focus on long-term relationships and emerging opportunities (Sundqvist *et al.*, 2012).  
44 Previous studies have emphasised the importance of learning in the process of international  
45 opportunity development, in terms of gaining the necessary information and developing cognitive  
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properties, obtaining access to financial capital and social ties, and risk perception and the propensity towards counterfactual thinking (Li, 2013).

Openness to learning is crucial for the innovativeness of born globals (Ciszewska-Mlinarič *et al.*, 2020), which often plays a critical role in the successful internationalisation of born globals (Knight and Liesch, 2016). Mort *et al.* (2012) argue for innovative products as one of the key strategies for born globals' successful internationalisation. Innovativeness is a key element that born globals emphasise also in relation to their internationalisation in different ways by looking at innovative ways to identify international opportunities, and by gaining access to complementary resources and leveraging them for further development of these opportunities (Knight and Liesch, 2016; Di Gregorio *et al.*, 2008; Verbeke and Ciravegna, 2018; Zander *et al.*, 2015).

Networking is another critically important mechanism in the international opportunity development process (Evers *et al.*, 2012; Gerschewski *et al.* 2020; Vahlne and Johanson, 2013). According to effectuation theory and the Uppsala model, a firm's internationalisation may not necessarily be an issue of 'liability of foreignness', but rather of 'liability of outsidership' from the relevant networks (Sarasvathy *et al.*, 2014; Schweizer *et al.*, 2009). According to this perspective, born globals' internationalisation is perceived as the outcome of successful networking in which firms gain access to the complementary resources and learn from each other (Ciszewska-Mlinarič *et al.*, 2020; Knight and Liesch, 2016; Ryan *et al.*, 2019). This process leads companies to identifying new internationalisation opportunities and gaining access to necessary resources to further develop and exploit those opportunities (Sarasvathy *et al.*, 2014; Vahlne and Johanson, 2017). For instance, Ciravegna *et al.* (2014) find that building supplier-seller relationships represents a reactive approach to internationalisation, while engaging in international activities through personal networks can be considered an actively pursued strategy. Thus, network insiders can perform better than outsiders in terms of successful foreign market entry (Almodóvar and Rugman, 2015; Gerschewski *et al.*, 2020) and positive implications in terms of the speed at which firms can achieve insidership and internationalisation (Yamin and Kurt, 2018).

Institutional setting provides a broader context wherein all aforementioned factors and mechanisms work (Young *et al.*, 2018). As such, the development of international opportunities by born globals takes place within the institutional context (Lundberg and Rehnfors, 2018; Romanello and Chiarvesio, 2019). Young *et al.* (2018) emphasise the importance of institutional arrangements, showing that an institutional context which promotes stability leads to more imitative opportunities, whereas institutions enhancing flexibility are more likely to stimulate the creation of more innovative opportunities. In the next section, we further discuss the key role of institutions in born globals' international opportunity development.

## 2.2 Institutional theory and international opportunity development

Institutional theory has traditionally been applied to explain the internationalisation of firms (e.g., Busenitz *et al.*, 2000; Henisz and Swaminathan, 2008; Kotabe and Mudambi, 2003; Meyer *et al.*, 2009; Peng *et al.*, 2008). The importance of institutions in IE is critical due to the emphasis of IE on the investigation of transactions between counterparts across different countries, or inside one country in comparison to counterparts in another country (Henisz and Swaminathan, 2008; Jones *et al.*, 2011).

Home-country institutions tend to influence entrepreneurship and new opportunity development due to the basic assumption that firms are embedded in country-specific institutional arrangements (North, 1990; Phillips and Tracey, 2007). Thus, the focus on institutions allows scholars to identify the cultural and other institutional forces, which influence entrepreneurial activities in a broader context (Zahra and Wright, 2011). Home-country institutional context can also impact the processes and motivations behind born globals' internationalisation (O'Gorman and Evers, 2011; Zander *et al.*, 2015). As such, the knowledge and understanding of the country's institutional profile can help globally focused entrepreneurs to start-up firms that have international missions from the firms' inception (Busenitz *et al.*, 2000). Considering this key importance of institutions in international opportunity development, IE research has called for further research examining the

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3 influence of the home country's institutional context on different aspects of international opportunity  
4 development process (e.g., Muralidharan and Pathak, 2017; Zander *et al.*, 2015).  
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7 National institutional environments can contribute to explaining whether and how the nature  
8 and behaviour of born globals differ depending on their country of origins. More interestingly, past  
9 research has shown that companies from emerging economies can suffer liabilities of origin due to  
10 the weak institutional infrastructures, the institutional process deficiencies, and the illegitimacy of  
11 their home countries (Fiaschi *et al.*, 2017; Khanna and Palepu, 2010). Reputation building generally  
12 represents a common challenge for born globals, as these companies must often find a strategy to  
13 overcome their liabilities of newness (Karra *et al.*, 2008), but this aspect can represent a greater  
14 challenge for companies located in developing countries. Indeed, even large multinational companies  
15 from emerging countries may develop ad-hoc strategies to offset their liabilities of origin, for  
16 example, through corporate social responsibility practices (Fiaschi *et al.*, 2017; Nieri *et al.*, 2019). At  
17 the same time, local institutions can help mitigate this liability by stimulating internationalisation,  
18 which is a natural incentive for emerging market companies to 'do good', in order to build their  
19 reputation with foreign and local stakeholders (Nieri *et al.*, 2019).  
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37 Some scholars have investigated how different stages of institutional transition in a single  
38 country (i.e., China) influence entrepreneurial opportunities and attributes, and strategic choices for  
39 firm internationalisation (e.g., Li, 2013; He and Karami, 2016). Focusing on China, Li (2013) finds  
40 that during the early stages of institutional transition, opportunities and business transactions were  
41 based on *guanxi* and other network relationships. In contrast, entrepreneurial capabilities and  
42 resource-based strategies have become generally more important in the firms' internationalisation  
43 process at the *late* stage of institutional transition of the country. Li (2013) notes that different stages  
44 of institutional transition inside the same country can lead to different dynamics and, consequently,  
45 affect the firms' internationalisation efforts. There has been an emphasis on the network-related  
46 internationalisation strategies in emerging economies (Andersson *et al.*, 2018; Kiss and Danis, 2008;  
47 Peng and Heath, 1996), as relationships can reduce uncertainty and enhance the competitive  
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3 advantage of firms (Aidis *et al.*, 2008; Li, 2013). In addition, it has been noted that entrepreneurs  
4 from emerging economies often do not possess relevant business and/or technical expertise, and, thus,  
5 may not be able to rely on prior business-related knowledge to discover opportunities (Kiss *et al.*,  
6 2012).  
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12 Differences across home-country institutions, especially between developed and emerging  
13 markets, can have different influences on similar processes (Busenitz *et al.*, 2000). Emerging  
14 economies are characterised by low-income and rapid-growth and adopt economic liberalisation as  
15 the primary engine of growth (Hoskisson *et al.*, 2000). Compared to developed economies, the  
16 institutional environment of emerging markets is often turbulent with rapid changes, and these  
17 economies generally possess relatively weak institutions to support market-oriented strategies (Aidis  
18 *et al.*, 2008; Peng, 2003). Therefore, research findings from developed countries may not be simply  
19 generalisable to emerging markets (e.g., Eren-Erdogmus *et al.*, 2010; Peng, 2000; Young *et al.*, 2002).  
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31 The influence of the institutional context on born globals' internationalisation motivations and  
32 processes also seems to vary in emerging and advanced countries (Zander *et al.*, 2015). Whereas born  
33 globals located in European developed economies often benefit from some institutional advantages,  
34 born globals from emerging economies generally struggle with a set of institutional difficulties and  
35 challenges (Zander *et al.*, 2015). However, even if this is what might be most expected, it should be  
36 noted that some studies comparing companies located in emerging and developed economies have  
37 identified other factors (e.g., networks), rather than home country institutional support, to be most  
38 influential on SME internationalisation (e.g., Andersson *et al.*, 2018; Ciravegna *et al.*, 2014). Some  
39 studies provide a more holistic picture and consider the influence of networks in a broader context of  
40 institutions (Chetty *et al.*, 2006; Shirokova and McDougall-Covin, 2012). As discussed earlier, a  
41 firm's networks have been recognised to be of strategic importance to born global firms for  
42 identifying international opportunities and foreign exchange partners, acquiring foreign market  
43 knowledge, reducing liabilities of newness and foreignness, and gaining access to other strategic  
44 resources (Amal and Filho, 2010; Bembons and Schwens, 2018; Gerschewski *et al.*, 2020; Ryan *et*  
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3 *al.*, 2019). However, home-based institutional agencies have been identified as facilitators in a firm's  
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5 internationalisation through their support and coordination mechanisms for early internationalising  
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7 firms (Ahmed and Brennan, 2019; Bannò *et al.*, 2014; O'Gorman and Evers, 2011).  
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10 Despite this, the capacity to favour institutional bridging, the preference for cross-cultural  
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12 collaboration, and the capacity to understand the institutional difference between home and host  
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14 country are generally drivers for success in the case of born globals (Karra *et al.*, 2008).  
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### 19 **2.3 Institutional Pillars**

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21 Previous IE research has developed a framework for comparative analysis based on the three  
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23 dimensions of a country's institutional profile (e.g., Busenitz, *et al.*, 2000; Scott, 2014), which were  
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25 found to be applicable to both developed and emerging economies (Manolova *et al.*, 2008).  
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27 According to Scott (2014), three institutional pillars generally influence entrepreneurship and firm  
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29 internationalisation levels (e.g., Busenitz *et al.*, 2000; Henisz and Swaminathan, 2008; Nasra and  
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31 Dacin, 2010): (1) regulative, (2) cognitive, and (3) normative dimensions.  
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35 The *regulative pillar* primarily focuses on formal rule systems and enforcement mechanisms  
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37 sanctioned by the state (North, 1990), and includes laws, regulations, and government policies aimed  
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39 at supporting entrepreneurship and new businesses, reducing risks for start-ups, and facilitating the  
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41 acquisition of resources by entrepreneurs (Busenitz *et al.*, 2000). These norms help reduce the  
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43 perceived risks related to starting international activities abroad and help deal with complex  
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45 administrative processes (Sambharya and Musteen, 2014). Born globals are often sensitive to these  
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47 aspects, as they generally suffer from the liabilities of smallness and newness (Autio *et al.*, 2000; Di  
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49 Gregorio *et al.*, 2008). For example, Li (2013) observes that when regulative pressures were minimal,  
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51 at the early stage of institutional transition, new ventures tend to initially build social connections to  
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53 acquire more legitimacy. In contrast, at later stage of institutional transition, regulative pressures stem  
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55 from formal market-supporting institutions motivated new firms to adopt market-oriented strategies.  
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3 This dimension has been found to be a predictor of opportunity-driven entrepreneurial activities  
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5 (Sambharya and Musteen, 2014).  
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8 The second pillar, *cognitive dimension*, refers to socially shared knowledge, taken-for-granted  
9  
10 conventions, and values that are imposed on, or internalised by, social actors in relation to new  
11  
12 businesses' establishment (Busenitz *et al.*, 2000; Scott, 2014). Cognitive institutions reflect how  
13  
14 certain knowledge sets are institutionalised and become part of a shared social understanding (Zucker,  
15  
16 1991). The lack of knowledge is highlighted as one of the barriers of firm internationalisation, as  
17  
18 foreign market knowledge tends to have a determinant role in internationalisation (e.g., Blomstermo  
19  
20 *et al.*, 2004) and the growth of born globals (Romanello and Chiarvesio, 2017).  
21  
22

23  
24 The third pillar, *normative dimension*, includes beliefs, norms, and assumptions about human  
25  
26 behaviours of individuals in a country (Busenitz *et al.*, 2000; Scott, 2014). This dimension determines  
27  
28 whether entrepreneurial activities, creative and innovative thinking are admired and supported by  
29  
30 society (Nguyen *et al.*, 2009; Sambharya and Musteen, 2014). From the IE perspective, it expresses  
31  
32 how entrepreneurs evaluate international activities and perceive them as a 'normal' aspect of their  
33  
34 firms' overall operations (Kiss and Danis, 2008). For example, while entrepreneurial behaviours,  
35  
36 such as innovation and risk-taking, have been traditionally supported by institutions in the developed  
37  
38 countries, institutional weaknesses in this dimension contributed to lower levels of entrepreneurship  
39  
40 in emerging markets (Kiss *et al.*, 2012). In emerging economies, the relatively lower economic  
41  
42 tradition of these values in support of firm internationalisation, makes the desire for business  
43  
44 expansion in international markets rather low (Kiss and Danis, 2008). Therefore, firm  
45  
46 internationalisation is motivated by goals related to the general aspiration for obtaining a higher  
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48 income and reaching a higher social status (García-Cabrera *et al.*, 2016).  
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### 3. RESEARCH METHODOLOGY

#### 3.1 The case study method

The purpose of this qualitative study is to examine the international opportunity development of six born globals from China and Italy and explore how the institutional context can influence this process. Consistent with previous studies (e.g., Chandra *et al.*, 2012), we select opportunity as the unit of analysis. The main research objective is to examine the initial international opportunity development defined as the initial international sale, based on Ciravegna *et al.*'s (2014) operational definition.

We select a multiple case study approach as the key purpose of this exploratory study is theory building (Eisenhardt, 1989). In response to previous calls for qualitative studies of firms located in transition economies (e.g., Li, 2013; Jones *et al.*, 2011; Romanello and Chiarvesio, 2019), we adopt a flexible pattern matching design (King, 2014; Bouncken *et al.*, 2021; Sinkovics, 2018) to conduct a multi-level qualitative analysis on how institutions at macro-level can influence the international opportunity development process of born globals. Pattern matching represents “an attempt to link a predicted pattern that is derived from theory with an observed pattern” (Sinkovics, 2018, p. 5). We adopt the flexible, rather than the full pattern matching, as it is more aligned with theory building objectives (Sinkovics, 2018; Sinkovics *et al.*, 2019). This method is considered appropriate, as it merges a deductive approach, while allowing the inductive emergence of new elements and “the identification of patterns from the data” (Sinkovics *et al.*, 2019, p. 139).

#### 3.2 Case selection and data collection

To ensure that samples and sites chosen for the analysis are consistent enough to be compared (Jones *et al.*, 2011), we adopt a relatively strict operational definition of born globals, following Coviello's (2015) suggestions. Thus, the sample firms fulfill the following four characteristics: (1) company age less than 20 years (to reduce recollection bias); (2) initial foreign market entry within three years after company establishment with an export share of at least 25% (Knight and Cavusgil, 2004); (3) still

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2  
3 include the companies' founders to collect primary data (and to reduce recollection bias); (4) possess  
4 a global orientation (i.e., a 'scope' dimension), in terms of having entered at least one country outside  
5 their home continent (e.g., Andersson *et al.*, 2013; Gabrielsson and Gabrielsson, 2011).  
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9  
10 We use the Register of Companies to identify a pool of potential sample firms in Italy, while  
11 we access Chinese firms through the researcher's personal networks and *guanxi*, using a  
12 'snowballing' method. When research problems are related to complex phenomena, a small number  
13 of case studies is generally preferred (Eisenhardt, 1989). After developing the sixth case study, data  
14 collection was concluded, as the marginal improvements obtained with the addition of the last two  
15 cases had been minor. *Ceteris paribus*, a theoretical saturation point was reached, and results emerged  
16 relatively clearly (Eisenhardt, 1989).  
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26 We collected empirical data by means of semi-structured, face-to-face, in-depth interviews  
27 conducted with the founders (i.e., entrepreneurs) of the case companies, and supplemented this with  
28 archival data (e.g., company records). Interviews were audio-recorded and transcribed accordingly.  
29 The interview questions related to the born globals' establishment, product type, founders'  
30 backgrounds, internationalisation process, and the initial international opportunity development  
31 process. We followed-up with the interviewees by email and phone to clarify the key points of the  
32 interviews. In addition, we used secondary data, including press and archival data, for data  
33 triangulation purposes at a later stage of the data analysis.  
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44 Table 1 shows the basic information of the sample firms included in the study.

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47 \*\*\*Table 1 about here\*\*\*  
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### 52 3.3 Data analysis

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54 We developed the interview coding template based on the analysis of previous literature and other  
55 indicators provided in recent reports about the institutional profiles of China, an emerging economy,  
56 and Italy, a developed country. The country selection reflects the rationale to represent two different  
57 institutional environments, in terms of socio-cultural evolutions, historical backgrounds, and policies  
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3 towards born globals and entrepreneurship. The institutional profiles of the two countries were  
4  
5 examined, mainly based on the commonly used operationalisation of Busenitz et al. (2000), as  
6  
7 summarised in Table A (in Appendix on pp. 44-45 of the paper). Thus, we created an initial template,  
8  
9 including the institutional profiles descriptions of the two countries and the expected patterns related  
10  
11 to institutions and other factors influencing the international opportunity development process. Based  
12  
13 on the analysis of the institutional profiles, the initial template helped the emergence of patterns by  
14  
15 confronting the expected and the observed patterns (Sinkovics, 2018; Sinkovics *et al.*, 2019). The  
16  
17 initial preliminary template was then supplemented and enriched with observed patterns, as illustrated  
18  
19 in the findings section below.  
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23  
24 The cross-case analysis involved multiple investigators as this enhances the creative potential  
25  
26 of the research (Eisenhardt, 1989). Each investigator assumed a unique role: the first investigator  
27  
28 interviewed the Chinese entrepreneurs, the second investigator interviewed the Italian entrepreneurs,  
29  
30 whereas the other investigators were excluded from primary data collection and assumed the role of  
31  
32 ‘resident devil’s advocate’ (Eisenhardt, 1989; Sutton and Callaham, 1987). After carefully reading  
33  
34 the interviews’ transcripts and discussing the cases, the investigators examined in-depth the  
35  
36 international opportunity development process of each firm and created comparative Microsoft Excel  
37  
38 tables. This technique allowed each investigator to bring different perspectives to the discussion, thus  
39  
40 allowing for an integrated analysis of the available empirical data. In addition, when observations of  
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42 multiple investigators converge, the level of confidence in findings generally increases (Eisenhardt,  
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44 1989).  
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#### 51 **4. FINDINGS**

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53 The findings are organised into two main aspects. After briefly presenting the study context, we first  
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55 present the findings related to the cross-case comparison in relation to the international opportunity  
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57 development process enacted by Chinese and Italian born globals. Second, we demonstrate how  
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59 institutions influence this process differently in the two institutional contexts.  
60

#### 4.1 Study context: Institutional profiles of China and Italy

The two countries present different institutional contexts in relation to IB and entrepreneurship (as described in detail in Appendix A on pp. 44-45 of the paper). In China, the government generally encourages entrepreneurship and explicitly supports firm internationalisation (Boisot and Meyer, 2008; Child and Rodrigues, 2005), while the home environment tends to be relatively unstable and less protected when it comes to doing business (Acs *et al.*, 2017). In addition, the socially shared knowledge about doing business is limited, and entrepreneurship is often valued less than education. To sum up, in China, we find a strong regulative pillar in relation to internationalisation (e.g., ‘Go Global Policy’), but weak cognitive and normative pillars in relation to entrepreneurship and new business establishment.

In contrast, Italian institutions provide a relatively predictable context for business, but often do not specifically encourage (through policies) firms’ international activities (Acs *et al.*, 2017). In addition, according to Young *et al.* (2018), Italy provides a rather unstable, but highly flexible context in which to develop opportunities. Although entrepreneurship tend to be generally admired by the Italian population, failure and risk perceptions are negatively perceived. This aspect makes access to finance more difficult in Italy for small and young firms without a strong reputation. Compared with China, there are no specific funding policies for firms’ internationalisation, even though Italian companies can eventually look for the support of institutional organisations (e.g., Chambers of Commerce). Therefore, Italy presents a weaker regulative pillar in relation to international business and stronger cognitive and normative pillars in relation to entrepreneurship culture and new business practices. None of the two countries seem to have institutions that clearly facilitate foreign market knowledge acquisition.

Appendix A summarises the template used to analyse the institutional profiles of China and Italy. Based on previous frameworks (Kostova, 1997; Scott, 2014; Busenitz *et al.*, 2000), we draw on the literature and report on institutions in China and Italy to advance the institutional profiles of the

1  
2  
3 two countries in relation to born globals, entrepreneurship and internationalisation (e.g., Peng and  
4 Heath, 1996; Aidis, 2005; Kiss and Danis, 2008; Li, 2013; Stenholm *et al.*, 2013).  
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#### 10 **4.2 International opportunity development process of Chinese and Italian born globals**

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12 **Our case findings provide evidence that Chinese and Italian born globals leveraged different types of**  
13 **knowledge to develop international opportunities.** Chinese and Italian born globals' entrepreneurial  
14 capabilities were also influenced by the institutional contexts in which they were located and  
15 embedded. Chinese born globals mainly relied on the founders' international knowledge and  
16 networks, whereas Italian born globals exploited the founders' technical and industry knowledge.  
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23  
24 Chinese founders had prior experience working and living overseas, which translated into a  
25 key source of foreign market knowledge and networks. For example, the founder of C1 worked and  
26 lived overseas for a long time prior to establishing a firm in China, while the founders of C2 and C3  
27 worked for foreign companies in China. **Through prior work experience, the founders obtained some**  
28 **knowledge about international business in general and about some specific foreign markets. They**  
29 **also had a general aspiration about internationalisation as they wanted to benefit from the 'Go Global**  
30 **Policy', but had no clear ideas of where to settle international activities.** C1 provides an illustrative  
31 example. The entrepreneur possessed marketing knowledge of the US market because of his prior 10  
32 years of experience in the United States. However, after returning to China to establish his own  
33 business, he had no clear idea about which products to develop or how to establish a business. By  
34 interacting with a former American partner, the founder decided to target the United States as the first  
35 international market and to decide which products to manufacture. This case clearly shows that the  
36 discovered international opportunity was the result of an active network in the target market, which  
37 helped develop a suitable product for that foreign market.  
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56 Embedded in a context where the regulative pillar was strong and provided strong incentives  
57 for internationalisation, the Chinese founders often leveraged the Chinese government's 'Go Global  
58 Policy' to find an opportunity to internationalise their businesses. The founders had a general  
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3 aspiration for internationalisation as they were aware of existing incentives. However, as they were  
4  
5 in a context where cognitive and normative pillars were weaker, they generally had no clear idea of  
6  
7 which products to manufacture, nor did they have entrepreneurial business and start-up knowledge.  
8  
9 To compensate for these institutional weaknesses, they leveraged their networks to understand which  
10  
11 products to create, how to establish their businesses and how to start international activities by  
12  
13 discovering international opportunities within their networks.  
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16  
17 Born global founders in the Chinese context relied on social and business networks that  
18  
19 stemmed from the founders' prior working and international experiences to develop the first cross-  
20  
21 border opportunities (see Table 2). For Chinese born globals, developing networks tended to be more  
22  
23 akin to a strategy. As the founder of C1 noted, *"Having network is in a company's culture, knowing  
24  
25 people is a kind of strategy. It will make the opportunity happen occasionally or planned"*. The  
26  
27 founders of C1 and C3 contacted a former partner and a previous international client. The first  
28  
29 opportunity for C2 was rather serendipitous: a founder's social tie, who was a decision maker in a  
30  
31 Chinese MNE, requested to join C2 for an overseas project.  
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35 \*\*\*Table 2 about here\*\*\*  
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40 Compared with Chinese born globals, Italian born globals were generally more product  
41  
42 oriented. Often, Italian entrepreneurs initially focused on creating products with distinctive features.  
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44 This can be explained by the fact of Italy having a long tradition of manufacturing with a history of  
45  
46 leading global companies in the design industries. In addition, with a long cultural orientation towards  
47  
48 beauty and aesthetics since the Renaissance, Italian entrepreneurship generally has a strong  
49  
50 orientation towards the creation of products that show outstanding properties and design. **Being  
51  
52 influenced by these cultural and cognitive institutions**, the founders were then able to recognise the  
53  
54 global market potential embedded in their products. As a result of prior work experience, the Italian  
55  
56 born global case founders possessed strong industry and product-specific knowledge. They also had  
57  
58 strong knowledge of and access to overseas distribution channels. In addition, they had a general  
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3 awareness of how to establish a new business. In contrast, as they had no considerable prior  
4  
5 international experience, they lacked access to reliable knowledge of overseas markets and had no  
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7 active network(s) to facilitate internationalisation. This resulted in Italian born global founders  
8  
9 adopting a different approach to international opportunity development. For example, because of their  
10  
11 prior work experience as dealers of similar products (I1, I2) and employees in the same sector (I3),  
12  
13 Italian founders identified international trade shows as the best option to discover international  
14  
15 opportunities. Trade shows were considered optimum international marketplaces where supply and  
16  
17 demand meet. As one of the founders of I3 noted:

21  
22 *“During our previous jobs, we learned about the most important trade show of machinery*  
23 *manufacturing. It is once a year, in Germany. We knew that it was very expensive for a start-*  
24 *up, but we also knew it was the best option to meet our potential demand. And our marketplace*  
25 *is the world, not the domestic market.”*  
26  
27

28  
29 Due to their industry knowledge Italian founders could identify the most promising  
30  
31 international industry-specific trade fairs to promote the companies’ products and find potential  
32  
33 international dealers and partners who were **conscious of their products’ quality**. As a result of  
34  
35 attending global trade shows, they developed follow-up contacts with international partners directly  
36  
37 in overseas markets or, alternatively, invited them to their factories in Italy. For example, the founders  
38  
39 of I1 and I2, respectively, reached Australian and Israeli distributors in their countries to sign  
40  
41 contractual agreements. Follow-up meetings served the purposes of verifying the reputation of the  
42  
43 foreign distributors (I2), better illustrating the products’ specificities and post-sales services (I2, I3)  
44  
45 and signing final distribution agreements (I1, I2, I3).  
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50 In Italy, the regulative pillar in relation to internationalisation was relatively weaker, so Italian  
51  
52 entrepreneurs could not benefit from incentives and other institutional support. This aspect pushed  
53  
54 them to leverage their pre-existing knowledge to identify the best options where they could maximise  
55  
56 their efforts in looking for international clients: international trade shows. In contrast, the Italian  
57  
58 context presents stronger cognitive and normative pillars as entrepreneurship and start-up knowledge  
59  
60 are diffused. As a result, the Italian entrepreneurs benefited from diffused knowledge regarding how

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3 to do business and how to engage in entrepreneurial activities in Italy, freeing up mental and physical  
4 resources to create products with global potential, hence allowing them to focus on  
5 internationalisation.  
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### 10 11 12 **4.3 The role of institutions in the international opportunity development process**

#### 13 14 **4.3.1. Chinese born globals**

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16 The international opportunity development process was influenced by the way founders perceived  
17 the institutional contexts, leading to different approaches for reducing the associated risks. In terms  
18 of regulative institutions, Chinese entrepreneurs perceived the strong support offered by  
19 governmental policies as encouraging local companies to go global. Chinese born globals highly  
20 benefited from the so-called ‘Go Global Policy’ initiatives by the Chinese government. In addition,  
21 settling international activities represented an opportunity for risk diversification as an alternative to  
22 doing business in China, which was perceived as an unstable context to start a new business.  
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32  
33 Second, Chinese born globals tended to rely heavily on networking in their process of  
34 discovering initial international opportunities. This reliance on networking had different aspects.  
35 First, regarding cognitive institutions, China is characterised by a general lack of knowledge on doing  
36 business and dealing with the risks of internationalisation and a weak information system. Influenced  
37 by *guanxi* practise, Chinese born global founders leveraged valuable network ties related to past work  
38 experiences abroad to overcome legitimacy problems, exploiting and leveraging the trust and  
39 reputation with their network ties. The Chinese born global founders benefited from their personal  
40 foreign market knowledge obtained during their prior international experience and leveraged the  
41 knowledge of their network ties to discover international opportunities. Moreover, all Chinese  
42 entrepreneurs had internationalisation as a general aspiration that was both influenced by incentives  
43 and their experiences abroad.  
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58 Trust building plays an important role in the Chinese context. The trust built in social networks  
59 during prior experiences became an essential intangible asset to reduce the risks related to the firms’  
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3 initial international entry into overseas markets and to cope with the potential risks of early business  
4  
5 failure. Social networks and ties were used to compensate for the lack of supportive institutions. For  
6  
7 example, the founder of C3 noted:

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9  
10 *“If I face the choice of two companies with same qualified, I will definitely work with the one*  
11 *who is my friend. It will bring advantages in the future cooperation. If some problems happen,*  
12 *we can negotiate and communicate easier. It is hard to do business without social networks*  
13 *involved, especially in the overseas markets.”*  
14

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17 Third, in terms of normative institutions, the Chinese context generally lacks social norms that  
18  
19 can motivate entrepreneurial activities, while traditional culture often appreciates the role of  
20  
21 education and bureaucracy. The perception of the risk of failing with an early business is widely  
22  
23 disregarded by Chinese normative institutions. As Chinese society is highly network oriented, it was  
24  
25 relatively natural for the Chinese born global entrepreneurs to leverage their social networks both to  
26  
27 overcome challenges and discover international opportunities. The born global founders used social  
28  
29 networks with the Chinese government to get support and obtain easy access to various policy  
30  
31 benefits. For example, C2 benefited from a preferential policy for both the company (e.g., low rental  
32  
33 costs, tax incentives) and the founder (e.g., residential allowance). For instance, the founder of C2  
34  
35 noted the following:

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37  
38 *“I worked in a Singaporean company in 2002, so I am familiar with this foreign market. [After*  
39 *I left the company], I visited Singapore with some bosses and technology experts [of Chinese*  
40 *large companies]. Then we became familiar with each other. When they [or one of them] had*  
41 *a project, they [or he] just called me to ask whether I can do it. I say ‘Fine, no problem’, ‘We*  
42 *can work together’. Then, we started to work together. Many projects happen like this.”*  
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#### 48 **4.3.2. Italian born globals**

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50  
51 The Italian context is quite different from that of China. In terms of regulative institutions, the Italian  
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53 government does not offer specific policies for young and small companies planning to  
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55 internationalise. Italian born global founders were aware of the existence of some institutions  
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57 organising international trade missions (e.g., Italian Chamber of Commerce) and offering services  
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3 abroad (e.g., Italian Embassy), but they perceived them as relatively expensive and ineffective. For  
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5 example, the founder of I1 noted:

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7  
8 *“There are no funds supporting young firm internationalisation. I am aware of the services*  
9 *offered by embassies, but they are expensive and provide useless generic information on the*  
10 *foreign market. Our product requires a lot of certifications, which change depending on the*  
11 *national healthcare system. We had to build specific foreign market knowledge by our own.”*  
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14 In addition, the relatively clear procedures in the home country facilitated the creation of the  
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16 new ventures, so Italian born global entrepreneurs could focus on establishing riskier  
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18 internationalisation activities from the beginning. Because there was no available specific regulative  
19  
20 support for the internationalisation of firms, the Italian born global founders leveraged their industry  
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22 knowledge to identify global trade fairs and develop international opportunities.  
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25  
26 In terms of cognitive institutions, seeing its long tradition of entrepreneurship, there is general  
27  
28 knowledge on how to establish and manage new businesses in Italy. The Italian born global founders  
29  
30 created ventures in a relatively short time and without encountering many bureaucratic complications,  
31  
32 even though creating their firms was an expensive process. In a context where manufacturing  
33  
34 companies tend to pursue qualitative upgrading, Italian born global founders (I1, I2, I3) leveraged  
35  
36 their product- and industry-specific knowledge to create products with distinctive features,  
37  
38 embedding a global potential. Due to past industry experiences, the Italian founders chose to  
39  
40 participate in trade shows as a means to discover international opportunities and gain a foothold in  
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42 foreign markets through international partners and clients.  
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47 Regarding normative institutions, in a society that encourages innovation, value creation, and  
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49 entrepreneurship but strongly criticises failure, Italian born global entrepreneurs tended to first focus  
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51 on the creation of new and innovative products and then decided to test the interest of clients in  
52  
53 international contexts for their products. This reflects a strategy to minimise costs while maximising  
54  
55 the exposure of products to potential foreign partners and clients. As accessing capital from banks is  
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57 generally difficult for Italian SMEs and start-ups, Italian born global founders invested their own  
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59 personal savings to start the firms' international activities. This contributes to explaining why they  
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3 used their industry knowledge to identify a few select international trade shows with the intention of  
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5 optimising the chances of discovering international opportunities.  
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#### 10 **4.3.3 Summarising the results from pattern matching analysis**

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12 The pattern matching analysis confirmed the importance of some relevant factors as they influenced  
13  
14 the development of international opportunities both by the Chinese and Italian born globals: the prior  
15  
16 working experience of the founders in similar sectors, the sector knowledge, the learning, the prior  
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18 international experience of the founders (strong in China, weak in Italy), and the global mindset  
19  
20 (stronger in Italy than in China), as illustrated in Table 3. Moreover, our analysis showed that some  
21  
22 factors influenced the process only in the Chinese context, such as foreign market knowledge, foreign  
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24 language knowledge, and networking capabilities, whereas other factors were only influential in the  
25  
26 Italian context, such as the strong technical/product knowledge of the Italian founders. More  
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28 interestingly, our analysis highlighted some new elements that contributed to shaping this process.  
29  
30 For example, the Chinese founders were returnee entrepreneurs, an aspect not really considered by  
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32 the literature, whereas Italian founders showed excellent product-driven capabilities rooted in the  
33  
34 Italian culture of design and manufacturing. Although returnee entrepreneurship is not a new topic in  
35  
36 China (e.g., Kenney *et al.*, 2013), our analysis showed how the institutional setting supporting  
37  
38 internationalisation becomes an additional element that can influence its impact on international  
39  
40 opportunity development. These new elements, which inductively emerged from the analysis,  
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42 constitute relevant factors that could be investigated in future research.  
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49 Table 3 illustrates the results of the pattern matching analysis in relation to the institutions and  
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51 factors influencing the international opportunity development process of the six born globals.  
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55 \*\*\* Table 3 about here \*\*\*  
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3 The different relevance and intensity of the factors influencing the international opportunity  
4 development process of the born globals can be better interpreted by examining the role of the  
5 institutional contexts in which those companies are embedded. More specifically, the cross-case  
6 comparison highlighted that the Chinese and Italian founders developed international opportunities  
7 in different ways because of their institutional settings, as illustrated in Figure 1.  
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16 \*\*\*Figure 1 about here\*\*\*  
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20 The international opportunity development process was primarily network oriented for  
21 Chinese born globals, whereas it was mainly product driven in the context of Italian born globals. In  
22 the Chinese cases, the born global founders discovered opportunities by exploiting social networks  
23 gained during their prior work and international experiences. Thus, the Chinese founders  
24 demonstrated strong capabilities in using networks to serve the purpose of international opportunity  
25 development. Rather than focusing on the product, they mainly focused on settling a business abroad,  
26 and leveraging their previous network ties. As the domestic market was perceived as high risk, they  
27 leveraged the 'Go Global Policy' and their network to develop an opportunity in the markets that  
28 were already known by the entrepreneurs. In this sense, they developed opportunities that tended to  
29 be more imitative.  
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43 In contrast, Italian born global founders generally focused more on product development and  
44 exploited their product- and industry-specific knowledge to develop outstanding products. As these  
45 founders had no foreign market knowledge or an explicitly supporting institutional environment, they  
46 used relevant trade fairs to develop international opportunities by looking for new partners and dealers  
47 in foreign countries. In this sense, Italy was perceived as a stable and flexible context in which to  
48 create a new venture, but rather unstable as a domestic market. These aspects led the entrepreneurs  
49 to creatively develop opportunities by promoting their products abroad instead of targeting a specific  
50 market. Interestingly, the Chinese founders already had a general aspiration towards firm  
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3 internationalisation prior to creating the products because of their knowledge of the ‘Go Global  
4 Policy’. In contrast, the Italian born global founders decided to internationalise only after they had  
5  
6 created the final products and recognised the global market potential of the products later in the  
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8 process.  
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11  
12 In summary, our findings show that the influencing factors and international opportunity  
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14 development processes are influenced by the institutional contexts where the companies are located,  
15  
16 underlining the importance of considering the context in future analyses (Paul *et al.*, 2017). In  
17  
18 addition, our findings contribute to enriching the open debate on the influence of the institutional  
19  
20 context on the international opportunity types and development process (Young *et al.*, 2018;  
21  
22 Romanello and Chiarvesio, 2019).  
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## 28 5. DISCUSSION AND CONCLUSION

29  
30 The current study contributes to enhancing the emerging research stream on the initial international  
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32 opportunity development process that attempts to kickstart born globals into internationalisation,  
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34 providing empirical evidence of the factors impacting this process and emphasising the critical  
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36 influence of institutions. In China, the born global founders appreciated the existence of government  
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38 policies supporting firm internationalisation. In addition, the Chinese born global entrepreneurs  
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40 leveraged their social networks to access policy supporting internationalisation. During the  
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42 international opportunity development process, the Chinese born global founders leveraged their  
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44 foreign market knowledge and social networks related to their past international experiences abroad  
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46 to overcome institutional weaknesses related to the cognitive and normative dimensions.  
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51 Compared with China, the Italian founders could not benefit from specific support for firm  
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53 internationalisation due to a weak regulative dimension in Italy. However, in a context where product  
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55 innovation is favoured (Acs *et al.*, 2017; Fondazione Masi, 2013), a product-oriented logic  
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57 characterised the international opportunity development process of the Italian born globals. As the  
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59 regulative dimension related to internationalisation is weaker and the cognitive and normative  
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3 dimensions related to entrepreneurship are stronger, the Italian born global founders leveraged their  
4 strong technical and industry knowledge to create products with global market potential and their  
5 product-specific capabilities to identify international trade shows to discover international  
6 opportunities. From the pattern matching analysis, these two elements emerged as new. The findings  
7 from this paper support previous studies (Gerschewski *et al.*, 2020; Ryan *et al.*, 2019; Evers and  
8 Knight, 2008), showing that trade fairs were used as ‘nodes’ to maximise the chances of international  
9 opportunity development, while minimising the risks and investments of international business.

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19 This study responds to recent calls in the literature in terms of the importance and relevance  
20 of context in IB studies (Paul *et al.*, 2017; Reuber *et al.*, 2017) and IE research (e.g., Krammer *et al.*,  
21 2018; Zahra and Wright, 2011). Our study contributes to IE theory by explaining how the home  
22 institutional context influences the international opportunity development process of born globals.  
23 Moreover, we contribute to IE theory by showing *why* companies located in different countries adopt  
24 different approaches to discover international opportunities. Our findings offer new insights into the  
25 debate on the importance of international opportunity development in the IE and IB literature  
26 (Verbeke and Ciravegna, 2018) by highlighting how the home institutional context can influence born  
27 globals’ international opportunity development by leveraging different knowledge types derived from  
28 their backgrounds and different capabilities and by developing different approaches (e.g., Peng *et al.*,  
29 2008). In line with recent calls in the literature (e.g., Chetty *et al.*, 2018; Zander *et al.*, 2015), our  
30 study supports the idea that born globals are not necessarily purely characterised by asset parsimony.  
31 We find empirical evidence that born globals’ capacity to develop international opportunities  
32 primarily derives from a recombination of the available resources (Knight and Liesch, 2016; Verbeke  
33 and Ciravegna, 2018), which is strongly influenced by the institutional context where the firms and  
34 individuals are embedded.

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56 The analysis of the international opportunity development process of born globals is  
57 contextualised in two different home country institutions: China, an emerging economy, and Italy, a  
58 developed country. Our study indicates that the international opportunity development process of  
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3 born globals is better understood when analysed in relation to the specific home country institutional  
4 context, as regulative, cognitive and normative institutions tend to strongly influence this process.  
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7 The incorporation of different home countries represents a suitable framework for evaluating the  
8 impact of institutions on the international opportunity development process of born globals.  
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12 Our study highlights the fundamental role of the institutional context, as it contributes to  
13 shaping the opportunity development process of born globals, suggesting more prominence should  
14 be given to the interactions between macro-elements (e.g., institutions) and those aspects at the micro-  
15 level (e.g., entrepreneurial characteristics and capabilities). In addition, our study provides support  
16 for the suitability of a flexible pattern matching design for this purpose, as indicated in previous  
17 studies (e.g., Sinkovics *et al.*, 2019).  
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26 In addition, our study contributes to enriching the relatively scarce research regarding the  
27 institutional perspective, which represents a commonly used framework in the emerging market  
28 literature, but that tends to be less applied in developed economies. The cross-case analysis indicated  
29 how both weak and strong institutions influence the process of international opportunity  
30 development. The founders leveraged different types of knowledge and capabilities to identify  
31 international opportunities in response to the characteristics of home country institutions. Influenced  
32 by home country institutions, the Chinese born globals mainly relied on the founders' international  
33 knowledge and networking capabilities while benefiting from a strong regulative pillar in relation to  
34 internationalisation incentives. However, in a context where cognitive and normative pillars in  
35 relation to entrepreneurship are weaker, they leveraged their networks to identify which product to  
36 create and export to overcome the challenges - due to their country of origin - related to understanding  
37 how to create a new business in China. This also shows how the international opportunity process  
38 was articulated to overcome the liabilities of origin in terms of institutional lacks, as noted in recent  
39 studies (e.g., Fiaschi *et al.*, 2017; Nieri *et al.*, 2019).  
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58 In conclusion, the Chinese born globals generally transformed the entrepreneurs' general  
59 inspiration for internationalisation to successful internationalisation through their networking with  
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3 different stakeholders in the home and host countries. In contrast, the Italian born globals tended to  
4 exploit industry-specific knowledge and product-specific capabilities to develop international  
5 opportunities without relying much on regulative support for internationalisation, hereby benefiting  
6 from strong cognitive and normative pillars that helped with starting an entrepreneurial activity in  
7 Italy. The fact that the Chinese born globals discovered international opportunities mainly through  
8 social networking seems to be an intriguing result, considering that some research has found that  
9 networks were not positively associated with the superior international performance of Chinese SMEs  
10 (Ciravegna *et al.*, 2014). In the case of Italy, a strong product orientation often characterised the  
11 international opportunity development process. The product and industry-specific knowledge  
12 represented the basis for discovering international opportunities, thus laying the foundations for  
13 successful early internationalisation (Romanello and Chiarvesio, 2017).  
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## 31 6. LIMITATIONS AND FUTURE RESEARCH

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33 By providing empirical evidence in terms of the influence of home country institutions and the  
34 international opportunity development process of born globals, the current study bridges two  
35 phenomena of interest for policymakers: born globals and the institutional context (Eurofound, 2012;  
36 Mandl and Patrini, 2018). The studied companies represent a particular type of firm where the start-  
37 up stage co-exists with aggressive expansion in the global marketplace.  
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44 Our study highlights the challenges related to both conditions and how home country  
45 institutions can contribute to offering a stable context in which to start international business  
46 activities. Policymakers can draw from these findings to better plan future policies by considering the  
47 existing perceptions of institutions and entrepreneurs. For instance, the results of our study highlight  
48 the positive impacts of the 'Go Global Policy' that is available in China, which stimulated the need  
49 for firm internationalisation among Chinese born global founders. In contrast, the absence of  
50 favourable policies for firm internationalisation in Italy forced the founders to focus on the  
51 development of international opportunities through strategic events and trade shows. From a  
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3 practitioner's perspective, the analysis of Italian and Chinese institutional profiles in relation to  
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5 international opportunity development highlights the challenges and best practises that can be  
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7 encountered and used in these two countries.  
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10 The findings of the current study reflect the exploratory nature of the paper. The relatively  
11 small number of cases included represents a limitation of the study. However, it should be noted that  
12 the key purpose of this research was the exploration of relationships related to specific phenomena  
13 rather than generalisability as the goal of this paper was primarily theory building (Eisenhardt, 1989).  
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15 Our study considers the overall influence of institutions as the key context. Future research could use  
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17 quantitative methodologies to test the relationships that emerged from this study and examine the  
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19 alternative roles of institutions in the process of born globals' internationalisation. For example,  
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21 future research may investigate the moderating and/or mediating role of institutions in the  
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23 international opportunity development process, both in the case of born globals and SMEs. In  
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25 addition, future research would likely benefit from studies testing these relationships in broader and  
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27 bigger samples, in different institutional contexts, and by considering different types of ventures and  
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29 industries/sectors (e.g., service).  
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37 Following recent research on the antecedents of maturing born globals, future studies may  
38 benefit from analysing the potential relationships between international opportunity development and  
39 other determinants, such as international trade shows (e.g., Gerschewski *et al.*, 2020; Khan and Lew,  
40 2018; Ciravegna *et al.*, 2018; Hagen and Zucchella, 2014). For example, future research could focus  
41 on variables, such as entrepreneurial orientation (EO) and learning orientation (LO), which can serve  
42 as mediators in the international opportunity development process of born globals (Gerschewski *et*  
43 *al.*, 2018; Hagen *et al.*, 2012).  
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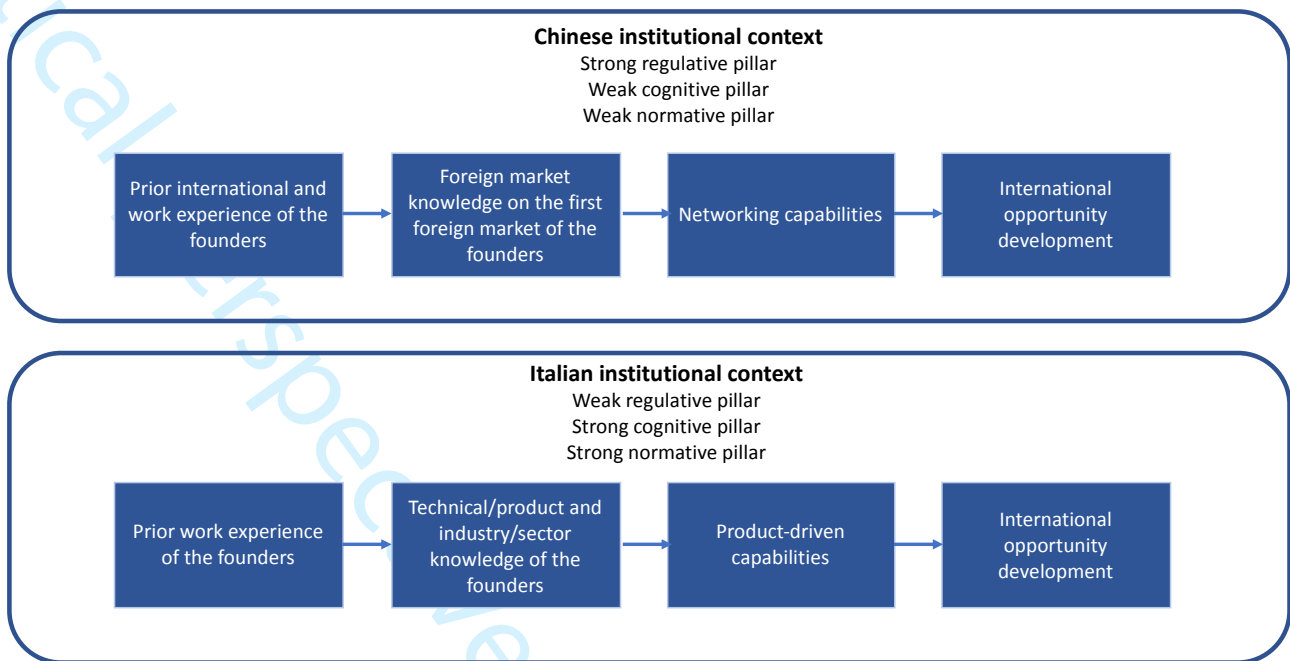
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3 **FIGURES AND TABLES**  
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27 **Figure 1. International opportunity development process of Chinese and Italian born globals**  
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**Table 1. Basic information about the Chinese (C1, C2, C3) and Italian (I1, I2, I3) born globals**

<b>Case</b>	<b>C1</b>	<b>C2</b>	<b>C3</b>	<b>I1</b>	<b>I2</b>	<b>I3</b>
<b>Industry</b>	Medical	Environment protection	Electro-mechanical manufacturing	Medical	Electronic manufacturing	Machinery manufacturing
<b>Products</b>	Medical devices	Water pollution systems	Engineering components	Backrests	TV	Machinery
<b>Sector</b>	Medium-tech sector	Medium-tech sector	Medium-tech sector	Low-tech sector	High-tech sector	Medium-tech sector
<b>Year of establishment</b>	2007	2003	1997	2010	2009	2003
<b>Employees</b>	4	20	3	3	7	2
<b>Year/Country of first IO*</b>	2009 USA	2006 Saudi Arabia	1997 Italy	2011 Australia	2009 Israel	2003 Greece
<b>Foreign Sales on Total Sales one year after the first IO*</b>	90%	56%	100%	90%	70%	70%
<b>*IO = International Opportunity</b>						

Table 2. Cross-case analysis - China

<i>Case</i>	<i>Background of founders</i>	<i>Initial international opportunity development</i>	<i>Home country institutions' influence</i>
<b>C1</b>	The Chinese founder was a returnee from the US who had more than 10 years of experience of working and living in the US in the medical industry. The entrepreneur returned to China with the general idea that the Chinese government encouraged individuals to develop new businesses.	Conscious of this opportunity, the founder contacted a former partner in the U.S. and discussed how to enter the U.S. as the first foreign market. As a result, the entrepreneur manufactured the products specifically adapted to the requests of the American partner to target the US market.	Chinese founders benefited from the strong regulative pillar since they were able to exploit the 'Go Global' policy incentives to internationalize. In a context where entrepreneurship culture is less diffused (weak cognitive and normative pillars), networking was used to overcome these institutional barriers.
<b>C2</b>	The founder used to work in US and Singaporean companies before the born global creation. Through this prior experience, he obtained a 'global mindset'. When the company was established, the founder had a general idea that the international business would be a key component of the firm's expansion strategy.	Through his social network, the founder found opportunities to co-operate with a Chinese MNEs to negotiate a project in Saudi Arabia. The company initially worked as a sub-contractor but participated in contract negotiations. After concluding this agreement, the company started working with the main contractor from Saudi Arabia in this project.	
<b>C3</b>	The founder worked as a translator in a state-owned Chinese trading company for several years. During this period, the founder supported a Chinese company to import the equipment from an Italian company. In this process, he also participated as a translator and built a close working relationship with the Italian client. When starting the business, the founder helped two companies to build the co-operative company.	Following this, the entrepreneur exploited this relationship to start exporting the products of the Italian-Chinese company to various overseas markets.	

**Table 2. (continued) Cross-case analysis - Italy**

<i>Case</i>	<i>Background of founders</i>	<i>Initial international opportunity development</i>	<i>Home country institutions' influence</i>
<b>I1</b>	The founder had a 20-year working experience in the orthopaedic industry. Thanks to this experience, he was able to identify the key international trade fair where to first promote and market his products. He had no prior relevant international experiences.	The founder identified and attended the most important trade fair of the orthopaedic industry. There, he obtained valuable feedback from the market and met a potential distributor from Australia. Then, he invited and hosted the distributor in Italy, where he offered training courses about product features. Then, he exploited the dealer's foreign market knowledge (e.g., certifications...) to start selling in Australia. This way he compensated for his lack of international knowledge.	In a context where internationalization incentives are lacking and other services provided by institutions were considered expensive and useless (weak regulative pillar), the founders leveraged their prior sector knowledge to identify the best opportunities to promote products abroad and find potential international clients. However, as they were immersed in a context where entrepreneurship is part of national culture and traditions (strong cognitive pillar), they benefited from a diffused and shared knowledge of how to do business and entrepreneurial activities in Italy.
<b>I2</b>	The founder had a 20-year experience as a dealer of a well-known German company in the same sector, but with a different price positioning. The founder lived in Germany for some time when he was young but had no other international experiences.	Thanks to his sector knowledge, the founder recognized the global potential of its innovative product and decided to participate in several trade fairs in the Netherlands, Israel, France, and Germany. He particularly selected a luxury trade fair, where he met a potential distributor for the Israeli market. After that, follow-up meetings were conducted in the United Arab Emirates (UAE) and Israel to sign agreements for an exclusive distribution strategy in Israel.	
<b>I3</b>	The two founders had strong technical knowledge obtained through previous jobs respectively as technician and software mechanic. They had no international experiences, nor foreign languages knowledge.	Thanks to their strong technical knowledge, the founders decided to attend and identified an important international trade fair in Germany for producers and buyers of food machinery and promote their plants. They promoted their plants there and were able to convince a potential client to buy the first plant from them, leveraging their wide technical experience gained through 20 years of technical jobs.	

**Table 3. Pattern match: Influence of institutions and other factors on the international opportunity development process of born globals**

Country	Institutional pillars: Expected pattern	Institutional pillars: Observed pattern	Factors: Expected pattern	Factors: Observed pattern	Opportunity development: Observed pattern
China	<ul style="list-style-type: none"> <li>Strong regulative institutions: Benefiting of policies promoting entrepreneurship and IB ('Go Global Policy'), but running risks related to low protection of new businesses</li> <li>Weak cognitive institutions: Companies having limited knowledge of how to establish/operate new business; due to the weak information system, meeting difficulties in accessing foreign market knowledge; tendency to migrant entrepreneurship.</li> <li>Weak normative institutions: Admiration for high levels of education, rather entrepreneurship; society highly network-oriented (guanxi); but individuals limited in creating new ideas and innovative/creative thinking.</li> </ul>	<ul style="list-style-type: none"> <li>Entrepreneurs exploiting and benefiting from 'Go Global Policy' incentives. Selling abroad is considered less risky than developing the home market.</li> <li>Cognitive institutions: Expatriates who decided to come back to China and establish a company there; leveraged the foreign market knowledge previously developed.</li> <li>Normative institutions: Entrepreneurs were highly educated; they leveraged the networks; the ideas of the new businesses were primarily conceived abroad; the focus is on the creation of a business rather than on developing products.</li> </ul>	<ul style="list-style-type: none"> <li>Prior international experience of the founders</li> <li>Global mindset</li> <li>Prior working experience of the founders</li> <li>Foreign language knowledge of the founders</li> <li>Foreign Market Knowledge</li> <li>Technical/Product knowledge</li> <li>Sector knowledge</li> <li>Networking capabilities</li> <li>Learning</li> </ul>	<ul style="list-style-type: none"> <li>Prior international experience of the founders (C1; C2; C3).</li> <li>Global mindset (C2)</li> <li>Prior working experience of the founders in the same (similar) sector in the first foreign market (C1, C2, C3)</li> <li>Foreign language knowledge (C1, C2, C3)</li> <li>Foreign market knowledge of the first market (C1, C2, C3).</li> <li>Sector knowledge (C1, C2, C3)</li> <li>Networking capabilities (C1, C2, C3)</li> <li>Learning (C1, C2, C3)</li> </ul> <p><b>Emerging pattern:</b></p> <ul style="list-style-type: none"> <li>Returnee entrepreneurs (C1, C2, C3)</li> </ul> <p><b>Non confirmed factors:</b></p> <ul style="list-style-type: none"> <li>Technical/product knowledge</li> </ul>	<ul style="list-style-type: none"> <li>Entrepreneurs leveraged their networking capabilities to benefit from policies to establish new businesses (C1, C2, C3)</li> <li>Entrepreneurs had the general idea of creating new businesses targeting foreign markets due to the internationalisation policies, but leveraged their networks to identify a potential appealing product for the targeted foreign market (C1, C2, C3)</li> <li>Entrepreneurs leveraged their foreign market knowledge developed on specific foreign markets during their prior international working experiences (C1, C2, C3)</li> <li>Entrepreneurs leveraged their network ties to start selling their products in the targeted foreign market (C1, C2, C3)</li> </ul>

<b>Table 3. (continued)</b>					
<b>Country</b>	<b>Institutional pillars: Expected pattern</b>	<b>Institutional pillars: Observed pattern</b>	<b>Factors: Expected pattern</b>	<b>Factors: Observed pattern</b>	<b>Opportunity development: Observed pattern</b>
<b>Italy</b>	<ul style="list-style-type: none"> <li>Weak regulative institutions: Relatively unstable business context, it is well known how to start a business, but still is expensive. Access to finance is difficult. No policies supporting entrepreneurship and IB available, but some institutions supporting single missions.</li> <li>Strong cognitive pillar: Individuals knowing how to protect their business, but still remain difficult to access foreign market knowledge; benefits and drawbacks due to family ownership, small size and location in clusters.</li> <li>Strong normative pillar: Entrepreneurship is generally admired, but entrepreneurs often have low levels of education, of self-assessment and high fears of failure due to the negative perception of failure risks by society in general.</li> </ul>	<ul style="list-style-type: none"> <li>Regulative institutions: Entrepreneurs not benefiting from policies or institutional support to go abroad</li> <li>Cognitive pillar: The entrepreneurs knew how to establish a new business and leveraged their sector knowledge to create the firm and to promote products in strategic fairs abroad.</li> <li>Normative pillar: The entrepreneurs are not highly educated, nor speak foreign languages, but had strong prior working experiences in the same or similar sector.</li> </ul>	<ul style="list-style-type: none"> <li>Prior international experience of the founders</li> <li>Global mindset</li> <li>Prior working experience of the founders</li> <li>Foreign language knowledge of the founders</li> <li>Foreign Market Knowledge</li> <li>Technical/Product knowledge</li> <li>Sector knowledge</li> <li>Networking capabilities</li> <li>Learning</li> </ul>	<ul style="list-style-type: none"> <li>Prior international experience of the founders (I2)</li> <li>Global mindset (I1, I2, I3)</li> <li>Prior working experience of the founders in the same (similar) sector (I1, I2, I3)</li> <li>Strong technical/Product knowledge (I1, I2, I3)</li> <li>Sector knowledge (I1, I2, I3)</li> <li>Learning (I1, I2, I3)</li> </ul> <p><b>Emerging factors:</b></p> <ul style="list-style-type: none"> <li>Product-driven capabilities (I1, I2, I3)</li> </ul> <p><b>Non confirmed factors:</b></p> <ul style="list-style-type: none"> <li>Foreign market knowledge</li> <li>Foreign language knowledge</li> <li>Networking capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Entrepreneurs recognised the global market potential of their products, particularly in comparison with other products in the marketplace (I1, I2, I3)</li> <li>Thanks to their sector knowledge, the entrepreneurs identified the trade fairs where to promote their products (I1, I2, I3)</li> <li>In the trade fairs, the entrepreneurs identified potential distributors to enter the first foreign market (I1, I2)</li> <li>In the trade fairs, the entrepreneurs leveraged their technical knowledge and closed the first agreement with the first foreign client (I3)</li> <li>Entrepreneurs developed follow up meetings with distributors to gauge and learn from their foreign market knowledge (I1, I2)</li> </ul>

### Appendix A. Institutional context: A comparison of institutions in relation to entrepreneurship, and internationalisation

Institutions	China	Italy
<b>Regulative</b>	<p>China offers support for entrepreneurs to leverage resources for internationalization ('Go Global Policy'), but often offers no protection to start new and small business (e.g., lack of law protection). The government implemented a positive policy which encourages establishing high-knowledge and technology companies that can compete on global market. These policies include a preferential policy for the company (e.g., low cost of rent, tax preference, etc.) and for the founder (e.g., residential allowance) – e.g. set a development zone to support the development by reduction of the administration costs. According to the World Bank Annual Ranking, the ease of starting a business is ranked 85.47 out of 100. At the same time, there is a low level of protection of new business, which are embedded in a complex bureaucracy.</p> <p>The legal and judicial systems are still developing, characterised by relatively poor enforcement of commercial laws, non-transparent judicial systems, unpredictable regulatory changes and extremely discretionary explanation or enforcement of ambiguous laws and rules.</p>	<p>Italy presents a relatively clear and stable context where to create new business (rank 3.53). Government organizations provide information, assistance, and regulated contracts. Laws and bureaucratic guidelines are well known inside the country, even if starting a new business tends to be expensive. Starting a business is ranked 89.42 out of 100, entailing costs for 13.7% of per capita income. Italian companies tend to remain small over the long run for several reasons. For instance, bureaucracy, high administrative expenses, a complex regulative system, and time-consuming rate of delivering justice represent barriers to entrepreneurial activities. Access to finance represents a serious issue for entrepreneurs, pushing them to personally guarantee. This indicates that both the risks of creating a new business and internationalization may fall back onto the individuals and their families.</p> <p>There are some institutions providing support for internationalization missions (e.g., Chambers of Commerce, Italian Trade Agency), but no explicit IB policies.</p>
<b>Cognitive</b>	<p>Knowledge of how to establish and operating new businesses is not widespread in China. Due to the institutional transition from planned economy to a more market-oriented system in China, individuals often do not have a clear idea on how to do business and may lack knowledge on how to deal with risks. The relatively weak information system in China often blocks the individuals to formally obtain market information and access foreign market knowledge. Moreover, the Chinese population tends to show a high propensity to start new businesses when they migrate to new countries.</p>	<p>Busenitz <i>et al.</i> (2000) rank Italy with a score of 3.76 on the cognitive dimensions. Individuals generally know how to protect their businesses, whereas managing and dealing with risks is generally less known, especially in relation to firm internationalization. In this sense, it is not easy to obtain specific information about international markets, customers, and potential partners abroad. Governmental institutions overseas (e.g., embassies, Chambers of Commerce) can help in the process, but it is a paid service.</p> <p>The 92.5% of industrial companies have less than 20 employees. The majority of firms in Italy are SMEs and family-owned businesses. However, Italy is considered less individualistic as society and has a tradition of clusters and districts, which still exist.</p>

<b>Appendix A. (continued)</b>		
<b>Institutions</b>	<b>China</b>	<b>Italy</b>
<b>Normative</b>	<p>The undeveloped market-based economy and weak institutions generally limit individuals in creating new ideas, and innovative and creative thinking. A similar effect is due to the weak information system.</p> <p>The market system, such as the credibility of the financial system, does not support entrepreneurs well in China. In addition, Chinese people generally admire a high level of education more than entrepreneurship. Society is generally highly network-oriented. The common practice of <i>guanxi</i> is widespread across the country, and favours the relationship building and the networking activity.</p>	<p>Normative dimension is ranked 4.74 out of 5, as Italian people traditionally highly admire entrepreneurship. The country has a relatively long tradition of entrepreneurship, trade and finance, which has generally brought positive perceptions of productivity and industrialization.</p> <p>In addition, Italy shows a relatively low score in terms of human capital, which means that the quality of entrepreneurs in terms of level of education is not very high. According to the Global Entrepreneurship Monitor 2018, potential entrepreneurs have low levels of self-assessments and high fears of failure. The entrepreneur status is generally perceived negatively by people, where failure is proposed as a blot, not as a possible step in a high-risk process.</p>
<b>References</b>	Boisot and Meyer (2008); Busenitz and Lau (1996); Child and Rodrigues (2005); Doing Business (2018); Li (2013); Luo and Tung (2007); Tsang (1998); Voss et al. (2010); Yiu et al. (2007).	Acs et al. (2017); Busenitz et al. (2000); Doing Business (2018); Ferrante and Supino (2014); Fondazione Masi (2013); Vesentini (2018)