Research Report

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Title

Motivations and challenges in establishing new international ventures in South Africa

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Entrepreneurship and New Venture Creation

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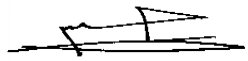
ABSTRACT

One of the distinctive phenomena in international business is the creation and expansion of INVs. This research aims to unravel the intricate impact of motivations, specifically knowledge, international experience, and networks that shape the paths taken by INVs from their inception to their global expansion. The study highlights how motivations are interrelated and don't function in isolation. The findings indicate that a comprehensive strategy comprising knowledge, foreign experience, and networks helps INVs navigate the intricacies of international marketplaces and overcome the frequent challenges that INVs encounter when they internationalize; these challenges result from these enterprises' foreignness, newness, and smallness. To give INVs a complete tool-kit for success, the study intends to shed light on the interactions between these motivating factors that lead to INVs' internationalization and address the difficulties that INVs face in doing so, to investigate these relationships, hypotheses are developed, and online closed-ended questionnaires were sent to international new ventures operating in South Africa resulting in a collection of 136 INVs' responses. As the research progressed, With the advancement of the study, the researcher could gain more insight into the reasons underlying INVs as well as practical knowledge for policy-makers and businesses. Acknowledging the mutually reinforcing effects of knowledge, international experience, and networks, this study has important implications for promoting INVs' performance in international markets.

Key words: International New Ventures (INVs); International Entrepreneurship (IE); Networks; Knowledge; prior international experience

DECLARATION

I, Yaser M S Wadi, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the Field of Entrepreneurship at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.



(Yaser M S Wadi)

Signed at ……Amman - Jordan……

On the ……10th… day of …….July… 2024.

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CHAPTER 1: INTRODUCTION

1.1 Introduction

The phenomenon of international new ventures (INVs) has attracted a lot of attention due to their sophisticated way of penetrating international markets, INVs are “businesses from inception that seek to derive significant competitive advantage from the use of resources and sales of outputs in multiple countries” (Oviatt & McDougall, 1994, p.49), Technology, communication, and transportation advancements have all contributed to the ongoing evolution and emergence of the phenomena known as international new ventures (INV), International new ventures, or INVs, are crucial to the modern global economy (Mudambi & Zahra, 2007), at the centre of the study, nevertheless, are these entrepreneurial businesses within the south African framework.

The entrepreneurial activity rate (TEA) in South Africa is about 11.3%, this indicates that entrepreneurial activities are slow, however, the percentage of adults (aged 18-64) starting or running a new business and anticipating 25% or more revenue from outside their country is 13.1% including developing economies with a GDP per capita of less than $25000, thus, there is some positive association with income, which is considered as a high export-intensity level compared to emerging economies (GEM, 2023).

International new ventures are typically recognized for their rapid internationalization, challenging the conventional stages model that presupposes a gradual, comparatively leisurely, and risk-averse progression toward internationalization (Johanson & Vahlne, 1977), the motivations that propel INVs to establish themselves in foreign markets and handle the

challenges of conducting business internationally are at the core of this phenomena. A few of these motivations are networks, knowledge, and international experience which stand out as critical elements determining the course of INVs and impacting their capacity to overcome the difficulties associated with internationalization.

INVs have disadvantages compared to domestic competitors and bear a liability of foreignness, just like other businesses that expand internationally, moreover, newer companies, like INVs, can suffer from a liability of newness when competing with more established firms. As a result, the newness and foreignness of INVs typically pose two sets of liabilities that threaten their existence (Mudambi & Zahra, 2007).

However, little is understood about the circumstances that gave rise to these companies' establishment and internationalization. McDougall et al. (2003) emphasized the significance of using specialized knowledge and technological know-how to offer inventive, distinct products and services, thereby gaining an edge over solely domestic enterprises.

In addition, Mertzanis and Hagen (2022) discovered that managers with past international experience are more equipped to handle the unpredictability of foreign markets and to identify, evaluate, and seize opportunities that hasten the internationalization process.

Furthermore, according to Musteen et al. (2014), networks assist INVs in learning about overseas markets, lowering uncertainty, and encouraging entrepreneurs to develop in international markets.

It has been argued that an important factor in a venture's early internationalization has frequently been the entrepreneur's or TMT's networks, experience, and knowledge of

other markets (Evers, 2011). However, the research on INV businesses has been ambiguous in its investigation of the factors that motivate new firms to internationalize, giving only cursory attention to some elements. Remarkably, not much has been said about the founder's knowledge built before the start-up period, networks, and international experience.

Exploring the IE literature and INV theory, little attention on the motivations that trigger INVs and their role in overcoming the challenges posed during their expansion in the global markets, as these ventures view the world as their marketplace from inception.

Up until now, the majority of studies on international entrepreneurship have concentrated on new ventures founded in developed economies, giving emerging economies less attention (Yamakawa et al., 2008), The research will shed light on some of the motivations as an integrated model of these new ventures internationalization manifested in the competencies that INVs entrepreneurs hold, mainly the role of prior international experience, knowledge, and networks that impact the internationalization of these ventures, moreover, the research will examine quantitatively these variables based on Data collected from 136 INV's respondents operating in South Africa.

The research is structured as follows, a literature review exploring the INV phenomenon and hypothesis discussions, the research methodology, presentation of results, discussion of the results, and finally a conclusion and implication for future research.

1.2 Theoretical background to the study

The study of international new ventures has experienced a significant surge since the late 1980s, according to Oviatt and McDougall (1994), international new ventures are defined by their pursuit of a competitive advantage through resource utilization and the sale of goods or services in several countries from the beginning. These entities, also known as global start-ups or born global, have developed in the modern era of globalization and cutting-edge technologies (Knight & Cavusgil, 2004).

These emerging enterprises have garnered considerable interest because of their inclination to deviate from established norms in traditional international business theory (Fernhaber et al., 2007).

INVs struggle with the liability of foreignness and are at a disadvantage when compared to domestic competitors, additionally, younger businesses like INVs usually deal with the liability of newness when trying to compete with more established firms (Mudambi & Zahra, 2007).

The early internationalization of a company is frequently propelled by the entrepreneurs' top management teams' experience, networks, and existing knowledge about foreign markets (Evers, 2011).

Little research on INV founders' experience impact on INVs' internationalization, McDougall et al. (2003) claimed that, motivated by their prior experiences in the global market, the founders of INVs saw an opportunity to generate higher returns by starting companies that functioned abroad.

In addition, Autio et al. (2000) suggested that knowledge plays a key role in INVs' internationalization, innovation,

and expansion and is closely linked to their ability to take advantage of opportunities that are invisible to others.

Furthermore, INVs use a key strategy to make up for their low resources when they enter new international markets, little study on the importance of networks, in particular, has been observed that these businesses' early market entry is partly due to their ability to overcome resource constraints and a lack of legitimacy in international markets, which are made possible by their network ties (Fernhaber & Li, 2013).

Hence, this research aims to construct and validate an inclusive model that policy-makers and practitioners can employ to comprehend the factors influencing the internationalization of INVs in South Africa, Drawing on IE literature, the knowledge-based view, the network approach, and particularly the INVs framework of Oviatt and McDougall (1994), this study will adopt an integrated multi-construct framework to investigate the motivations and challenges of INVs internationalization in South Africa, Because of this, a survey study will be carried out to quantitatively investigate the relationship between these motivations and INVs' internationalization.

1.3 Context of the study

It has been fascinating to observe how quickly INVs are becoming worldwide in their early stages of development in the field of international entrepreneurship studies, Because of their internationalization behaviour, which can be characterized as entrepreneurial, because it is innovative, proactive, and risk-seeking, and because of its rapid and extensive international endeavours from the beginning, the born-global, or INV, is a major focus for researchers (Acedo & Jones, 2007).combined

with a high level of youth unemployment and around 70% of entrepreneurs operating in the informal sector, South Africa's entrepreneurial potential remains below international trends (UNCTAD, 2024).

Despite challenges, South Africa's entrepreneurship development initiatives are promising, particularly in the tech start-up ecosystem, as it clichéd the top spot in the Africa Tech Ecosystem of future 2021/2022 rankings (UNCTAD, 2024)

INVs are defined as having a unique resource that offers a sustainable advantage and can be transferred to foreign countries, owning certain valuable assets, and controlling a sizeable portion of essential assets through alliances and network structures (McDougall & Oviatt, 2003).

Global knowledge, international experience, a robust network, proactive technology or marketing, and a distinctive intangible asset, are the key factors that contribute to INV's success (Rumyantseva & Welch, 2023).

There are three main goals for this research, first, the researcher conducts an empirical investigation of the effects of prior international experience, international network ties, and knowledge of new ventures that are conducted internationally. The researcher selected variables based on the literature on international entrepreneurship (IE) and international new venture theory, which characterizes these variables as important predictors of international new venturing (Baum, 2011).

First, based on the literature on INVs, Patel et al. (2014) noted that ventures with global goals are able to overcome challenges by depending more on networks. They also outlined how networks are related to INVs' internationalization, how they

make up for resource shortages, foster innovation, and lessen uncertainty during venture internationalization.

In another research stream on INVs, Fernhaber et al. (2009) reported that it has been demonstrated that international knowledge that is, skills, attitudes, and information that companies can apply to their international operations is an essential intangible resource that supports internationalization, particularly for new ventures.

Last, McDougall et.al (2003) claimed that because they had prior international experience, founders of INVs saw the potential to generate higher returns by starting new ventures that functioned outside national borders.

The research will utilize multiple constructs and explore the literature on international new ventures (INVs) to clarify how knowledge, prior international experience, and networks influence the internationalization of new ventures, additionally, the study intends to administer an online closed-ended questionnaire that quantitatively assess these constructs.

1.4 Problem statement

As South Africa experiencing a low TEA which results in job loss, and low income, entrepreneurship is crucial for economies as it contributes to economic growth, innovation, and job creation, moreover, with two-thirds of the enterprises failing in the first five years and roughly 20% in the first two, the survival rate of the businesses in South Africa is likewise poor (UNCTAD, 2024), South Africa’s entrepreneurial potential is still below global trends, in part because of the country’s high youth unemployment rate and the fact that 70% of entrepreneurs work in the informal sector (UNCTAD, 2024).

INVs are seen as having an entrepreneurial nature (Acedo & Jones, 2007), eventually, they contribute to the overall economy, thus, researchers, practitioners, and policymakers must examine the phenomena and comprehend how these businesses overcome obstacles in global markets and support various economic models.

International new ventures (INVs) face unique challenges when expanding into international markets. Newness and smallness make them less competitive compared to local players (McDougall et al., 2003). Additionally, INVs often experience the "liability of foreignness," a disadvantage arising from being perceived as outsiders (Crespo, 2013). These obstacles require INVs to put in extra effort to gain access to resources and markets, ultimately aiming for survival and expansion. This can lead INVs to pursue early and rapid internationalization strategies (Crespo, 2013).

Research on INVs from developing economies, which differ from developed ones in many aspects, is scarce. The shift from planned to market-oriented economies in these rapidly growing countries, often fuelled by economic liberalization (Sedzeniaauskiene, 2019), can significantly impact organizational behaviour. Furthermore, weak institutional environments and frequent legal changes in developing economies can create additional hurdles for INVs during internationalization (Sedzeniaauskiene, 2019).

The factors driving successful internationalization by INVs remain unclear, Prior research suggests that knowledge, networks, and prior international experience all play a role in the success of international ventures (Fernahaber et al., 2009; Evers & O'Gorman, 2011; Mudambi & Zahra, 2007).

In this context and to investigate the study question, “What impact do networks, prior international experience, and knowledge have on INVs’ internationalization in South Africa, and to what extent do they affect INVs?” This research develops a multi-construct model and perspective.

1.5 Research purpose, research question and aims of the study

The overarching purpose of the study is to examine the impact of knowledge, foreign experience, and networks on the internationalization of foreign New Ventures (INVs) and to what extent these variables aid in surmounting challenges encountered during the internationalization process?

The study aims to assess the roles and contributions that networks, international experience, and expertise in facilitating the internationalization of INVs, comprehend the interactions between these variables that affect INV performance in the South African context, and explore the ways in which these variables assist INVs in overcoming challenges in international markets.

The objective is to determine the positive correlations between knowledge, international experience, networks, and success of INVs’ internationalization in South Africa, additionally, the study objective is to provide practical insights that can guide the creation of policies, procedures, and strategies that will assist entrepreneurs and policy-makers in improving the performance of South African ventures in international markets.

Questions of the research:

1. **Is there a positive relationship between Knowledge and INVs' internationalization and does knowledge enable INVs to overcome challenges in their internationalization?**

2. **Is there a positive relationship between Founders\Entrepreneurs' prior international experience and INVs' internationalization, and does prior international experience enable INVs to overcome challenges in their internationalization?**

3. **Is there a positive relationship between networks and INVs' internationalization, and do networks enable INVs to overcome challenges in their internationalization?**

The study attempts to give empirical proof of the beneficial correlations between motivations and the success of international new ventures in South Africa by addressing these research questions. The insights gathered from this research can help develop evidence-based strategies that will help ventures in the South African business environment succeed in their establishment and internationalization process.

1.6 Conceptual/theoretical definition of terms

INVs: Oviatt and McDougall (1994) established a theoretical framework for the investigation of international new ventures, which they characterized as “business organizations that, from inception, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries” (p. 49).

IE: International entrepreneurship is an international blend of risk-taking, pro-active, and innovative behaviour meant to add value to organizations (McDougall & Oviatt, 2003).

Market knowledge: market knowledge is defined as organized and structured information about the market (Li & Calantone, 1998).

Technological knowledge: Technological knowledge refers to a company's understanding of its product market and the technical know-how required to manufacture goods that can compete in it since it is often associated with innovation (Arte, 2017).

Social networks: Social networks are generally understood to be webs of relationships and personal connections used to obtain favours for organizational or personal acts (Presutti et al., 2023).

Business networks: business networks are defined as the linkages that a company has established in connection with business stakeholders, such as business partners, suppliers, distributors, and government institutions (Ge & Wang, 2013).

International experience: the experience that businesses gain from operating abroad is commonly referred to as "international experience" (Clarke et al., 2013).

1.7 Contribution of the study

By examining the motivations specifically centred around knowledge, foreign experience, and networks, in particular, impact the internationalization of foreign New Ventures (INVs) in the particular context of South Africa, this study significantly contributes to the field.

The research offers a sophisticated and contextualized view of the factors influencing INVs' internationalization in South Africa. Focusing on the unique socio-economic, cultural, and business environment of the country, the study offers insightful information that is specifically suited to the opportunities and problems faced by South African ventures entering international markets.

Through a comprehensive investigation of knowledge, international experience, and networks, the study reveals particular motivational factors affecting South African INVs. By illuminating the distinct motives that drive internationalization decisions in the South African business ecosystem, this in-depth viewpoint contributes to the corpus of knowledge.

The study methodically explores how these motivations help South African INVs get past challenges that arise throughout the internationalization process. Through the identification and resolution of issues unique to the South African environment, the research offers useful strategies and insights that can assist businesses in overcoming barriers associated with their novelty, foreignness, and small size in international markets.

The research provides valuable insights into how motives are crucial to South African INV to navigate and overcome the challenges posed by their newness and foreignness. These motives are primarily linked to knowledge, international

experience, and networks. Understanding how emerging-market ventures become participants in the international arena depends on this contribution.

Furthermore, the research offers significant insights that policy-makers and support organizations in South Africa can utilize to create focused actions that foster internationalization.

By comprehending the motivations behind prosperous internationalization within the South African context, policymakers may create support systems and regulations tailored to the unique requirements of businesses functioning within this dynamic environment.

In conclusion, this study makes a substantial contribution to our understanding of the motives behind South African INVs' internationalization journeys. These motivations include knowledge, foreign experience, and networks. The research findings hold significance for entrepreneurs, policy-makers, and support organizations that aim to improve the competitiveness of South African ventures in the international arena.

1.8 Delimitation of the study:

The delimitation of the study is that only International New Ventures (INVs) that are based in South Africa are included, the current state of INVs in South Africa is the main topic of the study, even if historical data may be instructive, this research is not the place for it, the lack of industry-specific delimitations in the report suggests that its goal is to present a comprehensive overview of INVs in South Africa's various industries.

1.9 Assumptions:

The research assumes that to a certain extent, the business environment in South Africa mirrors global trends in INVs' development, reliability, and accuracy in reflecting the relationships among knowledge, international experience, networks, and internationalization are features of the data gathered from South African INVs.

The INVs in this study are well aware of their network ties, foreign experience, and knowledge assets, the study's measurement instruments precisely capture the knowledge, international experience, networks, and internationalization performance constructs.

This study found positive, causal relationships between knowledge, foreign experience, networks, and internationalization. It was additionally assumed that each respondent fairly comprehended the questions that were asked, that each respondent was truthful in their responses, that each respondent knew that the data collection was confidential and that each respondent participated without fear of prejudice or victimization.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Reviewing the literature on the study's topic is the aim of this section. Key concepts are clarified, pertinent theories are examined, and hypotheses are developed through a survey of the current literature, the chapter is structured as follows: literature background, discussion of the hypothesis, and conclusion of the literature.

2.2 Literature background

Many academics have defined entrepreneurship as the founding of a new business (Low & MacMillan, 1988) or as innovative acts that take place either inside or outside of an already-existing organization (Sharma & Chrisman, 1999). The investigation of potential sources, opportunity identification, assessment, and exploitation procedures, as well as the group of people who find, assess, and take advantage of opportunities (Shane & Venkataraman, 2000).

The concept of international entrepreneurship, a subdomain of entrepreneurship, is the establishment of ventures across national boundaries (Oviatt & McDougall, 2005). International new enterprises (INVs) are a phenomenon that stems from international entrepreneurship, based on the work of Oviatt and McDougall (1994) they defined INVs as “business organizations that, from inception, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries” (p. 49).

The reasons for New Ventures' (INVs') internationalization in the ever-changing world of international entrepreneurship have been the focus of much study.

According to Fletcher (2008), internationalization is the process of becoming more involved in international operations, encompassing all foreign interventions, however, businesses that aim to become global employ distinct strategies or tactics.

Classical internationalization paradigms are threatened by the dynamic new entities known as International New Ventures (INVs), which are quickly breaking into global marketplaces. Internationalization research has traditionally relied heavily on the Uppsala model, which takes a gradual approach to foreign market access (Johanson & Vahlne, 1977). However, the model is not very effective at explaining the quick and frequent simultaneous entry methods that INVs utilize.

By adding a wider theoretical lens, later studies have built upon these preliminary conceptualizations. According to Spender (1996), knowledge-based views emphasize the importance of both explicit and tacit knowledge in promoting globalization. Moreover, as per Johanson and Mattsson (2015), network theory highlights the significance of social networks and inter-organizational ties in breaking into overseas markets.

Research also has shown that International experience has been linked to a global mind-set, wider networks, and a better comprehension of cultural differences, all of which are critical for the success of international new ventures (Oviatt & McDougall, 1994).

In conjunction with empirical research, the above-mentioned theoretical developments and approaches have led to a more sophisticated comprehension of the multifaceted elements impacting the genesis and evolution of INVs.

Knowledge, foreign experience, and networks are three important motivating aspects identified as critical factors impacting the success of companies aiming to establish and grow their presence in international markets. This literature review looks at how these driving forces affect the internationalization path of INVs and how important they are in helping them overcome challenges related to their smallness, newness, and foreignness.

The Knowledge-Based View is a key component of internationalization since it asserts that companies with greater knowledge resources may better handle the challenges posed by international markets (Autio et al., 2000). For INVs, knowledge serves as a catalyst, allowing them to see and seize global opportunities (Autio et al., 2000).

Research by Fernhaber et al. (2009) emphasizes how important it is for enterprises to have international knowledge as it helps them become more competitive and contributes to their internationalization.

Knowledge is a strategic tool that helps international ventures (INVs) overcome obstacles associated with novelty by offering insights into foreign markets, customer behaviour, and regulatory frameworks. knowledge is associated with INVS expansion and sales growth in foreign markets (Knight & Cavusgil, 2004), moreover, this knowledge-driven strategy plays a key role in reducing the risks and uncertainties that come with breaking into new foreign markets (Knight & Cavusgil, 2004).

Moreover, early and rapid internationalization is influenced by the founder’s and top management's foreign experience (McDougall et al., 2003). According to the Born Global approach, which questions the conventional phases model,

international experience accelerates the internationalization process (Johanson & Vahlne, 1977).

A multitude of insights into the complexities of international business are possessed by entrepreneurs with international expertise. As familiarity with a variety of business environments improves one's capacity for adaptation and successful integration into foreign markets, this international experience helps one overcome the liability of being foreign (McDougall et al., 2003), in addition, having international experience helps entrepreneurs identify the gaps in the market for well-known products or services in the host country and their potential in the home country, which helps to expand the pool of opportunities (McDougall et al., 2003).

Furthermore, networks are essential for helping INVs overcome the difficulties posed by their small size because they give them access to resources, market intelligence, improve their competitive position, and more skilfully navigate international marketplaces (Blesa & Ripolles, 2021).

In conclusion, the internationalization of New Ventures is influenced by interrelated motives such as knowledge, foreign experience, and networks. These driving factors are not only essential resources for conquering the difficulties that come with internationalization but also act as vital resources for conquering the challenges that come with it. The literature emphasizes how important it is to have a comprehensive understanding of these motivations and how to strategically integrate them to enhance the international success of ventures, especially while operating in the distinctive circumstances of newness, foreignness, and smallness.

2.3 First research hypothesis discussion

The new venture internationalization theory states that because knowledge is inherently mobile, INVs can internationalize earlier and faster (Yli-Renko et al., 2002), a firm's managerial and entrepreneurial knowledge is crucial for promoting growth and guiding choices about these companies' foreign expansion (Autio et al., 2000).

International knowledge, or information, beliefs, and abilities that firms can use in their international activities, is a critical intangible resource leading to internationalization, especially for new ventures (Fernhaber et al., 2009).

Knowledge is essential to the new venture theory of internationalization, and the knowledge-based framework has proven to be successful in explaining decisions about international expansion (Autio et al., 2000). It was also shown that new entrepreneurial enterprises' rise in global sales is strongly correlated with the level of knowledge they hold (Autio et al., 2000), INVs' internationalization is positively impacted by the knowledge they gained from the education and experience of their founders (Park et al., 2015), moreover, the knowledge that new ventures can obtain from their client connections is essential to both the innovation and internationalization processes of a company (Hagen et al., 2014).

The knowledge intensity of the company's core resources and the entrepreneurial services offered by top management both contribute to rapid internationalization (Oviatt & McDougall, 1997), compared to businesses that rely more heavily on fixed, static, and hence less mobile assets, knowledge-intensive businesses are better equipped to take advantage of international growth prospects since they are less

restricted by geography or national borders (Yli-Renko et al., 2002), thus, knowledge-intensity was found to be positively correlated with an increase in foreign sales (Yli-Renko et al., 2002).

A great deal of focus has been on the impact of knowledge on start-ups as a major motivator for obtaining essential information regarding markets and product development for their internationalization process (Maldea, 2023). Knowledge has been recognized as a special resource required for sustainable INV development (Baum et al., 2011).

Even if the globalization of small enterprises can be explained by several theories, new ventures must take advantage of tacit resources, including knowledge, to create and maintain any kind of international competitive advantage because they typically lack the tangible resources of larger, more established firms (Park et al., 2015), the resources of competitive advantage appear to be shifting toward profits based on the capacity to restructure and configure the firm's rare and hard-to-imitate assets as a result of globalization and the emergence of a knowledge-based economy (Evers & O'Gorman, 2011).

Knowledge from the past helps a company become more international in the future, when a company must make decisions in a foreign market, it uses strategies that have worked in the past (Nordman, 2009), thus previous knowledge is considered to be a blueprint and future guidance for INVs' internationalization as it can tackle any obstacles that these firms might face and help these firms take corrective action when they internationalize (Nordman, 2009).

The internationalizing firm derives its vision and direction from its entrepreneur (Girma, 2013), certain academics have highlighted the antecedent knowledge of the entrepreneurs

before the company's founding, providing the leverage for the quick process of going global, in opposition to the rapid internationalization of the INV against the classic stage model theories (Girma, 2013).

Fletcher et al. (2013) indicated that experiential knowledge about internationalization in general is known as internationalization knowledge, as a result of internationalization, this understanding of marketing operations grows and is market-translatable, they also argued that internationalization knowledge is organizational knowledge unique to a firm that must be acquired and transferred through organizational learning processes from one country to another (Fletcher et al., 2013). It only becomes valuable when businesses use the knowledge they acquire from their surroundings to adapt to new international opportunities (Fletcher et al., 2013).

Prior knowledge is preferred and a major factor in identifying particular opportunities; prior knowledge comes from training, prior employment, taking on many jobs, and experience (Laperriere, 2013).

Although there are many various types of knowledge, the market and technology knowledge of INVs' entrepreneurs will be the two main focuses of this study:

Fernhaber (2006) indicated technology and market knowledge as a valuable combination that contributes to a long-term competitive advantage.

First, a firm's store of international market knowledge will increase in proportion to the amount of effort it devotes to upgrading its present understanding of foreign markets, hence increasing the return on investments made in new foreign markets (Clercq et al., 2005), International market

knowledge is a significant factor in determining foreign growth, Market knowledge aids exportation and expansion activities (Ruzzier et al., 2007).

Market knowledge concerns business-to-business relationships and behaviours such as market reactions to competitive manoeuvres and organizational-level responses to customer demands and wants, it shows new ventures' understandings of their competitors and customers (Jin et al., 2019, Yli-Renko et al., 2002), according to Ripolles and Blesa (2012) an INV is more likely to use and leverage its increased market knowledge through future international involvement.

Research on international new ventures shows that a variety of information sources can be used to acquire market knowledge, such as the firm's inclination toward innovation, risk-taking, pro-activeness, and its exposure to cultural diversity (Galdino et al., 2019).

It was indicated that gaining market knowledge can be challenging in certain foreign markets, such as emerging economies, due to the lack of highly established and easily accessible sources of market information (Galdino et al., 2019).

Market knowledge is essential to overcome obstacles posed by cultural, linguistic, legal, and business practice disparities (Ruzzier et al., 2007), acquiring knowledge of the markets, rivals, vendors, and clients provides crucial hints regarding potential new ventures abroad, markets to penetrate, systems to create, goods to sell, and new organizational structures (Zahra, 2005), knowledge can be crucial for differentiating products for new venture firms, accelerating market entry, and obtaining a competitive edge (Arte, 2017).

Secondly, technological knowledge comprises the equipment, information, and procedures that businesses use to produce, develop, and provide services and goods (Arte, 2017), technological knowledge as new venture resources can be sufficient to change the innovation and risk-taking capability to international performance and accelerate the internationalization of new businesses (Osman et al., 2013), improved internal communication inside the company accelerates the acquisition of new technological knowledge (Yli-Renko et al., 2002).

Alongside the internationalization process, new ventures must constantly advance their technological knowledge. This is because advances in technology not only affect a high-tech new venture's capacity to customize its product for local market conditions but also enable it to recognize new developments in technology (Zou et al., 2010), using higher-control entry options can help new ventures gain new technology knowledge faster (Zahra et al., 2000).

Previous studies have also indicated that technological knowledge is directly connected with consumer preferences and brand development, technological knowledge helps enterprises overcome the liabilities of newness and smallness by enabling them to produce new products and services (Arte, 2017).

According to Hitt et al. (2000), technological knowledge is the main driver of long-term economic growth, therefore it may be even more crucial for businesses with worldwide aspirations as competition in global marketplaces grows fiercer and more frequent due to technology, Additionally, it was mentioned that the company can learn how to innovate by proactively using technological knowledge, this can lead to the development of

core competencies and, eventually, a persistent competitive advantage (Hitt et al., 2000).

In summary, based on the existing literature, it is reasonable to hypothesize that the knowledge profile, encompassing international, entrepreneurial, market, and technological knowledge significantly influences the timing, speed, and overall success of internationalization for international new ventures, Hence, it is Hypothesised that:

H1: there is a positive relationship between Knowledge and INVS' internationalization, and knowledge enables INVs to overcome challenges in their internationalization.

2.4 Second research hypothesis discussion

Because they had prior international experience, founders of INVs recognized opportunities to generate better profits by starting enterprises that operated across national borders (McDougall et al., 2003), one may have international experience through studying, working, or residing elsewhere (Clark et al., 2018). Based on previous literature it was argued that prior international experience accelerates the internationalization process by assisting managers in identifying, evaluating, and better exploiting opportunities while assisting them in navigating the unpredictability of foreign markets (Mertzanis & Hagen, 2022).

According to Sapienza et al. (2006), managerial experience gained from previous international experience increases the likelihood that a firm will grow and survive, this experience can also be used to replace organizational capabilities, which lowers the cost of training and developing these capabilities for

internationalizing businesses, Wehner et al. (2015) argued that international experience of INVs founders and management teams are associated with absorptive capacity.

INVs have a vast repertoire of routines from prior international experiences to draw from when formulating strategic judgments regarding international operations (Zahra et al., 2005), a primary source of competitive advantage is the top management's prior international experience (Bloodgood et al., 1996).

Numerous studies support the idea that a firm’s international experience plays a critical role in INV’s internationalization, these firms are also more likely to pursue an international business strategy that is marked by earlier, faster, and larger scale and scope of international operations (Kuivalainen et al., 2012), Griaco and Naldi (2024) discovered that the foreign experience of founders before to formation not only aids in the expansion of INVs but also influences their strategies for geographically diversified export sales.

Wehner et al. (2015) found that international expertise has been demonstrated to impact high-tech start-ups' foreign mode selection, the degree of internationalization of businesses, the utilization of strategic partners, the post-launch delay of foreign sales, and the technological learning and performance of new ventures.

Drawing from earlier research Evers (2011) mentioned that entrepreneurs and TMTs having a history of working abroad are more likely to be aware of the possible challenges and global business opportunities, he also indicated that several authors have agreed that having international work experience is a requirement for early internationalization and international orientation, this means that businesses that have it are more

likely than those that don't to internationalize early (Evers, 2011).

The international experience of founding teams helps new businesses expedite the internationalization process by deepening their grasp of the advantages of global markets and the best practices for conducting global operations (Bruneel et al., 2018), INVs internationalization is closely tied to their TMTs experience. It was argued that business owners who have worked internationally from the start have a greater degree of international work experience than those who have chosen to undertake internationalization gradually (Baum, 2011). One other significant aspect that enables new foreign ventures to bypass internationalization stages is the entrepreneur-manager's international expertise (Nowinski & Rialp, 2013).

The most surprising result of Mudambi and Zahra's (2007) research is the impact of the international experience of entrepreneurial TMTs on a company's capacity to endure in overseas markets.

If the founders have greater international experience before starting up, they will be better equipped to handle the challenges of working across physical and mental distances and successfully realize sales revenues in the foreign markets the firm accesses (Bruneel et al., 2010), the main reasons why TMTs' international experience helps new ventures internationalize are a better understanding of global opportunities, an enhanced capacity to evaluate these opportunities, and a more eagerness to seize the opportunities (Milanov & Fernhaber, 2014).it is argued that TMT's international experience is linked to a global perspective, which makes it possible to take an early and proactive approach to internationalization (Milanov & Fernhaber, 2014).

Furthermore, TMTs with international experience believe that internationalization is less expensive than it is, indicating that exposure to different cultures can motivate people to take action (Milanov & Fernhaber, 2014), they also mentioned that the founder's and the management team's international experience may be linked to other elements that are typically thought to facilitate early internationalization, such as proficiency in foreign languages. An early stage of internationalization could be facilitated by such experience, which could also lead to commercial ties and allow entrepreneurs to take advantage of other companies' resources (Nowinski & Rialp, 2013).

Baum (2011) indicated that prior international experience can significantly lower the expenses of trying out new ideas or trial runs to find the best ones, shorten the time it takes to implement internationalization plans, and help minimize the number of chances lost or overlooked. Consequently, having international experience lowers the risk of conducting business overseas and raises the possibility of expanding into other countries (Baum, 2011).

One important determinant of international entrepreneurial orientation in top management is their prior international experience (Dow, 2017), moreover, prior international experience is a major factor in fostering precocity and business expansion (Zuchella et al., 2007).

The literature currently available on INVs concurs that entrepreneurial teams' or managers' foreign experience shapes their global perspective and the firm's internationalization strategy (Mathews & Zander, 2007).

The internationalization of new ventures is thought to be indirectly impacted by international experience. According to

Jiang et al. (2020) the identification and cultivation of foreign strategic partners, as well as the mitigation of delays in generating overseas sales post-start-up, are strongly associated with TMT's international experiences, these strategic behaviours are expected to have a good impact on INVs.

A top management team with prior international expertise may be competent and willing to explore novel combinations of critical resources across national borders early in the firm's existence, which is one reason why companies may internationalize early (Clercq, et.al, 2005).

Lastly, a diversified social and professional cross-border network is built by entrepreneurs with international expertise, enabling them to mobilize the resources needed for internationalization. Consequently, compared to others without such experience, an entrepreneur with foreign experience will be able to access more resources and make better decisions when it comes to internationalization (Jiang, 2013).

Found that having international experience helps young businesses take advantage of possibilities, speed up internationalization, and perform better abroad, it is hypothesized:

H2: There is a positive relationship between Entrepreneurs' prior international experience and INV's internationalization, and prior international experience enables INVs to overcome challenges in their internationalization.

2.5 Third research hypothesis discussion

In the 1980s, the network theory gained traction after research demonstrated that INVs use networks to improve their internationalization, it was proposed that firms rely on resources that are under the control of other businesses and that their access to these resources is granted by their network membership (Akhter, 2013), a major factor in the development and adoption of the INV theory has been the network theory of internationalization, which is heavily influenced by the resource-based view (Ojala et al., 2018).according to empirical research on the impact of networks on internationalizing businesses, networks are thought to be a key motivator in these businesses' decision to go global (Kozma & Sass, 2019).

In contrast to the traditional internationalization model, which primarily concentrates on foreign markets and entrance strategies, the network approach places greater emphasis on the influence of relationship networks on many outcomes, including decisions about market entry and performance effects (Presutti et al., 2023), typically, to flourish in foreign markets and aid in early internationalization, INVs make advantage of networking capabilities (Akhter, 2013).

Networks are essential for all new business ventures, including the establishment of start-ups and worldwide commercial expansion, according to network theory, they can provide knowledge, experience, and referrals to the company and are a valuable resource unique to the organization and difficult to replicate (Koch, 2017), networks play a crucial role in the early global entry and expansion of new companies (Ripolles & Blesa, 2022).

Because small businesses in transition economies frequently lack the formal resources and established capabilities,

international networks are crucial to the internationalization in these economies (Musteen et al., 2014), to improve their position in the global market and create long-term competitive advantages, emerging market start-ups must modify their technological capabilities to host markets through networks (Zou et al., 2010).

Social networks are an effective instrument that can be used by INVs to offset their limited market knowledge (Ripollés & Blesa, 2022), people and organizations inside the network which consists of companies and intermediaries from a range of industries become mutually dependent and entangled through ongoing communication and transactions (Falahat et al., 2018). Many establish long-lasting partnerships based on cooperation, network ties are a vital pathway for many businesses to grow and penetrate new markets (Falahat et al., 2018). In times of extreme unpredictability, entrepreneurial networks and the capacity to deepen bonds with current associates and widen networking circles can establish more dependable and stable connections with the outside environment (Zou et al., 2010). Key resources including knowledge, raw materials, technology, and markets are accessible through networks (Evers & Knight, 2008).

INVs seem to benefit more than larger established firms from networks because on average, they have lower resources and capacity for international development (Lamotte & Colovic, 2015), In contrast to larger, more established firms, networks play a critical role in facilitating INVs' early market entry and helping them overcome resource constraints and a lack of legitimacy in international markets (Fernhaber & Li, 2013).

Furthermore, it was discovered that networks have an impact on foreign markets that international new enterprises choose to

enter, both initially and sequentially (Freeman & Cavusgil. 2007).

As information is gained through operations as well as those of their competitors and their network contacts, business networks are essential for knowledge development in their internationalization (Nordman, 2009), partnerships with foreign partners help new ventures come up with concepts for creating knowledge-intensive products, enhancing customer support, and even cutting production and inventory costs by working with network partners (Zou et al., 2010).

Evers and O'Gorman (2011) found that different network ties have been demonstrated to influence the choice of exchange partner, foreign market access, and market selection based, furthermore, they asserted that entrepreneurs choose international markets initially through their primary business network partners.

Networking is essential for INVs to internationalize since it helps them take advantage of opportunities, get information about foreign markets, and overcome the challenge of being new (Fernhaber & Li, 2013), Networks play a significant role in helping INVs decide which overseas market to enter and how to do so to build partnerships with significant international companies, and as these firms are young and unstable, their connections shape their strategy (Gerschewski et al., 2015).

Networks support INVs in learning about foreign markets, reducing uncertainty, and influencing entrepreneurs to innovate in global markets (Musteen et al., 2014), INVs network variety is necessary for these businesses to achieve radical internationalization and innovativeness (Gerschewski et al.2015).

Networks play a major role in generating new ventures and entrepreneurial activity including acquisitions, partnerships, mergers, and company dissolutions (Lans et al., 2015), networks improve new ventures' international success and are crucial for entrepreneurial orientation (Karami & Tang, 2019).

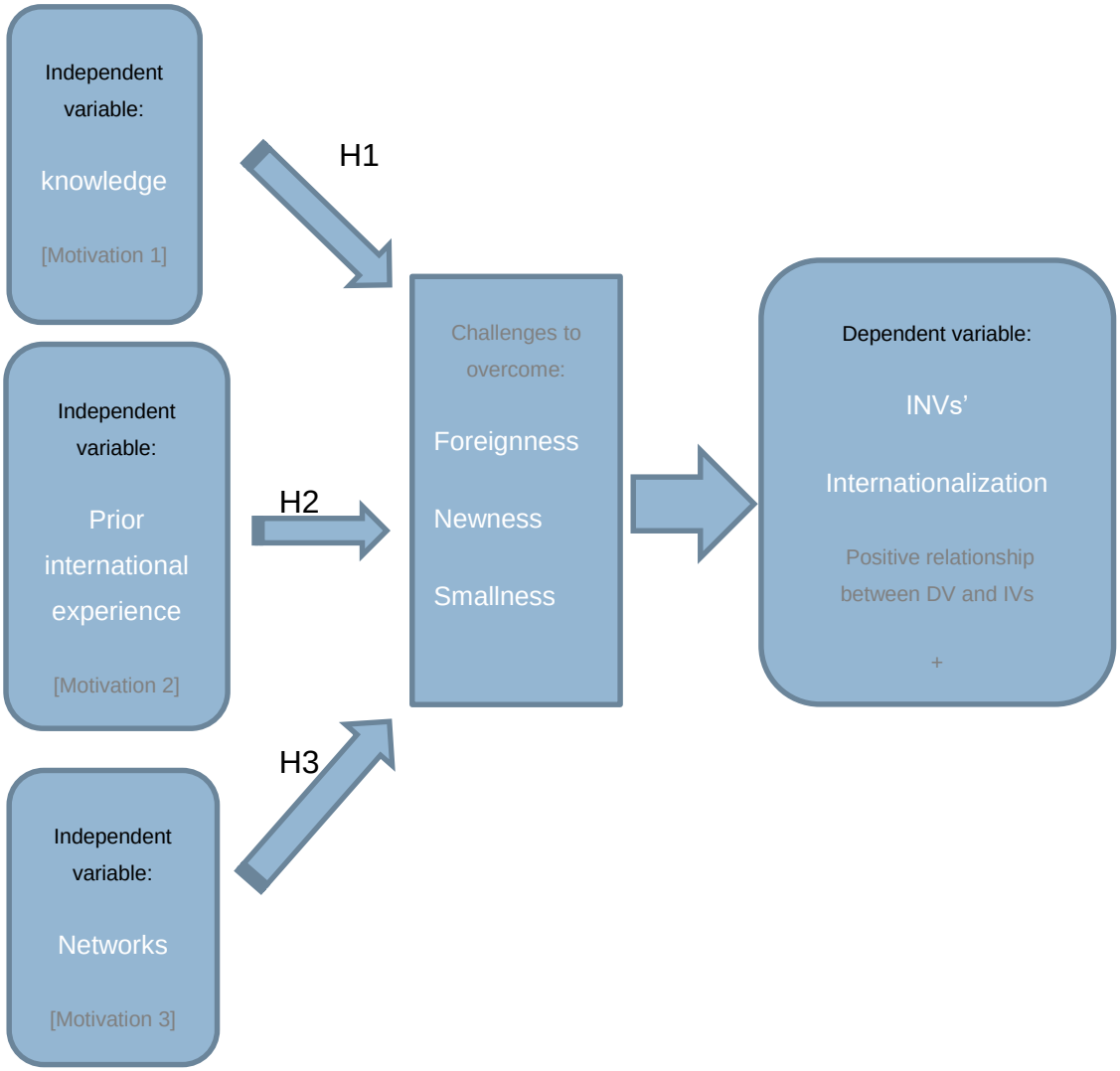
Companies that are internationalizing can leverage their networks to learn about taking advantage of global business prospects. it was found that networks have a favourable impact on performance and are highly related (Nordman, 2009). A new venture can utilize networking during its global operations to improve its products and comprehend the features of specific product offerings to meet the demands of customers in foreign markets (Zou et al., 2010).

By leveraging networks effectively, businesses can get past obstacles like small size, insufficient internal resources, and remoteness from foreign markets (Vasilchenko & Morrish, 2011). This allows them to innovate and perform globally, resulting in higher export earnings, they can effectively compete in the global economy by being able to establish and leverage networks that promote product commercialization across foreign markets (Vasilchenko & Morrish, 2011).

Found that networks compensate INVs for the lack of resources, accelerate their internationalization, and help them overcome challenges, it is hypothesized:

H3: There is a positive relationship between networks and INV's internationalization, and networks enable INVs to overcome challenges in their internationalization.

2.6 Conceptual framework of hypotheses



I Figure1: Conceptual Framework

(Source: Own Conceptual Framework)

2.7 Conclusion of Literature Review.

The exploration of the International New Ventures (INVs) theory relating to the motives triggering the establishment and internationalization of INVs including knowledge, foreign experience, and networks, in particular, discovers a complex web of interrelated dynamics that significantly influence venture success in international markets. Several significant themes and insights come to light as concluded in this literature review, providing insight into the complex interactions between INVs' internationalization journey and their motives.

Understanding the history of enterprises with a global vision from genesis has undergone a paradigm change according to the fundamental principles of the INVs theory, which were first introduced by Oviatt and McDougall (1994). The theory contests common understanding by claiming that some endeavours with goals other than traditional incrementalism demonstrate an early and faster internationalization process.

The literature review highlights the crucial role that knowledge plays in propelling the internationalization process and equipping INVs with the necessary tools to surmount challenges related to their foreignness, newness, and smallness.

International experience plays a major influence in accelerating the internationalization process, according to the INVs theory. Challenged by the traditional stages model, the Born Global approach draws on the experience of the international market gained by entrepreneurs and top management teams. Expertise like this helps businesses internationalize early and quickly by reducing the risk of being perceived as foreign and assisting in managing the uncertainties that come with expanding internationally.

Networks show up as strategic resources that are essential to INV's success. Social and professional networks are crucial in getting access to knowledge, opportunities for collaboration, and resources needed for internationalization. Networks play the role of strategic facilitators, helping INVs overcome the barriers of being small by providing access to important resources and becoming less foreign by functioning as a conduit to business practices and local knowledge.

The literature consistently highlights the interconnectedness of networks, international experience, and knowledge as motives. Rather, they combine to develop a comprehensive strategy that gives INVs the tools they need to manage the difficulties that come with operating in a global economy. These motivational elements play a crucial role in promoting success, regardless of the challenges posed by unfamiliar foreign environments, complex new markets, or the limitations inherent in being small players.

The INVs theory and the reasons behind internationalization have created rich opportunities for further research, as we come to the end of this review. Promising avenues for expanding our knowledge of the role motivations play in INVs' success include examining the subtle relationships between these motivations, recognizing the significance of cultural contexts, and modifying strategies in the age of digital globalization.

As a result, the literature review sheds light on the complex connections between INVs' internationalization journey and their motivations. When it comes to directing enterprises through the intricacies and obstacles of global markets, knowledge, international experience, and networks become not only individual drivers but also intertwined factors that greatly impact the success of INVs.

Table 1:Summary of Hypotheses

Hypothesis Description
H1: There is a positive relationship between knowledge and INVs internationalization, and knowledge enables INVs to overcome challenges in their internationalization.
H2: There is a positive relationship between prior international experience and INVs internationalization, and prior international experience enables INVs to overcome challenges in their internationalization.
H3: There is a positive relationship between networks and INVs internationalization, and networks enable INVs to overcome challenges in their internationalization.

CHAPTER 3: RESEARCH METHODOLOGY

Utilizing a survey study strategy to examine the correlations between variables, the research employed a quantitative methodology. An online questionnaire with closed-ended questions was sent to participants from INVs operating in South Africa, regardless of the type of industry they work in. This chapter addresses the research design, population and sample, instrument, data collection process, data analysis, and validity and reliability of the study in light of these findings.

3.1Research Methodology /Paradigm

The researcher used a quantitative research approach for this investigation. Through the analysis of the relationship between variables, objective theories can be tested through quantitative research. These variables can then be measured, usually with tools, allowing numbered data to be subjected to statistical techniques for analysis (Creswell, 2009).

The post-positivist research paradigm, which holds that causes most likely determine effects or outcomes, was chosen for this study, research in the traditional sense has been based on post-positivist assumptions, which are more applicable to quantitative than to qualitative research (Creswell & Creswell, 2018).

The term "post-positivism" refers to a way of thinking that came after positivism, questioning the conventional understanding of knowledge as absolute truth and realizing that studying human behaviour and actions cannot allow us to be "positive" about what we know (Creswell & Creswell, 2018).

Post-positivists have a deterministic ideology (Creswell & Creswell, 2018). As a result, post-positivists' research reflects the necessity of determining and evaluating the factors that influence results, including those of experiments (Creswell & Creswell, 2018). In addition, it is reductionist since the goal is to condense the concepts into a narrow, distinct collection of concepts for testing, such as the variables that make up research questions and hypotheses (Creswell, 2009), Furthermore, in order to reach conclusions and generalize facts, deductive logical reasoning will accept the application of pre-existing rules, presumptions, findings, and theories (Creswell, 2013).

This approach is appropriate for the study because the goal was to examine the relationship between challenges and motives for internationalizing INVs operating in South Africa.

3.2 Research Design

This study used an exploratory research design, which has the following goals, increasing the researcher's familiarity with the problem, developing hypotheses, clarifying concepts and defining the problem, formulating the problem for more precise investigation, and establishing priorities for additional investigation (Pawar, 2020).

Exploratory design has the advantage of being able to answer questions like "What," "Why," and "How can we get there?" as well as determine research goals and acquire background information on a particular issue (Pawar, 2020), However, the disadvantages include the possibility of an unstructured research style and the possibility of the entire population being generalized from exploratory research data (Pawar, 2020).

The researcher chose the quantitative approach to perform an online questionnaire survey study, INV'S entrepreneurs, founders, managers, and stakeholders operating in South Africa were given access to a closed-ended online questionnaire. These techniques are deemed suitable and optimal for use in quantitative research (Field, 2009), Additionally, using this strategy will save money and time as primary data will be gathered from INV'S respondents who are based in South Africa.

The advantages of adopting the online questionnaire, are the duration required to deploy a survey in the field and the ease with which data may be collected can be decreased by managing and distributing an online survey, interactions with geographically dispersed responder groups and information servers can be conducted in real-time because of the Internet's speed and global reach (Evans & Mathur, 2005).

Considering the disadvantages of online surveys, numerous researchers have examined the poor response rates of various online surveys; furthermore, there is scant evidence in the literature indicating that response rates to online surveys are generally lower than those of other survey forms (Evans & Mathur, 2005).

3.3 Population and Sample

3.3.1 Population

Participants from all genders, races, and ages were taken into consideration for this study, which included INV founders, entrepreneurs, and INVs' TMTs working in South Africa.

The population of INVs was internationalized from the beginning, or almost from the beginning, Oviatt and McDougall (1994) define an INV firm as "a business organization that from inception seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries" p. (49).

Moreover, studies revealed examples of INVs that went global within three years of their establishment (Knight & Cavusgil 2004).

3.3.2 Sample and sampling method

With the help of the Qualtrics platform, the researcher emailed participants in INVs with a closed-ended online questionnaire in an attempt to reach the target population of 200 responses.

The study's target INVS were those that, from the beginning, sought to gain a competitive advantage through the use of resources and sales in other countries (McDougall, 1994); the sample for this research came from INVs operating in South Africa.

Non-probability convenience sampling is the sampling methodology used in this study to find participants, Convenience sampling involves choosing participants based on their frequent availability, Convenience sampling is typically preferred by students over other sample strategies since it

is less expensive and simpler to use, Convenience sampling frequently aids in overcoming a number of the limitations related to research (Taherdoost, 2016).

The precise number of international new ventures (INVs) in South Africa is sadly not readily available from any publicly accessible source, International new ventures (INVs) in South Africa are not officially counted by a single, easily accessible source, the term "international new venture" can vary slightly throughout sources, and there may not be a centralized system in South Africa keeping track of these particular kinds of ventures.

However, the researcher looked for the top-listed INVs regardless of industry type through various websites, including Business Directory South Africa, memeburn, startuplist.africa, the INVs' official websites, social media, or in-person interactions to get the email addresses of the founders, TMTs, and employees of the INVs to send invitations to make it easier to access and get in touch with respondents. The researcher also made connections with INV participants through his social network.

The selection criteria for the study's target respondents were any respondent who is currently working as a manager, executive, TMTs member, employee, expert, founder, or INVs' entrepreneur. Since these respondents are familiar with digitalization in the workplace, it was anticipated that by concentrating on different levels of leadership and management, pertinent and appropriate responses would be produced.

Initially, emails and social networking sites like Facebook, Instagram, and LinkedIn were used to distribute questionnaires. Following multiple follow-up requests, 136 out of the 400 emails sent to the targeted respondents were returned, amounting to a

34% response rate. Following a meticulous process of removing any missing data from the responses, 114 responses were left. This final number of responses served as the study sample for further analysis.

The sampling adequacy analysis using Bartlett’s and KMO was performed to determine whether the study's sample size was sufficient. The results showed that the sample size's KMO was greater than 0.07, which is regarded as a good measure for adequate sampling (Fields, 2013).

To reduce bias, the sample frame was based on INVs operating in South Africa that fit the INV's parameters and were selected at random, the survey invitation clearly stated the participant's freedom to participate, the researcher avoided using judgmental language in the questionnaire, and the researcher assured the participant that they could direct any questions to the supervisor. It also clarified that all information collected from participants would be kept private and used only for research.

The researcher sent emails to reach out respondents and compile a representative sample. Information about the participants was acquired from December 1st, 2021 to February 26th, 2022.

Table 2: Sampling of respondents

Description of respondent type, e.g. Manager, Union representative, student	Number to be sampled
INVs' Entrepreneurs INVs' Managers, TMTs INVs' employees	136
Total	136

(source: primary data)

3.4 The research instrument

Participants were given access to a seven-point Likert scale online closed-ended questionnaire created with (Qualtrics) software, which served as the data collection instrument.

Closed-ended questions are more likely to result in fully completed questionnaires while preventing irrelevant responses. Closed-ended questionnaires are easy to administer, code, and analyse, allow comparisons and quantification, and are frequently used in quantitative research while open questions are used in qualitative research (Bird, 2009).

3.4.1 Sample criteria constructs:

Oviatt and McDougall (1994) offered a theoretical framework for researching global new initiatives, which they characterized as "business organizations that, from inception, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries" (p. 49), Thus, the researcher confirmed that the INVs respondents met the criteria

of the sample and that from inception or nearly from inception conducted their businesses in multiple countries.

3.4.1.1 INV internationalization:

The research operationalized the internationalization dependent variable on a seven-item Likert scale from 1 to 7 (7 highly agree), Expanding on earlier works of literature the research used international performance to measure INVs' internationalization, Gerschewski et al (2015) indicated that several scholars have adopted financial and operational performance to be able to measure international performance, In addition, Ripolles and Blesa (2022) indicated several items to gauge a company's international performance, that is, profitability, market share, sales volume, market access, and general performance, thus, the questionnaire see (Appendix A) has covered questions related to the financial and operational performance of INVs, including international sales volume, International sales growth, International profitability, Overall international performance, further EFA and scale reliability to verify the scale's reliability and validity.

3.4.1.2 Prior international experience:

The researcher operationalized the independent variable prior international experience on a seven-item Likert scale from 1 to 7 (7 highly agree), Building on earlier research, prior international experience can be evaluated in a several ways, including overseas commercial dealings and international sales experience (Rueber & Fischer, 1997), Accordingly, the questionnaire that was given to the participants asked about their experience with business and selling operations abroad and how does this experience impact their INVs; please refer to Appendix A for detail, additionally, to verify the validity and

reliability of the construct, EFA and scale reliability were carried out.

3.4.1.3 Knowledge:

The research operationalized the prior knowledge interdependent variable on a seven-item Likert scale from 1 to 7 (7 highly agree),

The construction was developed by the researcher using previous literature as a basis. Research has shown that market knowledge, such as sales, promotions, distribution, and customer relationships, influences the internationalization of new ventures (Naldi & Zahra, 2007). Additionally, technological knowledge includes ways to produce products and services, as well as ways to plan and develop the production process. EFA and scale reliability were conducted to ensure the validity and reliability of the scale, the researcher employed the construct on the questionnaire, which included items about market and technological knowledge (Appendix A).

3.4.1.4 NETWORKS:

The research operationalized networks interdependent variable on a seven-item Likert scale from 1 to 7 (7 highly agree), Utilizing prior research as a foundation, the investigator created the construction, business and social networks were measured to demonstrate the degree to which a company has connections with its network, which includes suppliers and rivals (Ribeiro et al, 2021), in addition, It has been recommended, based on earlier research, to determine the measure that most accurately captured the degree of networking between the main company and other stakeholders, such as rivals, suppliers, customers, collaborators, and other institutional entities (Ge & Wang, 2013), thus, the questionnaire covered questions regarding relationships among

INVs and their stakeholders, see (Appendix A), to further assess the construct validity and reliability, EFA and scale reliability were used.

Table 3: Measurement instrument

Description of construct/variables/items	Sourced from	Prior reliability and validity issues
Internationalization (international performance)	Gerschewski et al. (2015) Ripolles & Blesa (2022)	Operational performance α =.94 Financial performance α =.91 International performance α =.91
International experience	(Reuber & Fischer, 2007)	N.A
knowledge	(Naldi & Zahra, 2007)	Market knowledge α = .92 Technological knowledge α = .87
Networks	(Ge & Wang, 2013) (Ribeiro et al, 2021)	Business networks α=.824 Social networks α=.779 Networks (social and business ties α=.71)

3.5 Procedure for data collection

An online closed-ended questionnaire created by Qualtrics was used to collect the data, and responses were gathered between December 2021 and February 26, 2022. Through emails and social media, questionnaires were sent to INVs' founders, employees, TMTs, and entrepreneurs.

3.6 Data Analysis and interpretation:

The SPSS v27 software was used for data analysis and testing of hypotheses. After screening the data, the researcher conducted the analysis accordingly, Frequencies, Descriptive Statistics, Exploratory Factor Analysis (EFA) to test validity, Scales Reliability, Multiple Linear Regression, and finally the Non-Parametric testing.

3.6.1 Exploratory Factor Analyses:

The data for this study were analysed using exploratory factor analysis (EFA). This was carried out to guarantee comprehension of interpretation and relationship patterns, EFA are techniques for identifying clusters of variables. These techniques have three main uses, to understand the structure of a set of variables, to construct a questionnaire to measure an underlying variable, and to reduce a data set to a more manageable size while retaining as much of the original information as possible (Field, 2013).

The researcher used Promax and the principle axis factoring technique since it is a quicker process for huge data sets and can reduce the number of variables and their relationships (field, 2013).

3.6.2 Linear regression analyses:

The predictive variables, knowledge, prior international experience, and networks were tested using multiple linear regression concerning the dependent variable, INVs internationalization, Regression analysis is the process of fitting a linear model to our data to forecast values of one or more predictor variables (also known as independent variables) from the values of an outcome variable (also known as a dependent variable). The method is commonly referred to as simple regression when there is just one predictor variable in the model; multiple regression is the term used when there are several predictors. Thanks to this tool, we can do more with the data we have acquired than we could have imagined (field, 2013).

3.7 Validity and reliability of research

Validity explains how well the collected data covers the actual area of investigation (Taherdoost, 2016), Whether an instrument truly measures what it is intended to measure is referred to as validity (field, 2013).

Reliability refers to the measure's capacity to yield the same outcomes under the same circumstances. The instrument needs to be reliable to be valid. Testing the same group of people twice is the simplest technique to determine dependability because a reliable instrument will yield results that are similar at both times (test–retest reliability) (Field, 2013).

Reducing measurement error was another goal of the validity and reliability tests (Field, 2009), thus, it was crucial to assess the validity and reliability of the instrument, scale, and constructs because this study measured the various constructs using a questionnaire with multi-item scales. With the aid of

these tests, the researcher was able to determine whether the study was accurately and consistently measuring the objectives.

3.7.1 External validity

External refers to the generalizability of the treatment effect to different populations, settings, treatment factors, or measurement variables and is referred to as validity (Ferguson, 2004).

The sample data was gathered in a variety of contexts, including INVs operating in South Africa and having a presence in other countries, a range of ages, and founders with backgrounds both domestically and outside who received varying degrees of support. Due to this diversity, the study was able to produce reliable findings that could be applied to the INV population in SA. As a result, the study contributes to external validity.

3.7.1 Internal validity

Internal validity refers to the level of assurance with which claims about the connections between variables can be made in light of how the variables were measured or modified (Ferguson, 2004).

Determining internal validity is a logical procedure that is pre-planned in the study design (Ferguson, 2004), It was anticipated that the large population size and adherence to the study plan would enhance internal validity (Creswell, 2013).

The participants were asked to provide explicit answers to the questionnaire, and this was stressed. Additionally, because the instrument employed was not newly developed, a different

type of INV participants with an international or global mind-set was randomly selected during the same period, Respondents were all given identical questionnaires at the same time (Field, 2013), in addition, it was anticipated that the random participant selection will enhance the internal validity test findings (Creswell, 2013), As a result, the research ought to support internal validity.

3.7.3 Reliability

Reliability is the extent to which measuring a phenomenon produces consistent findings, the most commonly used internal consistency statistic is the Cronbach Alpha coefficient. Likert scales are regarded as the most appropriate way to measure reliability. Although there are no set requirements for internal consistency, most agree that 0.70 is a minimum (Taherdoost, 2016).

CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

The outcomes of the data analysis are presented in this chapter in connection to the research questions and hypothesis. The sample description comes first, exploratory factor analysis (EFA), then linear regression, and lastly, a non-parametric test that is used to assess the hypotheses.

4.2 Demographic profile of respondents

Participants included INVs' founders\entrepreneurs, TMTs, and employees in South Africa.

4.2.1 Respondents Characteristics

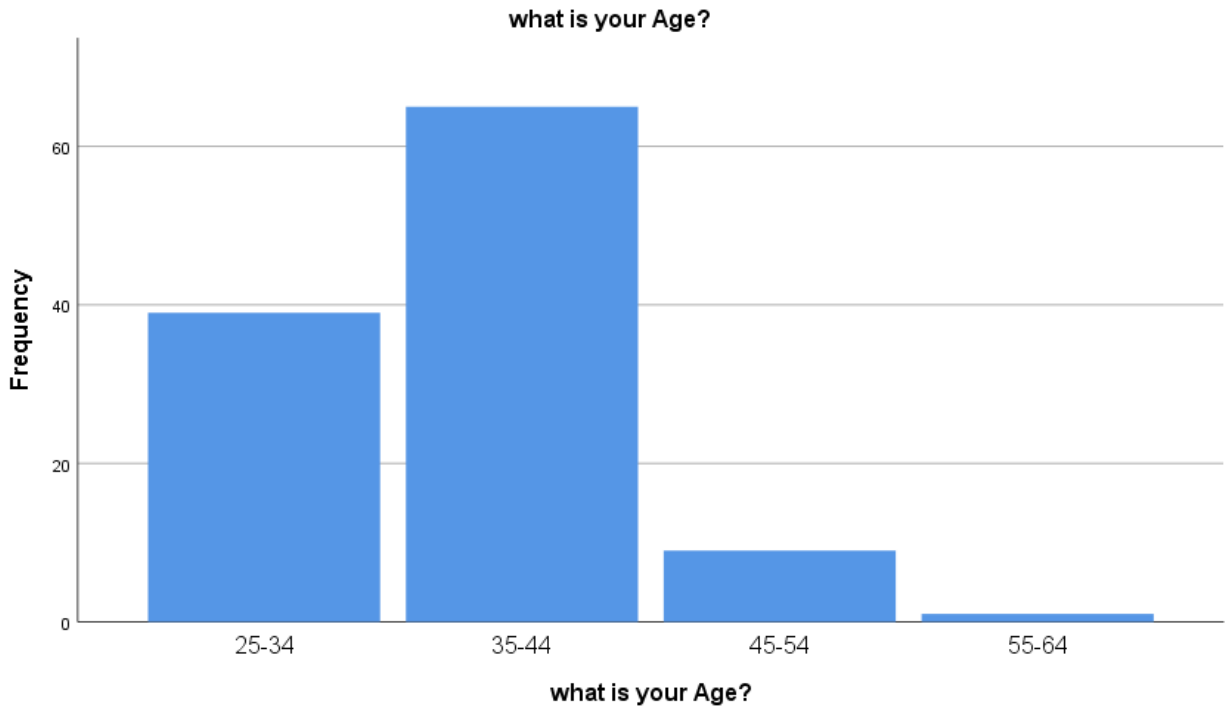
One hundred and fourteen replies were obtained. Before beginning the data analysis procedure, the researcher combined the participant data and began by cleaning up any missing data. As a result, the number of participants was lowered from 136 to 114.

Table **4** and Figure **2** illustrate the age distribution of participants in this research: 39 respondents (34.2%) fell between the 25 and 34 age range, 65 respondents (57%) were in the 35–44 age range, 9 respondents (7.9%) were in the 45–54 age range, and 1 respondent (0.09%) was in the 55–64 age range.

what is your Age?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-34	39	34.2	34.2	34.2
	35-44	65	57.0	57.0	91.2
	45-54	9	7.9	7.9	99.1
	55-64	1	.9	.9	100.0
	Total	114	100.0	100.0	

Table 4: Age of respondents



II Figure 2: Age of respondents

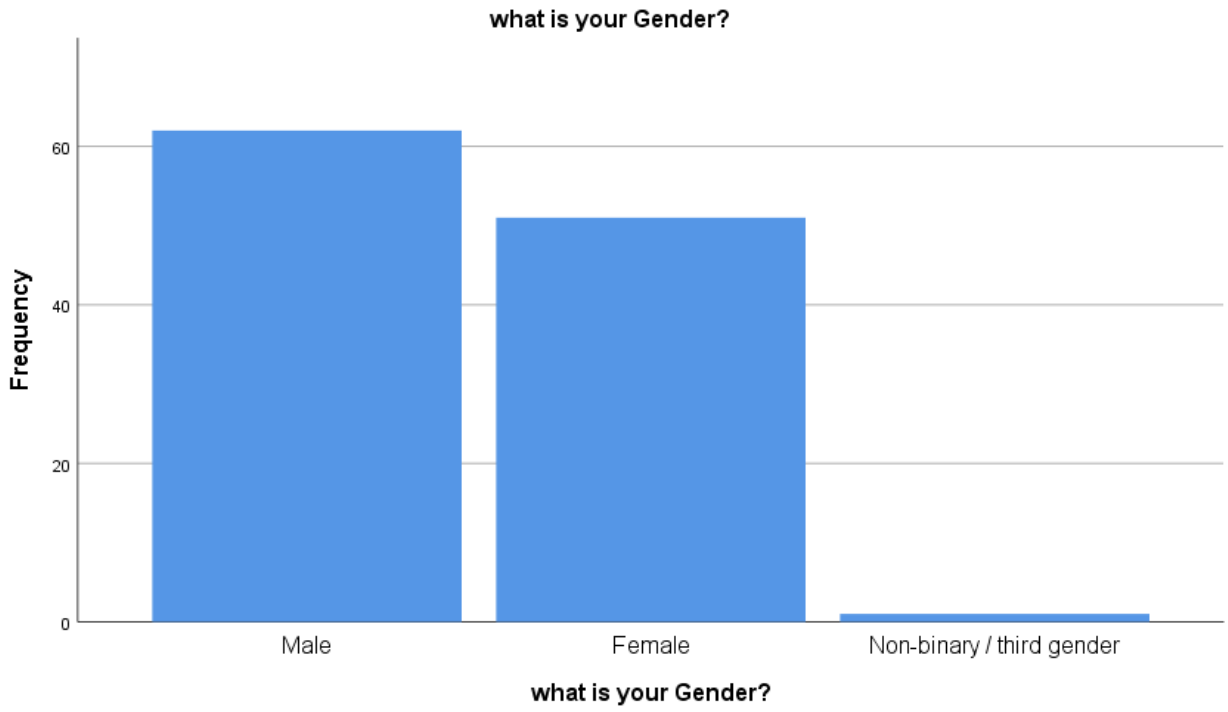
4.2.2 Gender

Participants' genders are shown in Table **5** and Figure **3**, with 62 men making up 54.4% of the sample, 51 women making up 44.7%, and 1 non-binary/third gender making up 0.09%.

what is your Gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	62	54.4	54.4	54.4
	Female	51	44.7	44.7	99.1
	Non-binary / third gender	1	.9	.9	100.0
	Total	114	100.0	100.0	

Table 5: Gender of respondents



III Figure 3: Gender of respondents

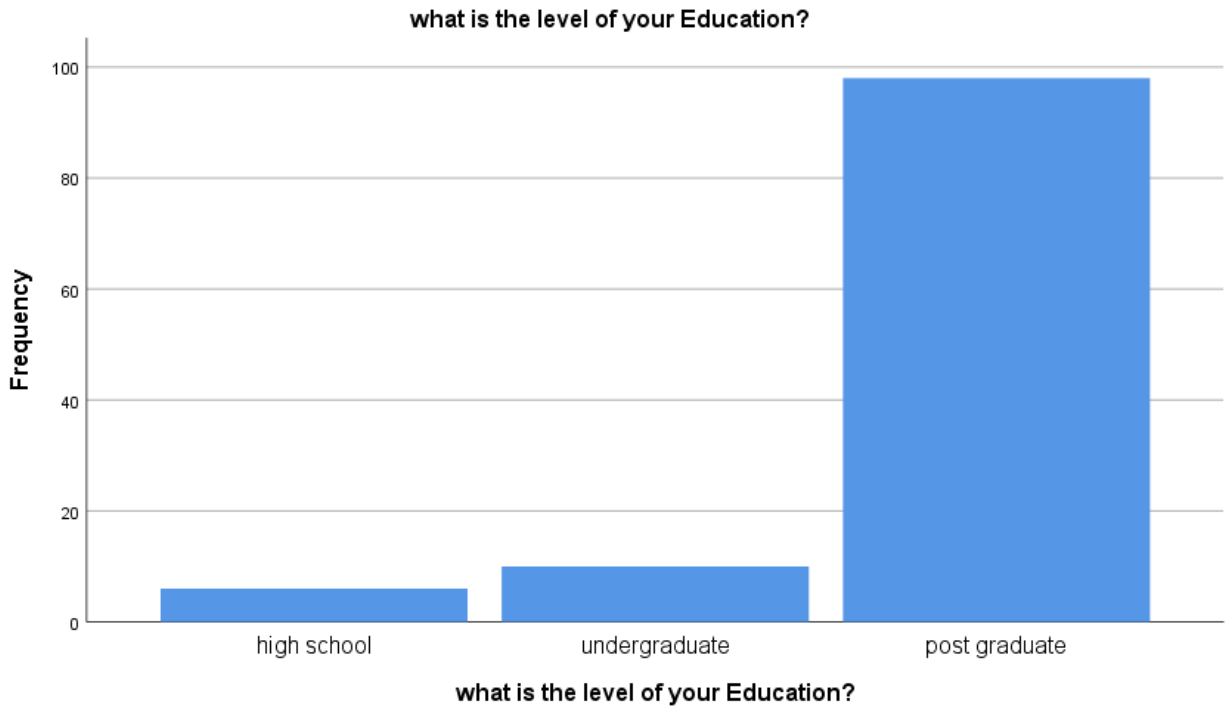
4.2.3 The level of education:

The percentage of INV participants with varying levels of education is shown in Table **6** and Figure **4** Of the sample as a whole, 98 respondents, or 86%, have post-graduated, 6 respondents (5.3%) have attended high school, and 10 respondents (8.8%) have attended college.

what is the level of your Education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	high school	6	5.3	5.3	5.3
	undergraduate	10	8.8	8.8	14.0
	post graduate	98	86.0	86.0	100.0
	Total	114	100.0	100.0	

Table 6: Level of respondents' education



IV Figure 4: Respondents' level of education

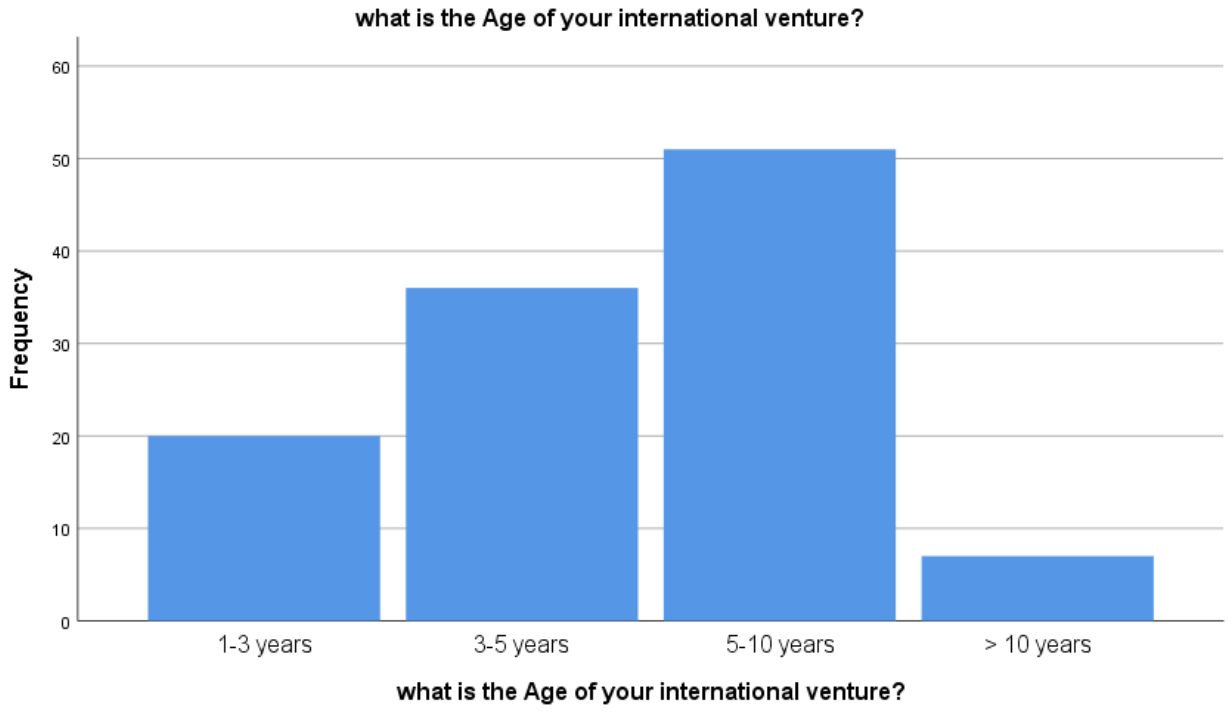
4.2.4 INVs' characteristic:

Table **7** and Figure **5** shows that the majority of INVs (44.7% of all INV replies) were established between 5 and 10 years, followed by 31.6% from 3-5 years, 17.5% from 1-3 years, and 6.1% from >10 years.

what is the Age of your international venture?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3 years	20	17.5	17.5	17.5
	3-5 years	36	31.6	31.6	49.1
	5-10 years	51	44.7	44.7	93.9
	> 10 years	7	6.1	6.1	100.0
	Total	114	100.0	100.0	

Table 7: Age of INVs



V Figure 5: Age of INVs

4.3 Results pertaining to Hypotheses

The results for hypotheses testing including descriptive statistics, exploratory factor analysis (EFA), reliability, and simple linear regression followed by non-parametric tests are shown in the following subsections:

4.3.1 DESCRIPTIVES and FREQUENCIES

The frequencies and descriptive statistics of the major variables both dependent and independent as well as the standard deviation and mean value obtained from the respondents' seven-point Likert scale which represented their degree of agreement or disagreement are shown in this section.

4.3.1.1 Prior International Experience:

According to the descriptive data Table **8** represent that, PE4 (mean = 6.09) was the highest rated item with the prior international experience construct, followed by PE5 (mean = 6.04), while PE1 and PE3 (mean = 5.97) were the lowest. Because each item’s mean value was higher than the scale midpoint (4), they were all given high ratings, followed by Table **9** representing the percentage of frequencies.

Table 8: Descriptive Statistics for Prior International Experience

IV: Prior international experience	Mean	Standard deviation
PE1: Thanks to my prior international work experience, I know how to start a viable business venture	5.97	.982
PE2: Thanks to my prior international work experience, I know well clients problems	5.98	.912
PE3: Thanks to my prior international work experience, I can identify opportunities in the international market	5.97	1.085
PE4: Thanks to my prior international work experience, am comfortable at work as I know how business works	6.09	.089
PE5: Thanks to my prior international experience, my hand on experiences with a technology that is important for my forthcoming business	6.04	.925

Table 9: Percentage of frequencies (Prior Experience)

Items	n	Completely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Mostly Agree	Completely Agree
PE1	114	0%	0.09%	1.8%	2.6%	21.9%	39.5%	33.3%
PE2	114	0%	0.09%	0.09%	0.09%	25.4%	40.4%	31.6%
PE3	114	0.09%	0.09%	0.09%	3.5%	21.9%	35.1%	36.8%
PE4	114	0.09%	0%	0.09%	0.09%	19.3%	41.2%	36.8%
PE5	114	0.09%	0%	0.09%	0.09%	23.7%	37.7%	36%

4.3.1.2 Knowledge:

KNW8 (mean = 6.05) was the item with the highest rating with the prior foreign experience construct, followed by KNW5 (mean = 5.94) in the descriptive data; KNW1 and KNW3 (mean = 5.82) were the lowest rated items as a result. All of the items received high ratings since their means exceeded the scale's midpoint as shown in Table **10**, follow this Table **11** represents the percentage of frequencies.

Table 10: Descriptive Statistics for Knowledge

Variable: IV Knowledge	Mean	Standard deviation
KNW1: please indicate to what level you Agree or Disagree with the following statement - my knowledge of ways to produce products\services similar to that of my forthcoming business	5.82	1.069
KNW2: please indicate to what level you Agree or Disagree with the following statement - my knowledge of products\services similar to that of my forthcoming services\products	5.89	.896
KNW3: please indicate to what level you Agree or Disagree with the following statement - my knowledge of specific standards similar to that my forthcoming products\services would need to meet	5.82	.908
KNW4: please indicate to what level you Agree or Disagree with the following statement - my knowledge of different customers problems similar to that my forthcoming business could help with	5.91	.878
KNW5: please indicate to what level you Agree or Disagree with the following statement - my knowledge of ways customers use products\services similar to that my forthcoming business	5.94	.834

KNW6: please indicate to what level you Agree or Disagree with the following statement - my knowledge of suppliers in the markets similar to that my forthcoming business	5.88	.884
KNW7: please indicate to what level you Agree or Disagree with the following statement - my knowledge about market functions similar to that my forthcoming business	5.89	.849
KNW8:please indicate to what level you Agree or Disagree with the following statement - my knowledge of specific technology important of my forthcoming business	6.05	.762

Table 11: Percentage of Frequencies (knowledge)

Items	n	Completely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Mostly Agree	Completely Agree
KNW1	114	0.9%	0%	0.09%	7%	28.1%	32.5%	30.7%
KNW2	114	0%	0%	0.09%	3.5%	29.8%	36.8%	28.9%
KNW3	114	0%	0%	1.8%	3.5%	30.7%	39.5%	24.6
KNW4	114	0%	0%	.09%	3.5%	27.2%	40.4%	28.1%

KNW5	114	0%	0%	.09%	1.8%	27.2%	43%	27.2%
KNW6	114	0%	0%	1.8%	1.8%	29.8%	40.4%	26.3%
KNW7	114	0%	0%	1.8%	.09%	28.9%	43.9%	24.6%
KNW8	114	0%	0%	0%	.09%	23.7%	44.7%	30.7

4.3.1.3 Networks:

In the descriptive data, NET7 (mean = 6.20) had the greatest rating with the prior foreign experience construct, followed by NET5 and NET4 (mean = 6.19). As a result, NET2 (mean = 5.98) had the lowest ratings. Since the means of the items were higher than the scale's middle point, all of the items were rated highly as shown in Table **12**, followed by Table **13** representing the percentage of frequencies.

Table 12:Descriptive statistics for Networks

Variable: IV Networks	Mean	Std Deviation
NET1: your INV experiences high frequency of communication with other export associations	5.97	.
NET2: your INV experiences high frequency of participation with the local international trade	5.98	.922
NET3: In our relationships, other parties always keep promises to us	6.05	1.159
NET4: We discuss regularly with our key network partners how we can support each other	6.19	.967
NET5: We almost always solve problems constructively with our network partners	6.19	.967
NET6: We know our network partners, markets, products\services strength\weaknesses	6.07	.806
NET7: In our firm managers and employees often give feedback about to each other	6.20	.904

Table 13: percentage of frequencies (Networks)

Items	n	Completely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Mostly Agree	Completely Agree
NET1	114	0%	.09%	1.8%	3.5%	16.7%	45.6%	31.6%
NET2	114	0%	.09%	.09%	4.4%	15.8%	49.1%	28.9%
NET3	114	0%	.09%	3.5%	7.9%	10.5%	31.6%	45.6%
NET4	114	.09%	0%	0%	3.5%	14.9%	35.1%	45.6%
NET5	114	.09%	0%	0%	4.4%	12.3%	37.7%	44.7%
NET6	114	0%	0%	0%	4.4%	15.8%	48.2%	31.6%
NET7	114		.09%	.09%	2.6%	10.5%	43%	42.1%

4.3.1.4 Internationalization:

With regard to the internationalization dependent construct, INT3 (mean = 5.82) received the highest rating in the descriptive data, followed by INT2 (mean = 5.76), and INT3 (mean = 5.75), which received the lowest ratings. All of the items received good ratings since their means were greater than the middle point of the scale as shown in Table **14**, followed by Table **15** representing the percentage of frequencies.

Table 14: Descriptive Statistics for Internationalization

DV: Internationalization **(Items)**	**Mean**	**Standard deviation**
INT1: your INV international sales have increased (last 3 years)	5.75	.927
INT2: your INV profitability have increased (last 3 years)	5.76	.886
INT3: your INV international performance have improved (last 3 years)	5.82	.992

Table 15: Percentage of Frequencies (Internationalization)

Items	n	Completely Disagree	Mostly Disagree	Somewhat Disagree	Neither Agree or Disagree	Somewhat Agree	Mostly Agree	Completely Agree
INT1	114	0%	.09%	1.8%	4.4%	25.4%	49.1%	18.4%
INT2	114		.09%		6.1%	26.3%	48.2%	18.4%
INT3	114	.09%	.09%		5.3%	21.9%	49.1%	21.9%

4.3.2 Exploratory Factor Analysis (EFA):

The three constructions, knowledge (KNW), prior international experience (PE), and networks (NET) constituted the independent variables in the study, while the construct of internationalization (INT) served as the dependent variable. Since the factors are anticipated to be correlated, principal axis factoring was utilized to determine the number of factors from the 29 items. To optimize the factor structure, the items were rotated using the oblique rotation with Promax. The eigenvalue rule of greater than one was used with a Scree Plot to determine how many elements to extract.

A factor's optimal loading was determined by dividing its loading by 0.4, with three or more items required for each factor. In the next subsections pertaining to the exploratory factor analysis, the pattern matrix was analysed along with the total variance explained.

4.3.2.1 Pattern matrix, Total variance explained, and Scree Plot

Table **16 and Table 17** shows that from EFA analysis, two items (NET1) and (KNW4) were removed from consideration during the iterations because they either failed to load or loaded on the incorrect factor, Field (2013) reported that "the pattern matrix was preferred over the structure matrix for interpretative purposes because it contains information about the unique contribution of a variable to a factor and is easy to interpret".

Table 16: Pattern Matrix 1

Pattern Matrix[a]

	Factor			
	1	2	3	4
KNW4	1.013			
KNW5	.942			
KNW8	.925			
KNW3	.777			
KNW6	.762			
KNW2	.732			
KNW7	.674			
KNW1	.639			
NET4		.946		
NET5		.892		
NET2		.778		
NET6		.756		
NET7		.731		
NET3		.655		
NET1		.544	.405	
PE2			.828	
PE1			.796	
PE3			.763	
PE5			.758	
PE4			.597	
INT1				.986
INT2				.947

INT3				.685

Extraction Method: Principal Axis Factoring.

Rotation Method: Promax with Kaiser Normalization.[a]

a. Rotation converged in 8 iterations.

Table 17: Pattern Matrix 2

Pattern Matrix[a]

	Factor			
	1	2	3	4
KNW5	.997			
KNW8	.949			
KNW6	.795			
KNW3	.793			
KNW2	.789			
KNW7	.703			
KNW1	.632			
NET4		.988		
NET5		.925		
NET6		.782		
NET7		.755		
NET3		.691		
NET2		.686		
PE2			.843	
PE1			.821	
PE3			.782	
PE5			.751	
PE4			.613	
INT1				.980
INT2				.946
INT3				.656

Extraction Method: Principal Axis Factoring.

Rotation Method: Promax with Kaiser Normalization.[a]

a. Rotation converged in 8 iterations.

The total variance explained is shown in Table **18**, According to the findings, four factors with eigenvalues larger than one were retained. The 21 original items that were included in the model were explained by 82.093% of the variance by the four factors that were retained. The acceptable threshold is a cumulative variance of 50%; if the variance of the data is higher, it has been reached and explained by the factors.

Table 18: Total Variance Explained

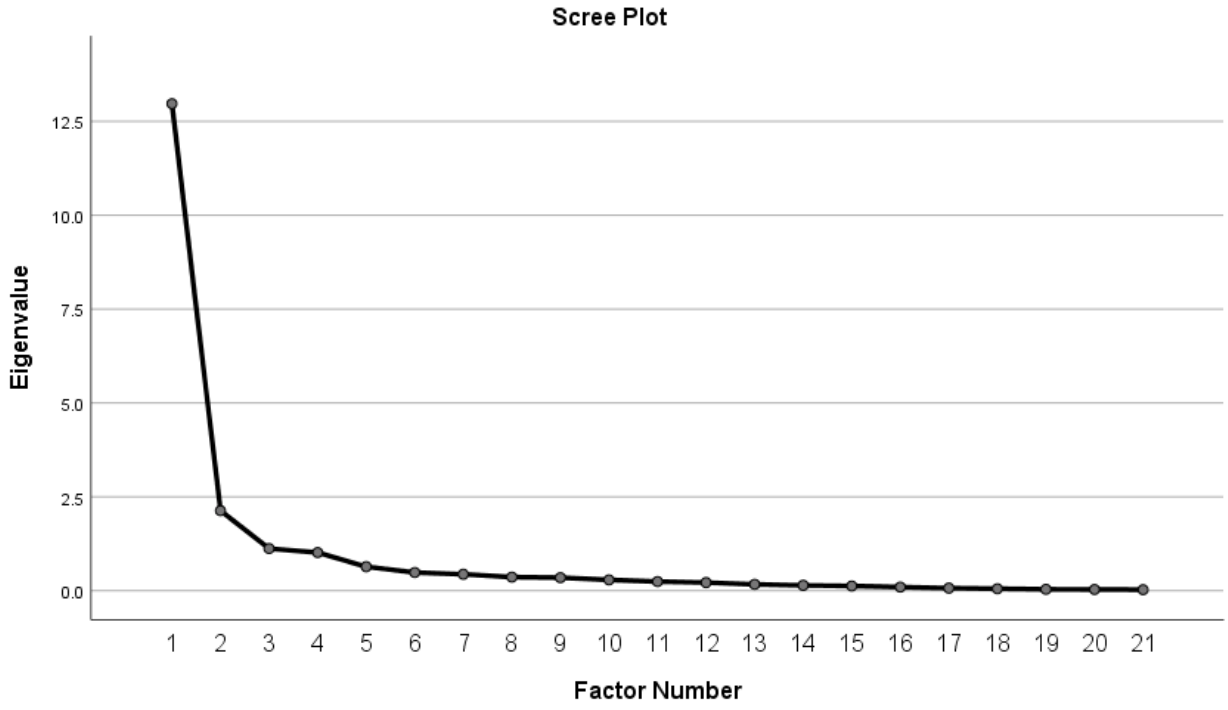
Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
Factor	Total	% of Vari-ance	Cumulative %	Total	% of Vari-ance	Cumulative %	Total
1	12.971	61.767	61.767	12.762	60.773	60.773	10.718
2	2.130	10.145	71.912	1.910	9.094	69.868	9.958
3	1.122	5.341	77.253	.903	4.302	74.169	9.613
4	1.016	4.840	82.093	.857	4.080	78.249	8.083
5	.638	3.040	85.132				
6	.485	2.307	87.440				
7	.437	2.083	89.522				
8	.362	1.723	91.245				
9	.347	1.653	92.898				
10	.288	1.370	94.269				
11	.242	1.154	95.422				
12	.215	1.025	96.448				
13	.168	.802	97.249				
14	.141	.674	97.923				
15	.126	.600	98.523				
16	.096	.457	98.980				
17	.068	.325	99.306				
18	.052	.249	99.554				
19	.035	.168	99.722				
20	.033	.155	99.877				
21	.026	.123	100.000				

Extraction Method: Principal Axis Factoring.

a. When factors are correlated, sums of squared loadings cannot be added to obtain a total variance.

Figure **6** represents that the scree plot indicated the extraction of four factors, according to the extraction line graph with eigenvalue > 1, it flattens after four components. This is consistent with the total variance explained in Table **18**.



VI Figure 6 : Scree Plot

4.3.2.2 KMO and Bartlett's test:

Table **19** indicates that KMO >.7 was used to establish sample adequacy. The results reveal that KMO =.886 indicates that KMO=>.7 is a good level of sampling adequacy and hence factor analysis was appropriate" (Field, 2009), in addition, the results of the Bartlett's Test of Sphericity showed that the items had high enough correlation values to warrant factor analysis (p-value = 0.000 < 0.05). According to Field (2013), the outcomes of these two tests show that the sampling adequacy was satisfied.

Table 19: KMO and Barlett's Test

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.886
Bartlett's Test of Sphericity	Approx. Chi-Square	3053.906
	df	210
	Sig.	.000

The KMO, which may be computed for both single and multiple variables, shows the relationship between the squared partial correlation and the squared correlation between the variables. Between 0 and 1 is the range of the KMO statistic. When the total of the partial correlations is zero, it suggests that there is diffusion in the correlation pattern and that factor analysis is probably not the best course of action. Factor analysis should produce distinct and dependable factors if the value is close to 1, which indicates that correlation patterns are relatively compact. Values greater than 0.5 are generally considered barely acceptable; values below this should prompt you to either gather more data or reconsider which variables to include. acceptable (numbers below this should prompt you to reconsider the variables you want to include or gather additional data). (Field, 2013).

4.4 Results pertaining to Hypothesis 1

There is a positive relationship between Knowledge and INVs' internationalization, and knowledge enables INVs to overcome challenges in their internationalization.

4.4.1 Exploratory Factor Analysis H1:

Applying the Promax approach, Table **20** shows that EFA extracted 7 items for the interdependent knowledge factor, accordingly, KNW1=.632; KNW2=.789; KNW3=.793; KNW5=.997; KNW6=.795; KNW7=.703; KNW8=.949, Consequently, it was determined that the factor loadings are significant.

In addition, EFA extracted 3 items for the INVs Internationalization dependent variable as represented. All 3 items were >.5 according to the KMO rule: INT1 =.980, INT2 =.946, INT3 =.656. Consequently, it was determined that the factor loadings are significant.

Table 20: Pattern Matrix H1

Pattern Matrix[a]

	Factor			
	1	2	3	4
KNW5	.997			
KNW8	.949			
KNW6	.795			
KNW3	.793			
KNW2	.789			
KNW7	.703			
KNW1	.632			
NET4		.988		
NET5		.925		
NET6		.782		
NET7		.755		
NET3		.691		
NET2		.686		
PE2			.843	
PE1			.821	
PE3			.782	
PE5			.751	
PE4			.613	
INT1				.980
INT2				.946
INT3				.656

Extraction Method: Principal Axis Factoring.

Rotation Method: Promax with Kaiser Normalization.[a]

a. Rotation converged in 8 iterations.

4.4.2 Reliability – H1: DV internationalization and IV knowledge scales:

Based on the criterion that scales should be ≥0.7 (Field, 2013), Cronbach's alpha was used to examine each scale's reliability (internal consistency), Table **21** represents the reliability scale for the dependent construct internationalization

with a Cronbach's Alpha=.951 >.7 which indicates a significant reliable scale.

Table 21: Reliability Statistics (Internationalization)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.951	.953	3

Table **22** represents the inter-item correlation of the five items measuring the dependent variable internationalization, according to Field (2013), all scales demonstrate reliability and convergent validity because, as the results show, each item has a correlation with its appropriate scale when the inter-item correlations are all bigger than 0.3. This is especially true for large samples.

Table 22: Inter-item Correlation Matrix (Internationalization))

Inter-Item Correlation Matrix

	INT1	INT2	INT3
INT1	1.000	.942	.826
INT2	.942	1.000	.847
INT3	.826	.847	1.000

Table **23** represents item-total statistics, for all three items Cronbach's alpha is <.951 except the item INT3=.970, but for this slight variance it could be accepted, this shows that removing things will not allow the researcher to improve the scale. Additionally, Corrected Item-Total Correlation includes the correlations between each item and the

questionnaire's overall score, when an item's correlation with the total of a trustworthy scale is less than or equal to.3, there is a concern because it indicates that the item in question does not correlate well with the scale as a whole, every item has a value greater than.3, indicating that the scale is reliable and significant (Field, 2013).

Table 23: Item-total Statistics (Internationalization)

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
INT1	11.58	3.255	.916	.890	.914
INT2	11.57	3.362	.934	.902	.904
INT3	11.52	3.190	.849	.724	.970

Table **24** represents the reliability scale for the knowledge construct with Cronbach's Alpha=.959 >.7 which indicates a significant reliable scale.

Table 24: Reliability Statistic (knowledge)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.959	.961	7

The seven measures measuring the knowledge of the independent variable are correlated among themselves, as shown in Table **25**. As can be seen from the results, every item has a correlation with its corresponding scale when the inter-item correlations are all greater than 0.3. As a result, every scale exhibits reliability and convergent validity.

Table 25: Inter-item Correlation Statistics (Knowledge)

Inter-Item Correlation Matrix

	KNW1	KNW2	KNW3	KNW5	KNW6	KNW7	KNW8
KNW1	1.000	.839	.795	.742	.753	.669	.663
KNW2	.839	1.000	.890	.856	.844	.751	.708
KNW3	.795	.890	1.000	.815	.821	.799	.666
KNW5	.742	.856	.815	1.000	.878	.802	.771
KNW6	.753	.844	.821	.878	1.000	.889	.679
KNW7	.669	.751	.799	.802	.889	1.000	.693
KNW8	.663	.708	.666	.771	.679	.693	1.000

Table **26** displays the item total data. All seven items have Cronbach's alpha values less than 959, except the item KNW8=.960 but for this slight difference, if the item is deleted the researcher cannot improve the scale by deleting items. Additionally, all items have a coefficient greater than.3, indicating that the scale is significant and reliable, in addition, all corrected Item-Total Correlation > .3 which indicate the items are highly correlated.

Table 26: Item-total Statistics (Knowledge)

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
KNW1	35.46	21.844	.820	.730	.958
KNW2	35.39	22.593	.913	.877	.948
KNW3	35.46	22.658	.890	.838	.950
KNW5	35.34	23.236	.901	.850	.949
KNW6	35.40	22.774	.904	.888	.949
KNW7	35.39	23.498	.845	.831	.953
KNW8	35.23	24.832	.758	.646	.960

4.4.3: Regression (multiple linear regression) - H1:

The Pearson correlation between the variables is displayed in Table **27**. The findings indicate a significant correlation between the interdependent variable knowledge and the dependent variable INVs internationalization. The p-value for the correlation between internationalization and knowledge is .000<.05.

Table 27: Pearson Correlations (Knowledge vs Internationalization) H1

Correlations

		INTERNA-TIONALIZA-TION	KNOWLEDGE	NET-WORKS	P_EXPERI-ENCE
Pearson Correla-tion	INTERNATIONALIZA-TION	1.000	.632	.719	.586
	KNOWLEDGE	.632	1.000	.669	.783
	NETWORKS	.719	.669	1.000	.637
	P_EXPERIENCE	.586	.783	.637	1.000
Sig. (1-tailed)	INTERNATIONALIZA-TION	.	.000	.000	.000
	KNOWLEDGE	.000	.	.000	.000
	NETWORKS	.000	.000	.	.000
	P_EXPERIENCE	.000	.000	.000	.
N	INTERNATIONALIZA-TION	114	114	114	114
	KNOWLEDGE	114	114	114	114
	NETWORKS	114	114	114	114
	P_EXPERIENCE	114	114	114	114

The researcher used multiple linear regression analysis with 95% confidence intervals to test the hypothesis. Table **28**'s analyses demonstrate a strong model fit $F(3,110)= 46.90$, $P<.001$, Adj $R^2=0.55$ AND $R^2=0.56$.

Table 28: Model Summary H1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.749[a]	.561	.549	1.79901	.561	46.896	3	110	.000

a. Predictors: (Constant), P_EXPERIENCE, NETWORKS, KNOWLEDGE

Table **29** presents an analysis demonstrating the positive and significant relationship between knowledge and internationalization. (*β*= 0.22, t= 2.03, *P<.05).* Hence, hypothesis 1 was accepted.

Table 29: Coefficients H1

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95,0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.164	1.392		.837	.405	-1.594	3.922					
	KNOWLEDGE	.106	.052	.220	2.026	.045	.002	.209	.632	.190	.128	.338	2.958
	NETWORKS	.279	.047	.519	5.921	.000	.186	.373	.719	.492	.374	.519	1.925
	P_EXPERIENCE	.052	.065	.083	.795	.429	-.077	.181	.586	.076	.050	.364	2.749

a. Dependent Variable: INTERNATIONALIZATION

4.4.4 Non-Parametric Test H1:

The non-parametric tests between interdependent variable knowledge and dependent variable internationalization are displayed in Table **30**.
Related-Samples Sign Test shows that *P*=.000<.05. Hence the decision made is to reject the null hypothesis.
Related-Samples Wilcoxon Signed Rank Test show that *P* =.000 <.05. Thus, the decision was to reject the null hypothesis.

Related-Samples Friedman's Two-Way Analysis of Variance by Ranks shows that *P* =.000 <.05. Thus, the decision was to reject the null hypothesis.
Related-Samples Kendall's Coefficient of Concordance shows that *P* =.000 <.05 thus the decision was to reject the null hypothesis.

Table 30: Hypothesis Test Summary H1- Non-Parametric Test

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The median of differences between INTERNATIONALIZATION and KNOWLEDGE equals 0.	Related-Samples Sign Test	.000	Reject the null hypothesis.
2	The median of differences between INTERNATIONALIZATION and KNOWLEDGE equals 0.	Related-Samples Wilcoxon Signed Rank Test	.000	Reject the null hypothesis.
3	The distributions of INTERNATIONALIZATION and KNOWLEDGE are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.000	Reject the null hypothesis.

4	The distributions of INTER-NATIONALIZATION and KNOWLEDGE are the same.	Related-Samples Kendall's Coefficient of Concordance	.000	Reject the null hypoth-esis.

Asymptotic significances are displayed. The significance level is .050.

The findings are consistent with earlier studies reported in Chapter Five and indicate a positive association between the dependent variable internationalization and the interdependent variable knowledge.

4.5 Results pertaining to Hypothesis 2

There is a positive relationship between prior international experience and INVs' internationalization, and prior international experience enables INVs to overcome challenges in their internationalization.

4.5.1 Exploratory Factor Analysis H2:

Table **31** shows that EFA extracted 5 items for the interdependent prior international experience factor >.5, accordingly, PE1=.821; PE2=.843; PE3=.782; PE4=.613; PE5=.751, Consequently, it was determined that the factor loadings are significant.

Table 31: Pattern Matrix H2

Pattern Matrix[a]

	Factor			
	1	2	3	4
KNW5	.997			
KNW8	.949			
KNW6	.795			
KNW3	.793			
KNW2	.789			
KNW7	.703			
KNW1	.632			
NET4		.988		
NET5		.925		
NET6		.782		
NET7		.755		
NET3		.691		
NET2		.686		
PE2			.843	
PE1			.821	
PE3			.782	
PE5			.751	
PE4			.613	
INT1				.980
INT2				.946
INT3				.656

Extraction Method: Principal Axis Factoring.

Rotation Method: Promax with Kaiser Normalization.[a]

a. Rotation converged in 8 iterations.

4.5.2 Reliability H2:

Table **32** represents the reliability scale for the interdependent construct prior international experience with a Cronbach's Alpha=.932 >.7 which indicate a significant reliable scale.

Table 32: Reliability Statistics (Prior International Experience)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.932	.933	5

The inter-item correlation of the five questions assessing the interdependent variable prior international experience is shown in Table **33**. As can be seen from the results, every item has a correlation with its corresponding scale when the inter-item correlations are all greater than 0.3. As a result, every scale exhibits reliability and convergent validity.

Table 33: Inter-item Correlation Matrix (Prior International Experience)

Inter-Item Correlation Matrix

	PE1	PE2	PE3	PE4	PE5
PE1	1.000	.731	.747	.679	.673
PE2	.731	1.000	.733	.689	.787
PE3	.747	.733	1.000	.804	.751
PE4	.679	.689	.804	1.000	.764
PE5	.673	.787	.751	.764	1.000

Table **34** represent item total statistics, for all 5 items Cronbach's alpha are <.932 which indicate that If items are removed, the scale cannot be improved by the researcher; also, all items have a corrected item-total correlation >.3, indicating that items are highly correlated.

Table 34: Item-total Statistics (Prior International Experience)

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
PE1	24.09	12.222	.784	.636	.923
PE2	24.08	12.463	.820	.702	.917
PE3	24.09	11.196	.854	.744	.911
PE4	23.97	12.238	.822	.709	.916
PE5	24.02	12.318	.831	.721	.915

4.5.3 Regression (Multiple Linear Regression) H2:

The Pearson correlation between the dependent variable (INVs internationalization) and the interdependent variable (prior international experience) is displayed in Table **35**. The findings indicate a significant correlation between the variables, with a significant correlation between internationalization and prior international experience (*p* value=.000<.05).

Table 35: Pearson Correlation (Prior Experience vs Internationalization)H2

Correlations

		INTERNA-TIONALIZA-TION	KNOWLEDGE	NET-WORKS	P_EXPERI-ENCE
Pearson Correla-tion	INTERNATIONALIZA-TION	1.000	.632	.719	.586
	KNOWLEDGE	.632	1.000	.669	.783
	NETWORKS	.719	.669	1.000	.637
	P_EXPERIENCE	.586	.783	.637	1.000
Sig. (1-tailed)	INTERNATIONALIZA-TION	.	.000	.000	.000
	KNOWLEDGE	.000	.	.000	.000
	NETWORKS	.000	.000	.	.000
	P_EXPERIENCE	.000	.000	.000	.

N	INTERNATIONALIZA-TION	114	114	114	114
	KNOWLEDGE	114	114	114	114
	NETWORKS	114	114	114	114
	P_EXPERIENCE	114	114	114	114

The researcher used multiple linear regression analyses with 95% confidence intervals to analyse the hypothesis. Table **36** of the analyses demonstrated a good model fit: $F(3,110)= 46.90$, $P<.001$, Adj $R^2=0.55$ AND $R^2=0.56$.

Table 36: Model Summary H2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Esti-mate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.749[a]	.561	.549	1.79901	.561	46.896	3	110	.000

a. Predictors: (Constant), P_EXPERIENCE, NETWORKS, KNOWLEDGE

The analysis in table **37** shows that dependent variable prior international experience had a positive relationship on the dependent variable internationalization ($\beta= 0.083$, t= .795, *P>.05).* But the relationship was insignificant with p value > .05 Hence, hypothesis 2 was not accepted.

Table 37: Coefficients H2

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95,0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.164	1.392		.837	.405	-1.594	3.922					
	KNOWLEDGE	.106	.052	.220	2.026	.045	.002	.209	.632	.190	.128	.338	2.958
	NETWORKS	.279	.047	.519	5.921	.000	.186	.373	.719	.492	.374	.519	1.925
	P_EXPERIENCE	.052	.065	.083	.795	.429	-.077	.181	.586	.076	.050	.364	2.749

a. Dependent Variable: INTERNATIONALIZATION

In conclusion, the data analysis reveals a positive correlation between the dependent variable (internationalization) and the interdependent variable (prior international experience), but the relationship was insignificant, these findings are further discussed in the fifth chapter that follows to support the research findings.

4.6 Results pertaining to Hypothesis 3

There is a positive relationship between networks and INVs' internationalization, and networks enable INVs to overcome challenges in their internationalization.

4.6.1 Exploratory Factor Analysis (EFA) H3:

Table **38** demonstrates that EFA extracted 6 items for the networks factor >.5, accordingly, NET2=.686; NET3=.691;

NET4=.988; NET5=.925; NET6=.782; NET7=.755, Thus, the factor loadings were found to be significant.

Table 38: Pattern Matrix H3

Pattern Matrix[a]

	Factor			
	1	2	3	4
KNW5	.997			
KNW8	.949			
KNW6	.795			
KNW3	.793			
KNW2	.789			
KNW7	.703			
KNW1	.632			
NET4		.988		
NET5		.925		
NET6		.782		
NET7		.755		
NET3		.691		
NET2		.686		
PE2			.843	
PE1			.821	
PE3			.782	
PE5			.751	
PE4			.613	
INT1				.980
INT2				.946
INT3				.656

Extraction Method: Principal Axis Factoring.

Rotation Method: Promax with Kaiser Normalization.[a]

a. Rotation converged in 8 iterations.

4.6.2 Reliability: scale (networks) H3:

The networks interdependent construct's reliability scale is shown in Table **39**, with a Cronbach's Alpha of .932 >.7 indicating a significant reliable scale.

Table 39: Reliability scale (Networks)

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.932	.935	6

The inter-item correlation of the six questions that measure the networks of interdependent variables is shown in Table **40**. As can be seen from the results, every item has a correlation with its corresponding scale when the inter-item correlations are all greater than 0.3. As a result, every scale exhibits reliability and convergent validity.

Table 40: Inter-item Correlation Matrix (Networks)

Inter-Item Correlation Matrix

	NET2	NET3	NET4	NET5	NET6	NET7
NET2	1.000	.639	.699	.639	.633	.588
NET3	.639	1.000	.741	.709	.669	.649
NET4	.699	.741	1.000	.934	.765	.734
NET5	.639	.709	.934	1.000	.777	.704
NET6	.633	.669	.765	.777	1.000	.709
NET7	.588	.649	.734	.704	.709	1.000

The item total statistics for all five items are shown in Table **41**. Cronbach's alpha values are <.932, meaning that the scale cannot be improved by the researcher by deleting items. Additionally, all corrected item-total correlation values are greater than.3, indicating that the items are highly correlated.

Table 41: Item-total Statistics (Networks)

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
NET2	30.71	18.243	.720	.542	.929
NET3	30.64	16.197	.775	.603	.927
NET4	30.50	16.695	.902	.898	.906
NET5	30.50	16.907	.870	.883	.910
NET6	30.62	18.485	.812	.676	.920
NET7	30.49	18.057	.766	.604	.924

4.6.3 Regression (Multiple Linear Regression) H3:

The Pearson correlation between the variables is displayed in Table **42**. The findings indicate a significant association between the interdependent variable networks and the dependent variable INVs internationalization, with a p-value of <.05.

Table 42: Pearson Correlation (Networks vs Internationalization) H3

Correlations

		INTERNA-TIONALIZA-TION	KNOWLEDGE	NET-WORKS	P_EXPERI-ENCE
Pearson Correla-tion	INTERNATIONALIZA-TION	1.000	.632	.719	.586
	KNOWLEDGE	.632	1.000	.669	.783
	NETWORKS	.719	.669	1.000	.637
	P_EXPERIENCE	.586	.783	.637	1.000
Sig. (1-tailed)	INTERNATIONALIZA-TION	.	.000	.000	.000
	KNOWLEDGE	.000	.	.000	.000
	NETWORKS	.000	.000	.	.000
	P_EXPERIENCE	.000	.000	.000	.
N	INTERNATIONALIZA-TION	114	114	114	114
	KNOWLEDGE	114	114	114	114
	NETWORKS	114	114	114	114
	P_EXPERIENCE	114	114	114	114

The researcher used multiple linear regression analyses with 95% confidence intervals to analyse the hypothesis. The analyses revealed a good model fit in Table **43**: F(3,110)= 46,90, *P*<.001, Adj R^2=0.55 and R^2=0.56.

Table 43: Model Summary H3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Esti-mate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.749[a]	.561	.549	1.79901	.561	46.896	3	110	.000

a. Predictors: (Constant), P_EXPERIENCE, NETWORKS, KNOWLEDGE

Independent variable networks had a positive association with the dependent variable internationalization, according to the analysis in Table **44**, (*β*= 0.519, t= 5.92, *P<.005).* Hence, hypothesis 3 was accepted.

Table 44: Coefficients H3

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95,0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	1.164	1.392		.837	.405	-1.594	3.922					
	KNOWLEDGE	.106	.052	.220	2.026	.045	.002	.209	.632	.190	.128	.338	2.958
	NETWORKS	.279	.047	.519	5.921	.000	.186	.373	.719	.492	.374	.519	1.925
	P_EXPERIENCE	.052	.065	.083	.795	.429	-.077	.181	.586	.076	.050	.364	2.749

a. Dependent Variable: INTERNATIONALIZATION

4.6.4 Non-parametric tests H3:

The outcomes of the non-parametric tests between interdependent variable networks and dependent variable internationalization are displayed in Table **45**:

Related-Samples Sign Test shows that *P*=.000<.05. Hence the decision made is to reject the null hypothesis.

Related-Samples Wilcoxon Signed Rank Test show that *P* =.000 <.05. It was decided to reject the null hypothesis as a result.

Related-Samples Friedman's Two-Way Analysis of Variance by Ranks shows that *P* =.000 <.05. It was decided to reject the null hypothesis as a result.

Related-Samples Kendall's Coefficient of Concordance shows that *P* =.000 <.05, Consequently, it was decided to reject the null hypothesis.

Table 45: Hypothesis Test Summary H3 Non-parametric Tests

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The median of differences between INTERNATIONALIZATION and NETWORKS equals 0.	Related-Samples Sign Test	.000	Reject the null hypothesis.
2	The median of differences between INTERNATIONALIZATION and NETWORKS equals 0.	Related-Samples Wilcoxon Signed Rank Test	.000	Reject the null hypothesis.
3	The distributions of INTERNATIONALIZATION and NETWORKS are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.000	Reject the null hypothesis.
4	The distributions of INTERNATIONALIZATION and NETWORKS are the same.	Related-Samples Kendall's Coefficient of Concordance	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .050.

The data analysis, in conclusion, showed that the dependent variable internationalization and the independent variable networks have a positive and significant relationship. These

findings are corroborated by earlier research, which the researcher discusses in chapter five's hypothesis discussion.

4.7 Summary of the results

One hundred and thirty-six respondents were the initial sample size for the study; however, after screening and cleaning, 114 respondents remained for further analysis. The majority of the sample respondents were managers, entrepreneurs, and employees of INVs; 34.2% were between the ages of 25 and 34, 57% were between the ages of 35 and 44, followed by 7.9% between the ages of 45 and 54 and 0.9% between the ages of 55 and 64. The majority of the respondents are well-educated, comprising 86% postgraduates, 8.8% undergraduates, and 5.3% had completed high school.

All of the respondents were based in South Africa, and 17.5% of the INVs had been in operation for one to three years, 36.8% for three to five years, 37.7% for five to ten years, and 7.9% for more than ten years.

Following an exploratory study, four factors three predictors and one outcome variable were extracted from the measurement. The manifest variables' convergence and divergence were demonstrated by the EFA results.

It was established that the DV INVs internationalization was significantly correlated with the three IVs', knowledge, networks, and prior international experience of entrepreneurs.

The sampling adequacy was verified by KMO and Bartlett's test. It was significant on the test assumptions (.886 >.7).

It was established that knowledge had a reliable scale when reliability was examined, Cronbach's Alpha was .959 with

seven items, networks was .932 with six items, previous international experience was .932 with five items, and internationalization was .951 with three items.

The results of the linear regression demonstrated a positive and significant relationship between the predictor variables knowledge, networks, and the outcome variable internationalization, the predictor variable prior international experience demonstrated a positive but insignificant relationship.

Regression analysis proved that the variables were significant and positively related except for the prior international experience; the independent variable knowledge was found to have a positive and significant relationship with the dependent variable internationalization, as confirmed by the coefficients; the IV prior international experience also showed a positive but insignificant relationship with the DV internationalization; and the IV networks variable showed a positive and significant relationship with the DV internationalization.

Non-parametric tests, such as the related-samples sign test, related-samples Wilcoxon, related-samples Kendall's Coefficient of Concordance, and related-samples Kendall's Coefficient of Concordance, were performed to test the hypothesis further. All of the non-parametric tests revealed a significant relationship between the variables, with *P* values <.05.

The related-samples sign test for the predictor variable networks and the dependent variable internationalization shows a *P*=.000<.05 is significant, and the null hypothesis was rejected. The Wilcoxon test also reveals a *P*=.000<.05 is significant.

Ultimately, in assessing previous knowledge and internationalization, the related-samples test indicates that P=.000<.05 is significant, and the null hypothesis was rejected. Similarly, the Wilcoxon test indicates that P=.000<.05 is significant and that the null hypothesis was rejected.

CHAPTER 5: DISCUSSION OF THE RESULTS OR FINDINGS

5.1 Introduction

The three predictor variables including knowledge, networks, and prior international experience, and the dependent variable INVs internationalization, were investigated in this study. Additionally, each variable in the internationalization process of INVs operating in South Africa has been evaluated in this research. Drawing from the conclusions presented in Chapter Four, this chapter begins with a review of the INVs entrepreneurs' profiles, followed by a discussion of the hypotheses results. It also covers the study's premise, contribution, implications, limitations, recommendations, and, in the end, suggestions for subsequent research.

5.2 Demographic profile of respondents

5.2.1 Age

The demographic profile of the 114 respondents showed that the majority of the INVs' entrepreneurs, founders, and TMTs suitable in Johannesburg were postgraduates and undergraduates, with very few having tertiary graduate students. These characteristics were reflected in Chapter 4.

The age distribution of the research participants is represented by the bar chart in Chapter 4, which indicates that 39 respondents (34.2%) were in the 25–34 age range, 65 respondents (57%) were in the 35–44 age range, this is consistent with a survey conducted in South Africa by GEM (2023), which shows that the percentage of established

business ownership for the age group (35–64) is roughly 7.5%, while the percentage for the age group (18–34) is 4.8%. Nonetheless, young people have greater potential for entrepreneurship. Age groups 18–34 had a level of total early-stage entrepreneurial activity of about 12%, while age groups 35–64 had an approximate rate of 11% (GEM, 2023).

5.2.2 Gender:

The tables and charts in chapter four represented that those participants were 62 males 54.4%, 51 females 44.7%, and one non-binary/third gender .09% of the total sample.

This finding, which is also in line with other South African studies, indicates that male entrepreneurs are more likely than female entrepreneurs to launch enterprises (Masutha & Rogerson, 2014), moreover, it's been found that The likelihood of men starting a business in South Africa is slightly higher than that of women. The GEM study (GEM, 2023) states that male TEA is 12.7% and female TEA is 9.7%.

5.2.3 The level of education:

The sample used in Chapter 4 to reflect the participants' educational attainment included 98 post-graduates, or 86% of the sample overall, 10 respondents (8.8%) undergraduates, and 6 respondents (5.3%) who had completed high school.

The majority of respondents appear to have a high level of education, which is consistent with a study on emerging economies that suggests entrepreneurs who have completed more education are more likely to launch new international businesses (Lamotte & Colovic, 2015).

5.2.4 INVs characteristic:

The majority of respondents' INVs have been established for 5–10 years, followed by 3-5 years, according to the sample. As reported in Chapter 4, 17.5% of all INV answers have been established recently, having been established for 1-3 years, followed by 31.6% for 3-5 years, 44.7% for 5–10 years, and 6.1% for more than a decade.

5.3 Discussion pertaining to Hypothesis 1

H1: There is a positive relationship between knowledge and INVs' internationalization, and knowledge enables INVs to overcome challenges in their internationalization.

According to the hypothesis, knowledge has a positive correlation with INVs' internationalization, this research looks at several knowledge categories whether tacit or explicit, international knowledge, market knowledge, and technological knowledge. An essential intangible resource for internationalization, particularly for new ventures, is international knowledge, which refers to the skills, convictions, and information that businesses can apply to their global operations (Fernahaber et al., 2009), market knowledge refers to the structured and organized information about the market (Calantone, 1998), and Technological knowledge refers to a company's understanding of its product market and the technical know-how required to manufacture goods that can compete in it since it is often associated with innovation (Arte, 2017).

Study results showed a significant positive relationship between knowledge and INVs internationalization; the following authors' studies corroborate this, Clercq et al. (2005) proposed that, in export-intensive Belgian ventures, knowledge gained from studying overseas markets is positively and significantly correlated with the international expansion of INVs.

Yli-Renko et al. (2002) hypothesised that the international expansion of technology-based INVs in Finland is positively and significantly correlated with foreign market knowledge.

Thus, the study's conclusions validated the positive and significant association between knowledge and INV internationalization and supported the body of research suggesting that knowledge favourably promotes INV internationalization.

5.4 Discussion pertaining to Hypothesis 2

H2: There is a positive relationship between prior international experience and INVs' internationalization, and prior international experience enables INVs to overcome challenges in their internationalization.

The study's findings, which are consistent with the research of the following authors, demonstrate that there is a positive relationship between prior international experience and INVs internationalization but the relationship was not significant. The

hypothesis states that prior international experience is positively associated with INVs internationalization.

In general, "international experience" refers to the knowledge and expertise businesses gain from conducting business abroad (Clarke et al., 2013).

A new venture's top management has the most potential to impact its foreign commitment decisions due to its extensive experience in international business (Oviatt & McDougall, 1997), international experience helps founders create and carry out their plans for internationalization, which improves the performance of the company overseas (Bruneel et al., 2010). It also makes it easier for business owners to spot and seize opportunities (Jiang et al., 2020).

Jiang, et.al (2020) reported that due to its ability to help entrepreneurs identify opportunities unique to the industry in which they have experience, international experience is highly valuable.

Drawing from their research in Germany and Italy, Mertzanis and Hagen (2022) postulated that the entrepreneurial team's global expertise positively impacts the new venture's rate of internationalization.

Mudambi and Zahra (2007) hypothesised that a foreign applicant with more foreign experience would have a better chance of surviving in the UK.

The study did, however, find evidence in favour of the hypothesis, noting a positive correlation between prior international experience and INVs internationalization, though they were not statistically significant.

5.5 Discussion pertaining to Hypothesis 3

H3: There is a positive relationship between networks and INVs' internationalization, and networks enable INVs to overcome challenges in their internationalization.

The hypothesis states that networks are positively associated with INVs internationalization, following analysis, the study's findings demonstrate a positive and substantial association between the internationalization variable and the predictor variable networks, which is in line with previously published research. Enterprises leverage communities of supportive actors to achieve goals and obtain a competitive advantage. A network is made up of several interconnected companies and managers that carry out economic operations that convert resources into outputs (Falahat et al., 2018).

In this study, two categories of networks were taken into account, social and business networks, social networks are generally understood to be webs of relationships and personal connections used to obtain favours for organizational or personal acts (Presutti et al., 2023), while business networks refer to a group of two or more interconnected business partnerships (Levmenchikova, 2017).

Musteen et al. (2014) postulated that robust networks have a favourable and noteworthy impact on internationalizing INVs based on research conducted in a developing economy such as the Czech Republic, Moreover, Lamotte and Colovic (2015) studied emerging economies and came to the conclusion that networks had a strong and positive correlation with INVs' early internationalization. Their results concur with the study's conclusions.

The hypothesis was validated and a positive correlation between the interdependent variable networks and the dependent variable INV internationalization was found in the research findings.

5.6 Conclusion

Due to its connection to an INV's growth and foreign marketplace expansion, knowledge is widely acknowledged as being essential to an INV's internationalization (Yli-Renko et al., 2002; Oviatt & McDougall, 1997), it's also commonly known that prior foreign experience of the founders and TMTs has a major role in an INV's success(Bruneel et al., 2010; Jiang et al., 2020), furthermore, networks are crucial in helping INVs founders compensate for their lack of resources in outside markets, as several authors have shown (Musteen et al., 2014).

The research aimed to evaluate the internationalization of INVs and their correlation with knowledge, prior international experience, and entrepreneur networks within the South African setting.

The study provides quantitative and empirical support to researchers who claim that networks, prior international experience, and knowledge have a positive impact on the creation and development of INVs during the internationalization process.

The study's conceptual model contributed to the body of knowledge by enabling researchers to investigate knowledge, prior foreign experience, networks, and the dependent variable INVs' internationalization in relation to one another. The significance of the study stemmed from the South African setting in which it was obtained, and the internationalization of

INVs within an integrated framework has made it possible to examine the link between the variables in a comprehensive summary.

The goal is to give researchers, practitioners, and policy-makers insight into the internationalization process of INVs, the factors that drive these endeavours, and the difficulties they encounter as they expand globally, given their contribution to the economy as a whole.

After testing the following Hypothesis:

H1: There is a positive relationship between knowledge and INVs' internationalization, and knowledge enables INVs to overcome challenges in their internationalization.

H2: There is a positive relationship between prior international experience and INVs' internationalization, and prior international experience enables INVs to overcome challenges in their internationalization.

H3: There is a positive relationship between networks and INVs' internationalization, and networks enable INVs to overcome challenges in their internationalization.

The hypotheses tests showed a significant association between the dependent variable and the predictor variables, and the study's results were that there is a significant and positive relationship when testing hypotheses 1 and 3 and there is a positive but insignificant relationship when testing H2. Further conducting non-parametric tests for H1 and H3 the results were supported and the decision was to reject the null hypothesis.

CHAPTER 6: CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter addresses the research questions and problem description through a discussion and set of implications. Additionally, the study's contributions and implications are displayed. The results are further summarized as limitations, ideas for future research, and recommendations.

6.2 Conclusions of the study

In conclusion, this study has examined the critical elements that influence the internationalization process of international new ventures (INVs), with a particular emphasis on the founders' networks, knowledge, and foreign experience. The results of the study show how important and advantageous the networks, foreign experience, and knowledge of the founders are to the internationalization of INVs.

The body research on the subject emphasizes how vital a solid knowledge base is for encouraging rapid and early internationalization. This finding is consistent with the positive and considerable influence of knowledge on the internationalization of INVs. According to Yli-Renko et al. (2002), the inherent mobility of knowledge is one of the primary forces behind INVs' quick entry into international markets. This insight confirms for us the importance of having a flexible and knowledgeable knowledge base to negotiate the complexities of global business environments.

Similarly, the positive notable influence of founders' international experience on internationalization supports the

consensus in the research. When it comes to identifying and exploiting global opportunities, management teams and entrepreneurs with extensive international experience have a clear advantage (Mertzanis & Hagen, 2022; Jiang, 2013; McDougall et al., 2003).

This realization emphasizes the experiential dimension's strategic significance in creating effective internationalization trajectories.

In addition, according to the study findings, networks positively and statistically significantly influence the internationalization of INVs. Networks of entrepreneurs and network development are regarded as crucial and a strategic goal, as demonstrated by Jiang (2013) and Bruneel et al. (2018) Networks support internationalization by making up for resource deficiencies.

This study contributes nuanced insights to the corpus of knowledge on international business and entrepreneurship by identifying the intricate interaction of variables driving INVs internationalization. During the formation and internationalization of INVs, the results highlight the need to build a strong body of knowledge and leverage international experience and networks. These have important practical consequences.

Entrepreneurial orientation or the interaction of individual and organizational characteristics have been the main topics of previous studies on international new ventures (INVs). Our research adds to this body of knowledge by pinpointing the precise individual and organizational-level factors that have a major impact on INV internationalization. Our research adds to a more comprehensive understanding of the variables influencing INV success by highlighting the favourable correlations between the knowledge of founders and

entrepreneurs, their prior international experience, and their social networks with INVs' internationalization.

The significance of both individual and organizational-level factors in the explanation of the emergence of INVs is emphasized by these results. In addition, they refute the idea that INVs are exclusively motivated by an entrepreneurial passion and highlight the vital role that additional personal traits and organizational assets play in enabling successful internationalization.

The study's conclusions offer a sophisticated viewpoint for companies managing the difficulties of international marketplaces. They emphasize that a thorough strategy is required, one that strikes a balance between the acquisition of knowledge and experience abroad, while also taking the dynamics of network development into careful consideration.

The study offers chances for more research into the intricate relationships between these factors, which helps to enhance internationalization strategies for start-up companies functioning in our interconnected global marketplace.

6.3 Implications and Recommendations

Knowledge has a favourable effect on the internationalization of International New Ventures (INVs), highlighting the strategic importance of continuous learning and knowledge acquisition. Businesses should place a high premium on knowledge growth and ensure that employees, especially founders and management teams, have access to chances for ongoing education and market research.

It is suggested that companies can gain from having leaders with a variety of worldwide exposures due to the substantial influence of founders' foreign experience. The complexities of worldwide marketplaces are better navigated by founders and top management teams with foreign experience.

While networks enable INVs to access foreign markets and customers, develop partnerships, make up for resource shortages, and overcome problems related to their newness, foreignness, and smallness, they have been proven to have a positive impact on internationalization.

The paper states that knowledge, networks, and foreign experience are all necessary for successful internationalization. Businesses should include these elements in their decision-making processes for a comprehensive approach.

The favourable impact suggests that networking is a crucial element. Given that businesses are becoming more digitally oriented, investing in digital networking platforms may prove beneficial.

The study highlights the changing nature of internationalization variables; businesses should constantly be monitoring the effectiveness of their strategies and prepared to make adjustments when circumstances change.

The report suggests pushing founders and executives to take work-related trips overseas or to engage in international conferences and assignments. Establish mentorship programs that facilitate knowledge sharing by matching experienced global business leaders with emerging entrepreneurs.

The report also suggests thoroughly examining the specific circumstances that networks affect. It is important to

tailor networking techniques to the specifics of the target markets, industry, and business models. Collaborate with industry associations, chambers of commerce, and global business networks to enhance networking opportunities.

Another recommendation from the study is to form multidisciplinary teams with people who have a variety of knowledge, experiences abroad, and networks.

Team members should be encouraged to use their combined strengths to make choices together. Encourage cross-functional collaboration to fully leverage the organizational strengths.

The paper suggests looking into providing support for digital networking platforms, social media accounts, and online communities that are relevant to the industry and international markets. Establish an environment at work that encourages employees to engage in virtual networking activities and communicate with stakeholders all over the world.

The study's final recommendation is to routinely examine and assess internationalization projects in light of evolving market dynamics, geopolitical circumstances, and technological advancements. Establish a culture within the firm that is flexible, agile, and supportive of change and innovation.

The study's conclusions and suggestions emphasize how important it is to approach internationalization from an integrated, multimodal perspective that takes networks, knowledge, and international experience into account. By strategically utilising these components, companies can set themselves up for successful international market entry and navigate the challenges of the global business environment.

6.4 Limitations of the study

The study's sample size was constrained by the fact that it focused primarily on INVs operating in South Africa and was limited to INVs in general, regardless of the industry. Consequently, it restricts the generalizability to other INVs that are active in various markets, areas, and countries.

Furthermore, the research tool utilized in the study was an online closed-ended questionnaire with a quantitative design. Therefore, to obtain more accurate and trustworthy replies, it is recommended that future research be qualitative, longitudinal, or supplemented by interviews with the founders of INVs.

6.5 Suggestions for further research

Future research could examine other predictor variables that impact INVS internationalization, such as capabilities, finance, entrepreneurial orientation factors, or internationalization speed, and what makes these firms successful in international markets and superior at internationalization. Environmental factors may also be taken into consideration in future studies, as they may trigger or hinder INV’s success.

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APPENDIX A

Research instrument

Dear Research Participant,

You are invited to complete a survey questionnaire that forms part of my formal qualification for Master of Management in the Entrepreneurship & Creation of new ventures at the University of the Witwatersrand.
The purpose of this research is to determine the factors influencing the international new ventures internationalisation.
International new ventures play a significant role in most economies; hence, this study aims to **investigate the motivations and challenges that influence International new ventures' internationalisation in South Africa.**
The research is purely for academic purposes, and it will take the participant approximately not more than 10 minutes to complete the questionnaire.
If you are willing and comfortable to participate and contribute, it will be appreciated if you could complete the questionnaire below by no later than the 10th of January 2022.
Should you have any questions, the researcher, Mr Wadi Yaser, can be contacted at
Email:1991744@students.wits.ac.za
alternatively: yasserwadi@hotmail.com
The study supervisor Professor Boris Urban can be contacted during office hours at Boris.Urban@wits.ac.za
Rest assured that your responses will be kept strictly confidential and anonymous.
Thank you for taking part in this survey. By continuing with this survey, you are consenting to participate in this study by clicking the link below:
https://wits.eu.qualtrics.com/jfe/form/SV_8dZwy0BnsPu22to
Yours sincerely
Wadi Yaser

APPENDIX B

Consistency matrix

What is the relationship between knowledge, international experience, networks and the internationalization of new ventures					
Sub-problem	**Literature Review**	**Hypotheses or Propositions or Research questions**	**Source of data**	**Type of data**	**Analysis**
To examine the relationship between DV internationalisation and IV knowledge.	Oviatt & McDougall (1994) Autio, et.al (2000) Fernhaber, et.al (2009) Knight and Cavusgil (2004) Yli-Renko, et.al (2002) Clercq et.al (2005) (Naldi & Zahra, 2007)	H1:There is a positive relationship between knowledge and INVs internationalisation	Question 8	Ordinal	[IBM V27 SPSS] EFA Reliability Regression (Nonparametric tests)

What is the relationship between knowledge, international experience, networks and the internationalization of new ventures					
Sub-problem	**Literature Review**	**Hypotheses or Propositions or Research questions**	**Source of data**	**Type of data**	**Analysis**
To examine the relationship between DV internationalisation and IV prior international work experience.	Oviatt & McDougal (2005) McDougall, et.al (2003) (Sapienza et al. 2006) Mertzanis & Hagen (2022) Zahra et.al (2005) Jiang (2013) Baum (2011) Bruneel et.al (2018) Milanov & Fernhaber (2014) Clercq et.al (2005) (Reuber & Fischer, 2007)	H2: There is a positive relationship between DV internationalization and IV prior international work experience.	Question 7	Ordinal	[IBM V27 SPSS] EFA Reliability Regression (Nonparametric tests)

What is the relationship between knowledge, international experience, networks and the internationalization of new ventures					
Sub-problem	**Literature Review**	**Hypotheses or Propositions or Research questions**	**Source of data**	**Type of data**	**Analysis**
To examine the relationship between IV internationalisation and DV networks .	Blesa & Ripolles (2022) Fernhaber & Li (2013) Freeman & Cavausgil (2007) Gerschewski et.al (2015) Sedziniauskiene (2019) Akhter (2013) Levmenchikova (2017) Musteen et.al (2014) Nordman (2009) Ge & Wang (2013) (Ribeiro et al. (2021)	H3: There is a positive relationship between internationalisation and networks.	Question 9 + 10	Ordinal	[IBM V27 SPSS] Descriptive EFA Reliability Regression (Nonparametric tests)

APPENDIX C

Ethic Clearance Certificate

University of the Witwatersrand, Johannesburg

Wits Business School Ethics Committee
Constituted under the University Human Research Ethics Committee (Non-Medical)

Graduate School of Business Administration

Ethics Clearance Certificate

Ethics protocol number: WBS/EN1991744/687

This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).

Project title	Motivations and challenges in establishing new international ventures in South Africa
Investigator / Researcher	Mr yaser wadi
Nature of Project	MM (Entrepr & New Venture Creation)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed anonymity and confidentiality.
Issue Date of Certificate	2021-12-09
Expiry date	Date of submission of the project report
Chairperson	Prof Anthony Stacey ☎ +27 11 717 3587 +27 82 880 4531 anthony.stacey@wits.ac.za

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Declaration by Researcher

One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

09.July.2024

Signature

Date: