MASTER THESIS

Going West: The Internationalization Process of Asian Information Technology Multinational Companies.

A qualitative case study overview on patterns and strategic approaches.

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ABSTRACT

In the last decades, Asian innovative IT companies such as Alibaba, Tencent and Softbank are experiencing a fast boom led by the tech hype they generated among both Eastern and Western markets. These Asian companies started to be more important players in the global tech landscape, becoming real innovative rivals for Western companies. Gradually, the Asian tech giants are developing an important strategic key role for the next years.

This research made an attempt to investigate how these companies firstly developed, and later on evolved their internationalization process towards Western countries.

The data collection process and the analysis were guided by the conceptual model, which was created through theoretical research.

Most of the theory is confirmed by the significant findings. The evidence of the absence of a clear path for the overall internationalization process corresponds with the theoretical propositions about the internationalization process of Multinational companies originated by the Asian region, which share characteristic of the IT sector.

KEYWORDS: Internationalization Process, Asian IT MNCs, Western Markets, Exploration Strategy, Exploitation Strategy.

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1. Introduction

During the 1900s, British firms owned 40% of the global stock of foreign direct investment. Before the 1970s, America gained the dominant global position with a 50% share. The world was a different place back then, and behind those figures it should be considered the different geopolitical situation that was in place at the time (The Economist, 2014).

In the last decades the situation radically changed and shifted to a more complex and interesting scenario. As a matter of fact, in order to challenge Western foreign rivals, many Asian firms rapidly started to undertake an internationalization process aimed at the expansion, and allegedly, the take-over of foreign Western Markets (The Economist, 2014). This trend started in the early 1980's when Japanese Multinational Companies started to directly compete in the US and Europe with Western local players. (Rowley 1996, Fitzgerald & Rowley, 2016). To further continue this trend which was firstly generated in Japan, expanded in other Asian countries such as Korea and China. (Fitzgerald & Rowley, 2016).
In this thesis, both Internet Companies originated from Japan and China were analyzed. This choice was taken in order to be able to make different considerations in our results, and in order to find patterns in the ways of internationalization common to first movers in Western Markets (Japanese Internet companies) and late comers in the West (Chinese Internet Companies).

Considering the latter, Asian Multinational Companies (from here after MNCs) from emerging Asian economies such as China have always been associated with a lack as well as a backwardness of technology in academia (Barnard, 2010).
Moreover, their corporate image is usually identified with a low brand equity and an inferior brand value (Luo & Tung, 2007; Peng, 2012). To continue, compared to MNCs from developed Western countries, the management practices of emerging Asian MNCs have been considered inadequate and deficient (Peng, 2012). To conclude, also Madhok and Keyhani (2012) state that Asian MNCs have been considered as having only limited or ordinary resources, leaving out powerful growth drivers such as technology or brand; drivers that traditionally have always been considered to be the primary source of the strong competitive advantage of their Western counterparts.

Nowadays, the Chinese tech-giant Huawei has overtaken an important share of the market, surpassing the Swedish Ericsson in telecoms equipment. Tencent, the mother company of China's most popular chat platform, WeChat, has hired the footballer Lionel Messi to advertise its products and services abroad. To continue, the e-commerce giant Alibaba is expanding in many European countries, leveraging on its competitive prices. Asian companies that were once local businesses are now evolved into focused multinationals (The Economist, 2014).

In 2016, we can count 103 Chinese businesses in the world's top 500 compared to 134 American and 22 British (Gale, 2016), confirming a trend already started years ago with tech giants such as the Korean "Samsung", the Japanese "Softbank" and "Sony".

As aforementioned, Japanese firms pioneered the Asian internationalization phenomenon, followed by firms from Korea, Taiwan, Singapore, China, and India (Paul & Dikova, 2016; Paul & Shrivastava 2016). To continue, in the 1980's, Japanese businesses brought in what were considered "advanced products and management systems" to the developed economies of Europe and North America, creating since the early beginning of their international presence a strong and fierce competition towards their Western counterparts (Fitzgerald, 2016).

A main difference emerges in the perception that Western counterparts had of their Asian rivals back in the 1980's from the one held by nowadays towards emerging Chinese companies. (Luo & Tung, 2007; Barnard, 2010; Peng, 2012; Madhok & Keyhani, 2012).

Only recently are Chinese innovative digital native companies such as Alibaba, Tencent, JD, Netease, and Baidu experiencing a fast boom led by the tech hype they generated among both Eastern and Western markets. These Chinese companies are pushing into the global tech landscape, becoming real innovative rivals for Western companies, and gradually developing an important strategic key role for the next years (Gale, 2016).

Considering the aforementioned facts, it is glaring that in recent years numerous firms from developed and emerging Asian countries have dramatically increased and internationalized their business. Asian MNCs are dominating many strategically important sectors such as Media, Communication, and Information Technology not only in their home countries, but also in the more competitive Western Markets (Paul & Dikova, 2016).

Whereas the research interest in the foreign firm's perspective in Asia has been decreasing in recent years (Paul & Dikova, 2016), topics such internationalization processes of firms originating from the Asian region have gained attention (Child & Rodrigues, 2005; Luo & Tung, 2007; Deng, 2009; Peng, 2012).

Lately, the internationalization process of Asian firms became an important issue, increasing its importance and growing media interest. In spite of this, the topic concerning the internationalization processes of firms, from Asia in particular, has received insufficient attention from academia (Paul & Dikova, 2016, Luo & Tung, 2007; Deng, 2009; Peng, 2012). As a matter of fact, there is still a gap present in the literature when taking into regard the internationalization process of Asian Information Technology MNCs. Moreover, it has to be considered that much less has been done in academic research by using a multiple comparative case study approach on this interesting topic (Paul & Dikova, 2016).

This research methodology is the most suitable for exploratory research, allowing to observe real-life situation phenomena and to identify patterns which can contribute to the scientific theoretical discussion (Yin, 2014).

Thus, the overarching aim of this paper is trying to assess how Internet companies originating from the Asian region started and evolved their strategic approach, becoming powerful rivals in foreign Western markets. The internationalization processes they overtook, and how these homegrown innovative digital media companies are expanding internationally, will be the starting point of a framework aimed to describe and compare the internationalization strategies of Asian IT MNCs. For these reasons, the research question is structured as follows:

"How did Asian Information Technology Multinational Companies develop their internationalization processes in order to enter and compete in Western markets?"

In order to answer to this question, this study employed a structured conceptual framework that defines the concept of "Internationalization process".

This model provides a total of 2 components to be analyzed in each of the Asian IT MNCs selected: Initial Strategic Approach into the Western market its and the Evolution of the strategic approach into the Western market. This conceptual framework It will be used to analyze the company in two different, historically defined, moments in time: at the moment of the entrance and nowadays, in order to understand to which evolution the company strategy underwent.

By striving towards this aim, this thesis will contribute to academic research investigating the internationalization processes of Asian Information Technology firms.
In order to achieve this goal, a comparative analysis will be conducted of Asian Information Technology companies that expanded in Western markets. By implication, this paper also raises broader questions about the validity of models and theories of internationalization when applied in non-Asian contexts.
Furthermore, both Japanese and Chinese companies will be considered in order to investigate if any patterns emerge by comparing these two different Asian economies.
Under the agency of this conceptual framework, the analysis also led to the answer of the following sub-research questions.

Sub Question 1: How do Asian Information Technology Companies companies enter in Western markets?

Sub question 2: What potential patterns are identifiable in the initial strategic approach of these companies at the beginning of their internationalization process in Western Markets?

Sub question 3: What potential patterns are identifiable in the evolution of the strategic approach of these companies from the moment of their entry to present times?

Sub question 4: How does the internationalization process of companies from other Asia-Pacific nations differ from their Japanese predecessors?

Hereafter the main theories about the internationalization processes that MNCs from emerging Asian countries such as China and more developed economies such as Japan have undertaken will be discussed along with their relationship with the traditional theory.

2. Theoretical Framework

2.1.1 The Development of Asian Multinational Companies: A Historical overview.

In order to start the research, it is important to identify the factors that influenced the development of Multinational Companies (MNCs) in Japan and other emerging Asian countries.

To begin with, during the 1980s generally FDI (Foreign Direct Investment) and trade accelerated rapidly, and ever-larger businesses enhanced their control over cross-border operations. The 1980s was the decade of Japanese MNCs, where their surging investments started in the United States and the European Community, bringing a new wave of competition to established Western MNCs. The United Nations Conference on Trade and development (UNCTAD) acknowledged how Japanese MNCs through their rapid 'multinationalization' encouraged the development of regional and global production networks (Fitzgerald & Rowley, 2016).

A different scenario emerges when taking into consideration both Japanese and Chinese MNCs. In their research, Fitzgerald and Rui (2016) point out that there are only few studies directly compare FDI from Asian nations and address the importance of extending the analysis through case studies. To begin with, considering the existing literature on both Japanese MNCs and Chinese MNCs, the actual theories seems to indicate that these companies share some important features, such as state-sponsored support and a centralized corporate structure (Rowley, 1996; Farrel, 2008; Fitzgerald & Rowley, 2016). To continue, in present theories is noticeable a praise for Japanese MNCs in having demonstrated strategic intent, core competence and unique management system, whilst, opposedly, Chinese MNCs are considered lacking in their core competencies and management systems compared to their Japanese and Western counterparts. Considering their internationalization process even a more interesting scenario emerges.

Opposedly to their Japanese counterparts, Ramamurti (2012) argues that Chinese MNCs given their economic and technological backwardness, hardly would have undertaken a growth process while still in an economic developing phase. As poor countries, they were expected only to import capital, including foreign direct investment (FDI), rather than export it. As a matter of fact, these countries were expected to go through years of inward FDI before becoming prosperous and competitive enough to produce MNCs of their own, rather than spawn MNCs while still poor, as China and India have done (Dunning, Van Hoesel & Narula, 1997; Ramamurti, 2012).

At first sight, MNCs from Asian emerging countries seem to lack the technology, brand, or management advantages of MNCs from developed countries. As before mentioned, Madhok and Keyhani (2012) characterize MNCs from Asian emerging countries as having only "ordinary resources," by which they mean "resources that have traditionally not been considered to be the source of extraordinary advantages as is the case, for instance, for technology or brand, which are argued to build a monopolistic firm-specific advantage" (p.28).

Nonetheless, MNCs from Asian emerging countries have increasingly been able to challenge developed countries' firms (Luo & Tung 2007; Demirbag, Tatoglu, & Glaister 2009). This phenomenon can be explained considering the events that took place in the past two decades. Undoubtedly, a rapid growth and remarkable transformations occurred in emerging economies. According to the World Investment Report 2005 , the two top countries on the six most attractive global business locations were China and India (UNCTAD, 2005). Unlike the early path of internationalization for MNCs from advanced markets (e.g., US, Europe) and newly industrialized economies (e.g., Singapore, Hong Kong and Taiwan), emerging economy MNCs have benefited tremendously from inward internationalization at home by cooperating with global players who have transferred technological and organizational skills, allowing emerging market companies to undertake outward internationalization later in many unconventional ways (Luo & Tung, 2007).

Various countries could be taken into regard as an example in order to explain this trend. If in 2004 it was estimated that no more than 5,163 Chinese firms had invested a total of only $44.8 billion abroad (MOFCOM, 2005), in 2014, China's OFDI reached the impressive figure of $116 billion, with a constant yearly growth of 15.5% (Lake, 2016).

As economic growth has picked up in emerging markets and slowed down in advanced economies, firms had to rethink their global strategies. It is important to investigate the several problems associated with the internationalization processes phenomena of emerging countries' MNCs. As a matter of fact, whenever a company decides to venture abroad, it will have to undertake various choices regarding how its future business activities will be managed (Welch, Benito, & Petersen 2008).

2.1.2 Why Asian Multinational Companies Cross their national boundaries? Motivations for an Internationalization Process

Throughout the years, it is possible to identify different perspectives on the topic of the international expansion of MNCs from both developed and emerging economies.

Initially, a broad explanation regarding the dynamics that push an MNC to undertake an internationalization process was firstly developed by Dunning (1977; 1993; 1998). The researcher argues that it is possible to find three major ways to use foreign direct investment (hereafter FDI) that can explain the decision of a MNC to overcome its national boundaries.

To begin with, the market-seeking FDI approach assumes that a MNCs invest in a foreign country in order to exploit the possibilities granted by markets of greater dimensions.

To continue, firms use the resource-seeking FDI approach in order to acquire specific resources of a higher quality such as natural resources or raw materials or unskilled labor that is offered at a cheaper price with respect to the home country.

Lastly, Dunning (1977,1993, 1998) introduced the efficiency seeking FDI approach, which focuses on rationalize the structure of investments in such a way that the firm can benefit from the common governance of geographically distributed activities. Two are the relevant motivations that Dunning (1993) defines in explaining this approach. First, the researcher states that companies "take advantage of differences in the availability and costs of traditional factor endowments in different countries" (p. 60). To continue, the researcher also affirms that companies "take advantage of the economies of scale and scope and of differences in consumer tastes and supply capabilities" (Dunning, 1993, p.60).

In the last years, Dunning and Lundan (2008) revised this traditional theory adding a new fourth approach on the list of reasons that push a firm to invest abroad: the strategic-asset seeking FDI approach. It is argued that companies that engage this kind of procedure, tend to acquire the assets of foreign corporation in order to promote their long-term strategic objectives. The purpose of those investment is that of acquiring and complement a new technological base rather than exploiting the existing assets (Franco, Rentocchini & Mazzetti, 2008).

Another interesting perspective that follows the path undertook by Dunning, is given by Luo and Tung (2007), focusing on the internationalization processes of MNCs from emerging countries such as Asian ones.

According to this analysis, companies from emerging countries use outward investments as a "springboard" in order to acquire strategic assets needed to compete more effectively against the strong presence of global rivals in their original countries, to avoid the institutional and market constraints they face at their home countries and finally, to better adapt to the quick changes that occur in technological and product development (Luo & Tung, 2007)

Moreover, it is argued that this springboard behavior is pursued by emerging countries MNCs in order to overcome their latecomer disadvantage in the global MNCs scenario via a series of aggressive, risk-taking measures. This approach implies a proactive acquisition procedure of critical assets from mature MNCs in order to compensate their competitive weaknesses.

Compared to the mainstream perspective, the possibility that some firms develop international links in order to address a relative disadvantage, has not attracted so much attention in the literature (Wesson, 1999). In this paper instead, the notions of "late development" and "late mover" will offer a useful contribution.

The significance of the late mover perspective lies in the way it directs attention to international investment as a mean of addressing competitive disadvantages instead of considering the more established concept of competitive advantage (Child & Rodrigues, 2005). Considering this approach, outward FDI may allow firms that are not initially competitive in the world market to close the gap that separates them from leading companies through acquiring appropriate assets and resources (Child & Rodrigues, 2005).

The definition given by Child and Rodrigues (2005) can be linked to the Luo and Tung (2007) perspective, also stating that emerging countries MNCs springboard investments abroad could be attributed to several external pressures, such as this late mover position that they hold in the global scenario. It is possible to conclude that, the aforementioned factors could have an influence in this behaviour. The late mover perspective (Wesson, 1999; Child & Rodrigues, 2005) can be integrated with the springboard approach (Luo & Tung, 2007) that these companies have shown. These theories suggest that MNCs from emerging economies often do not follow a well-defined path or evolutionary process in selecting entry modes and project

location (Child & Rodrigues, 2005; Luo & Tung, 2007).
Lastly, at the same time it is argued that this 'springboard' approach could be encouraged by other different external factors such as their respective home government's policies in favor of internationalization processes, the willingness of global players in advanced countries to sell or share strategic resources, and the increasing integration of the world economy and global production (Luo & Tung, 2007).

2.1.3 Asian Multinational Companies & IT Sector: The Development of New Theories

In conclusion, it is argued by Latteman, Alon, Spigarelli, and Marinova (2017) in a recent research, that in explaining the emergence of Asian MNCs and in categorizing them within Western-based theories it may be challenging for scholars. Traditional models and widely acclaimed theories used to explain the internationalization processes of MNCs were built mainly considering Western countries during a different period of time (Hymer, 1960; Aharoni, 1966; Buckley & Casson, 1976; Johanson & Vahlne, 1990).
As matter of fact, MNCs from developed Western countries have always influenced the research field of international business. To illustrate this point, Hymer's (1960) theory of monopolistic advantage and Aharoni's (1966) behavioural theory of internationalization were based on an analysis of US firms. To continue, Buckley and Casson (1976) in order to develop their theory, studied a global sample of predominantly Western MNCs. It can be argued that old theories do not perfectly fit the reality in which nowadays are operating emerging countries MNCs, giving a particular focus on the Asian ones (Alon, Child, Li, & McIntyre, 2011; Deng, 2012). An interesting instance can be taken into account when considering old and acclaimed theories such as the Uppsala Model (Johanson & Vahlne, 1990) and the product life-cycle theory (Vernon, 1966, 1979). As a matter of fact, these theories suggest that companies incrementally internationalize themselves by first seeking a low-risk strategy. Following this principle, MNCs are expected to go first into similar countries externalizing their operations, and then over time, as they gain experience, internalize their foreign operations and venture into more remote and culturally different regions. This view of the internationalization processes of MNCs, clashes with the aforementioned theories proposed by Child and Rodrigues (2005), and Luo and Tung (2007).

It can also be argued that the theorization, conceptualization and by that, the definitions of the same term “Multinational Company” have been embedded in Western economic theories, taking into account only Western MNCs in their early development (Hemmert & Jackson, 2016).

Most of the cases reported in previous researches (Peng, 2012, Deng, 2009; Guillen and Garcia-Canal, 2009) reveal that emerging-market firms, particularly Chinese firms, present many differences compared to the old Western MNCs when taking into consideration internationalization processes. Therefore, emerging-market–specific or, more particularly, China-specific theories may provide better guidance on how to deal with the challenges posed by internationalizing Chinese firms (Alon et al., 2011; Boisot & Meyer, 2008; Luo & Tung, 2007; Deng, 2009; Peng, 2012).

Another interesting research that will be considered during the analysis of the internationalization process of Asian MNCs companies is the one conducted by Guillen and Garcia - Canal (2009). The two researchers gave an interesting contribution to the literature stating that new MNCs coming from Asian markets, have some unique and interesting features compared to their Western counterparts

To begin with, in their research it is argued that Asian MNCs have generally more freedom to implement organizational innovations. As a matter of fact, for these MNCs is easier to adapt to the requirements of globalization compared to their Western counterparts because they do not face the constraints typical of old and established Western MNCs. As major global players with long histories, many Western MNCs from developed economies suffer from inertia and path dependence due to their deeply ingrained values, culture, and organizational structure (Guillen & Garcia-Canal, 2009). Scholars seem to agree that many differences exist between the internationalization processes of old Western MNCs and new Asian MNCs; and that the traditional theory should be updated in order to better comprehend this new and different internationalization trend (Mathews, 2006; Guillen & Garcia-Canal, 2009; Paul & Dikova, 2016; Hemmert & Jackson, 2016).

Onetti, Zucchella, Jones, and McDougall-Covin (2010) state that, another interesting point it should be considered is the nature itself of the industries hereafter analyzed. Traditionally, innovation and internationalization tended to be considered as alternative growth options, occurring occasionally in the case of innovation, and incrementally in internationalization (Vernon 1966; Johanson and Vahlne 1990). Nowadays, especially for young technology-based firms, innovation and internationalization are more likely to be instantaneous, fast, and inter-related. Both processes are driven and influenced by the exploration and exploitation of new knowledge, which is embedded in different locations and may rely on different social and inter-organizational ties scattered across the globe (Onetti et al. 2012).

Tanev (2012) even claims that some technology companies can be considered as "Global-Born firms" According to the researcher, these companies share some characteristics such as having a product or service category that face few trade barriers; combined to a high value relative to its transportation cost.

As a matter of fact, the unique nature of digital and media products allows many possibilities for their commercialization and expansion (Albarran, 2016). As an example, digital and media products can be easily distributed to other countries with an inferior effort than manufacture products, bringing the international marketplace means opportunity for expanded revenues against minimum cost (Albarran, 2016).

To conclude, it can be argued that being a Information Technology company in a new technology-based sector nowadays involves dynamics and processes which are extensively different than those described by the traditional academic literature.

Thus, in order to analyze this singular phenomenon, old internationalization theories may not apply to the situation that Asian IT MNCs are facing at this time, where the world is more globalized, different, and interconnected than decades ago.

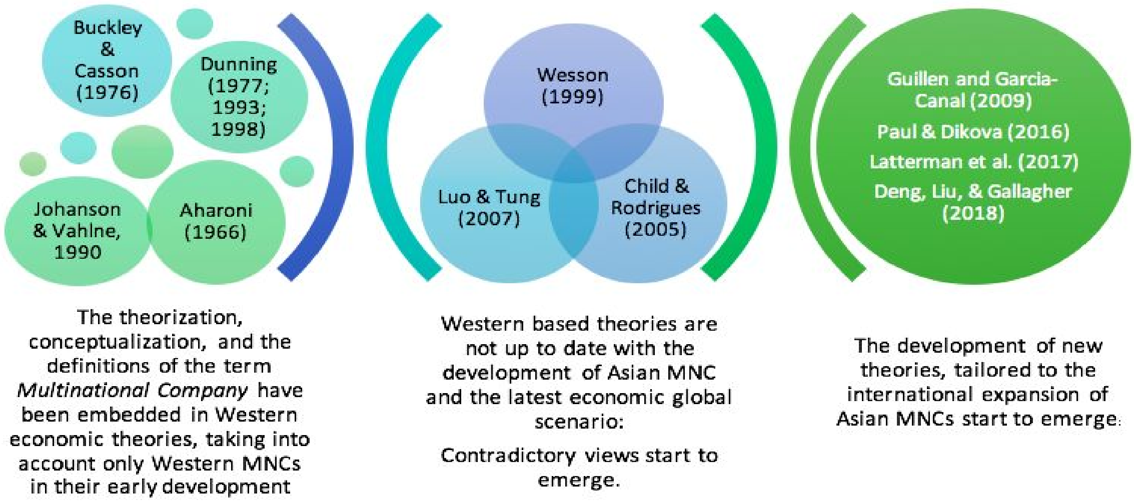


Figure 1: The development of new dedicated theories focusing on Asian Companies

2.2. Defining Strategy: from the classical definition to "Internationalization Process"

"Strategy is the great work of the organization. In situations of life or death, it is the Tao of survival or extinction. It's a study cannot be neglected" (Sun Tzu, 2008).

Already in the fifth century B.C., Sun Tzu recognized the importance of the concept of strategy and how crucial it could be in situations of life or death. Nowadays, this concept is as important as 25 hundred years ago because in a business environment, strategy determines the continuity or the dissolution of the firm.

the concept of Strategy defines not only the choices that a firm intend to pursue among many different competitive alternatives, but also the many alternatives that a firm decide to do not pursue in order to hold to its strategic positioning (Porter, 2001)

During the years, different perspectives shaped this notion in order to obtain an effective definition able to describe patterns and determinants of the business environment. This main concept will be the starting point of this research, that aims to get a deep understanding of the strategies that the selected Asian IT MNCs used in order to enter and compete in Western markets. Despite of the enormous amount of competing schemes in the business strategy literature, it is possible to find two fundamental theories that emerged as the most influential in the last decades.

To begin with, considered as one of the most influential stream of thinking that radically shaped not only the academic research but also the way itself of doing business, we find the strategic positioning theory proposed by Michael Porter. Porter, professor at the Harvard Business School, started to build and construct an organic theory about competitive strategy in 1979 (Hax, 2009). Porter's arguments are drawn from the work of organizational economists who place the industry as the central focus of strategic attention. According to Porter's framework, structural characteristics of a firm's industry can best explain variations in firm performance (Porter, 2001). In an environment characterized by uncertainty and change, it is essential to have a clear sense of direction in order to pursuit well defined objectives. To begin with, in order to obtain a suitable strategic positioning of a company compared to its competitors, the management should take into account these three key principles.

First of all, strategy is not about doing things better, it is about doing things differently. A company will outperform its competitors only if it will be able to establish a difference that it will preserve during the time. An organization must create comparable value at a lower cost or deliver greater value to customers or, eventually, do both (Porter, 1996). To continue, Porter strategy is defined as “the creation of a unique and valuable position, involving a different set of activities”(p.9). and the researcher also states that overall, “If there were only one ideal position and only one ideal combination of attributes, there would be no need for strategy” (p.9). Thus, it can be concluded that the essence of a successful strategic positioning is to choose activities that are different from rivals, and embracing them in order to build key strategic drivers of success for our organization (Porter, 1996).

To conclude, an important feature of strategy is in the choice of trade-offs in competing with other companies. The essence of strategy is not choosing what to do, but what not to do. Without trade-offs there would be no need for choice and therefore no need for strategy. Without the need of strategy any good idea could be quickly imitated. It is glaring that, in business world, a company will have to choose among an infinity of different possibilities and features in order to find the right mix between company’s processes (Porter, 1996).

Contrary to Porter views, Jay Barney proposed a different approach and theory in the 1990’s: the Resource-Based View of the firm.

The Resource-Based View of the firm represents a major departure from Porter’s approach that is based on market-driven factor considerations; as a matter of fact, Porter argues that industry structure plays a central role in creating opportunities for superior profitability (Porter, 2001). On the other hand, the Resource-Based View argues that the central forces of competitive advantage are factor-driven; that is, they depend on the firm’s development of its own resources and capabilities (Barney, 1991). Traditionally, the academic literature on this topic, shaped by Porter’s framework and the Resource-Based View of the Firm, perceived the primary role of strategy as achieving a unique competitive advantage.

It should be underlined that the word “competitive” is used because is generally accepted by the academic literature as a common principle. In this sense, it can be argued that the objective of strategy becomes beating your competitor. This can happen either by excelling in the activities of the company’s value chain, which allows to establish a dominant position in your industry, or through the mobilization and demobilization of unique resources and capabilities.

Taking into account both of the aforementioned views, it can be argued that strategic competitiveness is achieved when a firm successfully formulates and implements a value-creating strategy.

Although these two frameworks have often been presented as conflicting views, since they emphasize different dimensions of strategy, they can richly complement each other (Hax, 2009). Martin (2015) also argues that real strategies in the real world must combine the Strategic Positioning approach and the Resource Based View of the firm: "Positioning and resources aren't opposites so much as two sides of the same coin" (p.1).

Attempting to maintain an advantaged position in a given market or industry without thinking about the resources necessary to support the advantage is clearly not applicable in real-life situations. At the same time, is impossible to think that a firm could possibly develop a valuable, rare, inimitable, and non-substitutable resource outside the context of a particular position in a particular market (Martin, 2015).

the concept of strategy, at its heart, is about positioning and resources combined together. The art of strategy consist is in combining the two components in order to find a positioning that exploits resources to create an advantage that endures enough to justify the resource investment in the first place. (Martin, 2015)

To conclude, Martin's (2015) combined point of view over Porter (1996) and Barney's (1991) theories can easily be linked to the reasons why companies decide to undertake an internationalization process. A lot of parallels can be found among these theories the actual motives that outline the first steps of a company's internationalization process.

2.4 Definition of "Internationalization Process"

This section will introduce the concept of "Internationalization Process" as a whole and the path a firm could undertake in order to enter a foreign market. The way this concept is structured is fundamental in order to develop the entire research revolving around the understanding on how Asian MNCs business firms behaved when expanded their activities in foreign Western markets.

Internationalization can be perceived as a fundamental part of the ongoing strategy process of most business firms (Mellin, 1992). The common viewpoint in international business assumes that firms will cross their own national boundaries in order to undertake a process of growth (Dunning & Lundan, 2008). On the basis of the arguments made in the previous sections, we can argue that the main differences found among internationalization and many other types of strategy processes can be firstly identified in two distinct dimensions. To begin with, a company that undertakes an internationalization path will have to transfer products, services or resources across national boundaries (Bradley, 1995). This fact implies that the company will have to carefully select in which countries it wants to expand. In addition, the firm will have to select its international exchange transaction modality, that is, a foreign market entry strategy. These two dimensions, complementary to each other, represent the key strategic tools in connection to a firm's internationalization (Bradley, 1995,). These first two dimensions that a company has to consider before to undertake an internationalization process, can be well integrated with considerations made about the different strategy approaches presented in the previous section.

Nonetheless, according to classical theories, the basis of a definable competitive advantage should be present to do so because this will allow a secure financial return to cover the additional costs and risks associated with operating abroad (Buckley & Ghauri, 1999; Caves, 1971).

The prevalent belief in mainstream theory is that internationalization trend is motivated by a company's wish to exploit its existing ownership advantages. The conventional view therefore focuses on the overseas possibilities for asset-exploitation and for the creation of a unique and valuable strategic positioning in the chosen foreign market through the execution of different set of activities (Dunning, 1977, 1998; Porter, 1996). It is important to remind that this paper will take into account also the opposite view and contractive theories that, compared to this mainstream perspective, contemplate the possibility that some firms develop international connections and strategies in order to address a competitive disadvantage (Wesson, 1999; Child & Rodrigues, 2005; Luo & Tung, 2007). Hereafter is presented an exhaustive theoretical discussion about the first concept that constitute the conceptual framework that it will be used throughout the analysis.

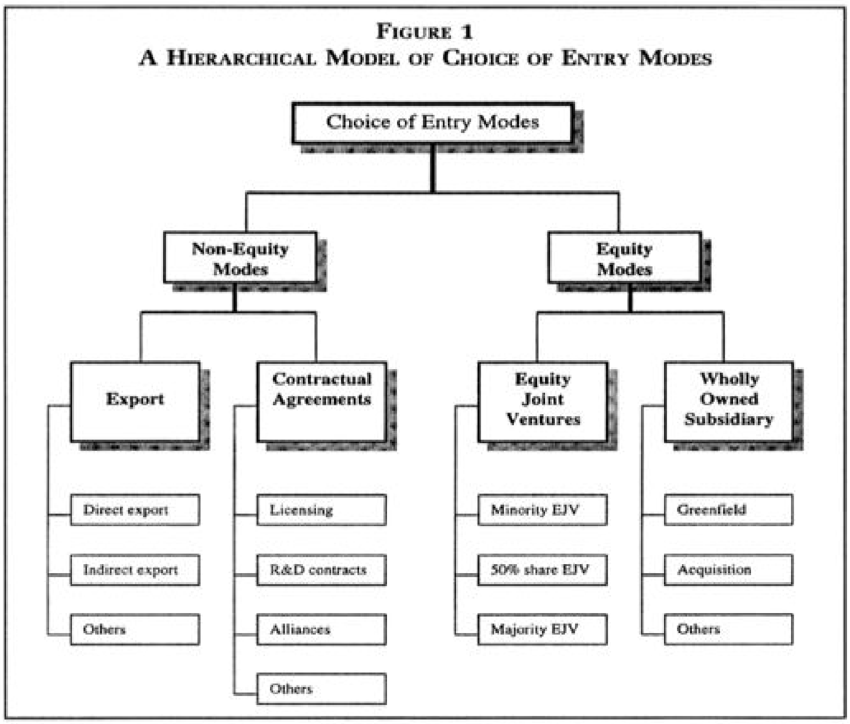
2.4.1 Internationalization Process: the Initial Strategic Approach to the foreign Market

In this section it will be discussed the necessary elements that a company should take into account when competing in a new foreign market. International companies will have to

understand strengths and weaknesses of each market and adapt their overall strategy to the dynamics and external forces that shape the competition.
In order to understand which path each company undertook at the beginning and during of its internationalization process, the analysis of different modes of entry chosen will be essential.

A MNCs can choose among different modes of entry in order to start its activities into a foreign market. Different modes of entry present different level of commitment that a company undertakes into a foreign market (Harzing,2002); to know them and to understand their importance will be crucial for the development of this research project.
When a company decides to pursue an expansion into a foreign market, it has to take a clear decision on two related but distinct issues.
Harzing (2002) states that a company has to choose between two different "entry modes" if it wants to successfully enter into a foreign market: "Non-equity based entry mode" and "Equity-based entry mode". To continue, the company has to consider that there is a natural hierarchy between these two entry modes that concerns the level of commitment of the operation (Kumar & Subramaniam, 1997). After deciding which main mode strategy to use (equity-based or non-equity entry mode), managers are required to choose which specific mode within these two categories further consider. Both of the categories can be divided into two further sub-categories in which it can be found different entry mode strategies. Pan and Tse (2000) developed a hierarchical model in order to classify different types of entry mode:

Figure 2: Hierarchical Model of Pan and Tse (2000)



According to the Pan and Tse model (2000), the "non-equity" category can be further divided in two sub-categories: "Export" and "Contractual Agreements".

The exporting mode is a low resource investment and consequently a low risk and low return alternative. Although this mode can provide operational control to a company, it lacks in providing marketing control. This element could be harmful for market seeking firms (Agarwal & Ramaswami 1992). Exporting does not require the expense of establishing operations in the host countries, but exporters need to establish some means of marketing and distributing their products. Usually, exporting firms develop contractual deals and arrangements with host-country firms. The disadvantages of exporting include the often high costs of transportation and possible tariffs placed on incoming goods. Furthermore, as aforementioned, the exporter has less control over the marketing and distribution of its products in the host country; and for this reason he must either pay the distributor or allow the distributor to add to the price to compensate its costs and earn a profit (Hitt, Ireland & Hoskisson, 2007).

The contractual agreement mode is a low level investment and a low risk and low return alternative which provides least control to the licensing firm than the export mode. Here we find entry modes such as "R&D contracts", "Licensing" and "Alliances".

The term Research and development (R&D) refers to the investigative activities and research that company conducts in order to improve already existing products and procedures or to achieve the development of new products and procedures (Tihanyi, Johnson, Hoskisson, & Hitt, 2003).

It can be argued that International diversification provides the potential for a company to reach greater returns on its innovations (through larger and more numerous markets) and to lower the substantial risks associated to R&D investments. Therefore, international diversification provides incentives for firms to innovate (Tihanyi et al., 2003).

In addition, a large-scale R&D operation could be necessary to generate the resources required in order to sustain an effective process of international diversification. Firms should be aware that an environment of rapid technological obsolescence makes it difficult to invest in new technology and the capital-intensive operations required to take advantage of such investment. For these reasons, firms operating solely in domestic markets may find such investments problematic because of the length of time required to compensate the original investment (Tihanyi et al., 2003).

Likewise, the "Licensing mode" is an increasingly common form of organizational network, particularly among smaller firms (Kline, 2003). A licensing arrangement allows a foreign company to purchase the right to manufacture and sell the firm's products within a host country or set of countries while the licenser is usually paid a royalty on each unit produced and sold. (Arora & Fosfuri, 2000).

Lastly, in recent years, "Strategic Alliances" have become a popular means of international expansion (Larsson, Brousseau, Driver, Homqvist, & Tarnovskaya 2003). Strategic alliances allow firms to share the risks and the resources required to enter international markets. Moreover, strategic alliances can facilitate the development of new core competencies that contribute to the firm's future strategic competitiveness. (Peng, 2001; Hitt, Ahlstrom, Dacin, Levitas, & Svobodina, 2004).

The "equity-based" mode could also further divided into two subcategories: "Wholly Owned Subsidiary" and the "Equity Joint Ventures".

The "wholly owned subsidiary" mode is a high level investment and consequently, it provides a high risk/return alternative and also a high degree of control to the investing firm. (Agarwal & Ramaswami, 1992).

Within this category it is possible find other important distinctions that should be taken into account. As a matter of fact, if a company will decide to pursue a wholly owned subsidiary mode of entry it will have to choose among several options in order to to acquire an existing local firm.

To begin with, the "acquisition" entry mode is a strategy through which one firm buys a controlling, or 100 per-cent, interest in another firm with the intent of making the acquired firm a subsidiary business within its portfolio. In this case, the management of the acquired firm reports to the management of the acquiring firm.

Moreover, is it possible to further divide the different types of acquisition. As a matter of fact, the acquisition of a company competing in the same industry as the acquiring firm is referred to as a horizontal acquisition. Horizontal acquisitions increase a firm's market power by exploiting cost- based and revenue-based synergies (Capron, 1999).

Conversely, a vertical acquisition refers to a firm acquiring a supplier or distributor of one or more of its goods or services. A firm becomes vertically integrated through this type of acquisition in that it controls additional parts of the value chain. (Subramani & Venkatraman, 2003; Gabrielsen, 2003)

Additionally, in order to break into a foreign market, a company could operate a merger with a local partner. This is a strategy through which two firms agree to integrate their operations on a relatively co-equal basis. There are few true mergers, because one party is usually dominant in regards to market share or firm size. It should be taken into account that while most mergers are friendly transactions, acquisitions can be friendly or unfriendly.

Another interesting way of entering into a foreign market is through a “takeover” operation. A “takeover” is a special type of an acquisition strategy wherein the target firm does not solicit the acquiring firm’s bid. For instance, the number of unsolicited takeover bids increased in the economic downturn of 2001–2002, a common occurrence in economic recessions. As a matter of fact, at that time the poorly managed firms that were underestimated relative to their assets were more easily identified (Thornton, Keesnan, Palmeri, Himelstein, 2002). Many takeover attempts are not desired by the target firm’s managers and are referred to as hostile. In a few cases, unsolicited offers may come from parties familiar and possibly friendly to the target firm. On a comparative basis, acquisitions are more common than mergers and takeovers.

Lastly, the firm can also choose to set up a completely new plant . The establishment of a new wholly owned subsidiary is referred to as a “greenfield venture”. This process is often complex and potentially costly, but it affords maximum control to the firm and has the most potential to provide above-average returns. This potential is especially true of firms with strong intangible capabilities that might be leveraged through a greenfield venture (Harzing, 2002).

Another important typology among the of investment is the equity mode of entry known as “Joint venture”. It involves relatively lower investment and therefore it provides risk, return, and control proportional to the extent of equity participation of the investing firm. (Agarwal & Ramaswami 1992). A joint venture is a strategic alliance in which two or more firms create a legally independent company to share some of their resources and capabilities to develop a competitive advantage. Joint ventures are effective in establishing long-term relationships and in transferring tacit knowledge. Because it can’t be codified, tacit knowledge is learned through experiences such as those taking place when people from partner firms work together in a joint venture (Agarwal & Ramaswami 1992).

To conclude, as the Internet had emerged, giving rise to e-commerce we find a new entry mode not included in Pan and Tse (2000) framework. “Electronic marketing” had become a new way of internationalizing services as done, for example, by bookstores, such as Amazon.com, and television shops. “The Internet provides firms with a way of communicating its offering and putting them up for sale, and a way of collecting data about buying habits and patterns of its customer” (Grönroos, 1999:295). Electronic marketing, as described by Grönroos (1999) has grown exponentially.

Nowadays, retailers can sell almost any item internationally but have to manage deliveries and payment by partnering with other firms. E-commerce and electronic marketing strategies mostly related to retailing services made products available internationally in new and more easily accessible ways. The classical export and entry strategies described by Pan & Tse (2000) remain valid and widely used, however, it is essential to add this new concept as an extension of the low-risk and non-equity entry modes practices.

To continue, digitalization has enabled the internationalization of almost any type of offering, not only in the retailing sector, but also pure services. As an example, games traditionally were played around a table, but today, consumers around the world can play games together using mobile-phone software or simply a PC (Grönroos, 2016). To conclude, Is it important to include this mode of entry in the theoretical framework since in this research were taken into consideration analyzed Asian IT MNCs.

The mode of entry analysis will be used in order to define which internationalization strategy the companies analyzed decided to move towards. The concepts of “exploitation” and “exploration” strategy are very different, reflecting two different modalities in which a company can pursue an internationalization process. As a matter of fact, they both provide firms with different advantages in order to address their international expansion process (Turner, Swart, & Maylor, 2013).

This study uses the definition of “international exploitation strategy” given by Deng, Liu, Gallagher, and Wu, (2018) defined as “the ability to integrate and reconfigure the resource capabilities and to effectively deploy them within their specific international settings” (p.3). As aforementioned, Asian MNCs developed a set of competences based on country-specific advantages in their home market (e.g., the economy of scale and government support), which might favor the integration of new, foreign-based assets. (Luo & Wang, 2012). This definition implies that a company will first use either low risk or high risk entry strategy to a foreign market, leveraging on its own assets and capabilities rather than rely on another foreign company.

On the other hand, in this study is adopted the definition of “international exploration strategy” as “the ability to develop new capabilities or to upgrade existing capabilities particularly through accelerated internationalization such as cross-border M&As in developed economies” (Deng et al., 2018, p.3).

For many Asian MNCs, international exploration strategy serves as an effective mechanism to access new resources, with capability development and competitive advantage following, rather than leading their internationalization (Deng, 2009; Li & Deng, 2017). This definition implies that a company will first use either a low risk or an high risk entry strategy, leveraging on assets and capabilities of newly acquired foreign companies.

The exploitative and explorative approaches are complementary rather than trade-off strategies because a subsidiary may rely on a parent firm’s competitive advantages and contribute exploitative benefits but, over time, the subsidiary may develop its knowledge base that the parent firm can later exploit (Deng et al., 2018).

Taking into account these considerations, this research aims to analyze how did Asian IT MNCs initially start to internationalize their activities in Western markets, and later on, evolved their strategic approach. The mode of entry, exploration, and exploitation strategy are deeply interconnected to each other. and their bond is fundamental to understand the major ambitions of each company into foreign Western markets.

2.4.2 Internationalization Process: the Evolution of Strategic Approach into a Foreign Market

How the initial strategic approach of a company to foreign Western markets evolved throughout time is the other aspect that this research aims to analyze. Therefore, to establish how the following expansion operations evolved compared to the very first one, is the main focus of this section. Striving towards this aim, the same definitions introduced by Pan & Tse (2000) and Gronroos (1999,2 2016) will be used in order to analyze the different events involving the international evolution of the chosen companies.

Striving towards this aim, this research introduces the concept of “ambidexterity”in order to guide the analysis and explain these evolving dynamics.

The concept of ambidexterity refers to an organization's ability to sequentially engage in two seemingly contradictory activities rather than forcing a selection between two alternatives (O'Reilly & Tushman, 2013), in this paper is argued that an ambidexterity perspective may be of immense importance to Asian IT MNCs from in the quest to survive and compete effectively against global rivals when facing a competitive environment out of their home country.

The "sequential ambidextrous approach" can usefully contribute to this research and comprehensively assess how did Asian MNCs develop and evolved their internationalization processes in Western markets. In order to consistently investigate this research question, this study defines two different possible evolution path of the initial strategic approach that a company can follow in its internationalization process.

To begin with, the research defines "first sequential international ambidexterity" an internationalization process that starts with exploitation and move toward exploration. Some Asian MNCs are more likely to adopt international exploitative strategies first when they enter and compete in less developed countries so as to exploit the competence developed in their home markets, then they come back to home country and even go to developed economies to compete in low-end business domains or niche markets (Deng et al., 2018).

On the other hand, the "second sequential international ambidexterity" is just opposite, that is, from exploration to exploitation. Some Asian MNCs are likely to first embrace international exploratory strategies for learning and access to strategic assets so as to build and upgrade their competencies mainly through outward FDI and acquisition of existing firms in developed markets; then they leverage these competencies in their huge home country market and/or in less developed markets (Deng et al., 2018).

To conclude, to determine which of the two path the companies chose to follow will be essential in order to understand the evolution of their internationalization process.

2.5 Conceptual Framework

In the last years Asian IT MNCs gradually became important players in the overall global scenario, developing and expanding their presence in Western markets while challenging MNCs from Western Countries. For this reason, it is important to analyze their internationalization process. In order to do so, scholars started to analyze the dynamics behind the internationalization process of MNCs from both Asian developed and emerging countries, concluding that is it not possible to compare their internationalization process and foreign development, with the one occurred decades ago to Western MNCs.

To conclude, still a gap in the literature exists in the topic of internationalization processes of Asian Information Technology companies and how they managed to expand their presence in Western Countries.In order to analyze this phenomenon, is proposed the following conceptual framework:

Figure 3: Conceptual Model

3. Methodology

3.1 Qualitative Approach

In order to answer to the proposed research question, this study takes a qualitative approach, which implies that qualitative evidences from multiple data sources were used. Qualitative methods enable the possibility to analyze phenomena of social realities that cannot be measured by statistics (Silverman, 2011; Strauss & Corbin, 1998). As a matter of fact, this approach enables the researcher to effectively investigate the research question, which aims to understand how Asian IT companies started and sequentially evolved their internationalization processes into Western markets. Here, a quantitative approach would limitate not only the analysis itself, but also the findings (Yin, 2014).

To continue, a qualitative approach is necessary to fully comprehend these thematics and being able to spot patterns and recurrent themes during the analysis. As a matter of fact, this study aims to achieve an in-depth observation of the internationalization process of several Asian Information Technology companies. Striving towards this aim, qualitative evidence collected from the multiple sources will be used to broaden and generalize the theories, as well as to describe interventions in the real-world context (Yin, 2014). For this thesis the comparative case analysis of eight Asian Information Technology companies was conducted.

A multiple case study approach is the most suitable method to answer the research question. Usually, this method is considered the most suitable approach in order to accurately answer “how” and “why” research questions (Berg, 2004). Hence, it appropriately fits with the objective of this study, which is to understand *how* Asian Information Technology companies undertook their internationalization process and which strategic decisions they pursued. The definition given by Schramm (1971) points out important features embedded in this method; the researcher states that the essence of a case study, is that it tries to illuminate a decision or set of decisions: why they were taken and how they were implemented.

In addition, comparative case study approach is the favorite research method when it comes to business organizations (Berg, 2004; Eisenhardt & Graebner, 2007).
To continue, one of the advantage of this research method is its ability to examine the case in-depth and investigate social phenomena within its 'real-life' context (Yin, 2011).
As a matter of fact, Yin (2009) states that "a case study is an empirical inquiry about a contemporary phenomenon, set within a real-world context, especially when the boundaries between phenomenon and context are not clearly evident" (p. 18).
In addition, it has to be considered that case studies closely examine the present cases and contemporary events and their dynamics, which is fitting with the research question this study wants to answer.

3.2 Validity and Reliability:

The validity and reliability of case study research is a key issue that needs to be addressed before to analyze the data. As a matter of fact, an high degree of validity and reliability provides not only confidence in the data collected but also trust in the findings (Yin, 2003; Riege, 2003)
There are several techniques which can enhance the validity and reliability in case study research and that were utilized during this analysis.
To begin with, the use of multiple sources of evidence in the data collection phase, such as the triangulation of interview tapes, documents, artifacts, and others, for protection against researcher bias (Riege, 2003).
To continue, the use of a literal and/or theoretical replication logic in multiple case studies in the research design phase, for example, 8 cases across one industry in two countries e.g. Japan & China (Eisenhardt, 1989).
To conclude, the comparison of evidence with the existing literature in the data analysis phase was used. The goal of this technique is to clearly outline contributions and generalise those within the scope and boundaries of the research, and not to a larger population (Yin, 2003).

3.3 Case Selection

Making a good case selection is essential to find the common patterns in the internationalization processes among Asian IT MNCs.

Eisenhardt (1989) argues that the goal of theoretical sampling is to choose cases that are likely to replicate or extend the emergent theory. For the current study, a multiple-case study involving eight different Asian IT MNCs has been chosen. In contrast to other research methods, the number of cases in case studies is smaller due to more depth and the extent of details for each case. The chosen number of cases increases the confidence in the study's findings. At the same time, the higher amount of cases might not allow deep and rich investigation due to the time limitations (Rowley, 2002). As a matter of fact, Eisenhardt (1989) states that the appropriate number of cases that a researcher should take into account while conducting a scientific study it should be among 8 and 12.
The sample was not randomly selected, but chosen in order to test if the findings will predict similar results (direct replications) or contrasting results (theoretical replications) (Yin, 2014). In order to select the cases, the following features were taken into regard:

- The cases are multinational companies that are all Information Technology companies. Those companies will be defined as producers and/or deliverers of collective communication outlets or tools that are used to store and deliver information or data for commercial purposes.

- The cases are *Information Technology companies* that started their original activity in Asian countries and that expanded their activities in Western Markets

In order to get a better comprehension of the companies analyzed, an historical overview will be given from the foundation of the company until present. Hereafter, it will be listed the groups of company that will be analyzed for this research.

Case 1: Softbank (Japan):

Softbank actively operates in broadband, fixed-line telecommunications, e-commerce, Internet, technology services, finance, media and marketing, semiconductor design, and other businesses (Bloomberg, 2016). The company concentrate its operations in the information industry, in order to support the spread of information with leading technologies essential to the times and superior business models (Softbank Corporate Website, 2017).

The SoftBank Group's aim is to contribute to people's happiness through the Information Revolution, and to become “the corporate group needed most by people around the world” (Softbank Corporate Website, 2017).

Case 2: Alibaba (China):

Alibaba Group was established in 1999 by Jack Ma, a former English teacher from Hangzhou, China. From the beginning, the company's founders shared a belief that “the Internet would level the playing field by enabling small enterprises to leverage innovation and technology to grow and compete more effectively in the domestic and global economies”(Alibaba Corporate Website, 2017).

Since the launch of its first website, aimed to help small Chinese exporters, manufacturers and entrepreneurs to sell internationally, Alibaba Group has grown into a global leader in online and mobile commerce. Today the company and its related companies operate leading wholesale and retail online marketplaces as well as Internet-based businesses offering advertising and marketing services, electronic payment, cloud-based computing and network services and mobile solutions, among others. (Alibaba Corporate Website, 2017)

Case 3: Rakuten (Japan):

"Rakuten Ichiba" was launched in 1997 with only 6 employees and 13 merchants. Since its foundation, innovation has been at the core of this company, with the mission of "empowering people and society through innovation and entrepreneurship” (Rakuten Corporate Website, 2017). The group's 2010 annual report highlights that Rakuten Ichiba was Japan's largest online shopping mall, offering to its customers more than 95 million products from about 40,000 merchants. It also had 9 million credit card customers and more than 75 million users in Japan. As part of the group's globalization initiative, Rakuten Ichiba started offering international shipping (Rakuten Corporate Website, 2017).

Case 4: JD.com (China):

JD.com is a Chinese electronic commerce company headquartered in China’s capital city, Beijing. It is one of the largest B2C online retailers in China by transaction volume and revenue, a member of the Fortune Global 500, and a major competitor to Alibaba (JD.com Corporate Website, 2017).

The company is divided in two strategic divisions: to begin with, *JD Mall* is China's leading one-stop e-commerce platform, providing 236.5 million active customers with direct access to an unrivalled range of authentic, high-quality products, and helping leading local and international brands tap into China's fast-growing e-commerce market.

Case 5: Tencent (China):

Founded in November, 1998, Tencent is a leading provider of Internet value added services in China. Since its establishment, the company has maintained a stable growth under its user-oriented operating strategies. On June 16, 2004, the company went public on the main board of the Hong Kong Stock Exchange. Tencent's mission is to enhance the quality of human life through Internet services, providing social platforms and digital content services under the "Connection" Strategy. Tencent's leading Internet platforms in China are QQ (QQ Instant Messenger), Weixin/WeChat, QQ.com, QQ Games, Qzone, and Tenpay. These platforms have brought together China's largest Internet community, to meet the various needs of Internet users including communication, information, entertainment, financial services and others. In June 2016 the monthly active user accounts of QQ was 899 million while its peak concurrent user accounts reached 247 million. The development of Tencent has profoundly influenced the ways hundreds of millions of Internet users communicate with one another as well as their lifestyles. It also brings possibilities of a wider range of applications to the China's Internet industry. (Tencent Corporate Website, 2017)

Case 6: Baidu (China):

Baidu is the world's largest Chinese search engine and also the largest Chinese website. It was created at the end of 1999 by the Silicon Valley engineer Robin Li saw, who understood the great development potential of the Chinese Internet and Chinese search engine services. In China, Baidu PC and mobile market share of 73.5%, covering 97.5% of China's Internet users, with 600 million users, the average response search 6 billion times.

Today, Baidu has become one of China's most valuable brands (Baidu Corporate Website, 2017).

Case 7: NetEase (China):

NetEase is a Chinese Internet technology company providing online services centred on content, community, communications and commerce. Founded in 1997, this firm was a key pioneer in the development of Internet services for China. NetEase develops and operates some of China's online PC and mobile games, advertising services, email services and e-commerce platforms. It also offers multi-platform access to free and fee-based community and communication services, including websites, content channels, YiChat social instant messaging application, NetEase Mobile News Application, Youdao dictionary and Youdao cloud note-taking service (NetEase Corporate Website, 2017).

NetEase is one of the providers of free email services in China, offering different and unique features such as voice search and facial recognition. In addition, NetEase has ventures in e-commerce, with offerings such as Koala, a cross-border e-commerce platform, and Wangyibao, an online payment system. Other online products offered include online video entertainment services: Bobo and CC (NetEase Corporate Website, 2017).

Case 8: Musically (China):

Musical.ly is a social media platform for creating and sharing short videos. Millions of people around the world use musical.ly as an outlet for creative expression and communication with friends. Musical.ly is a platform that connects individuals to a vibrant and highly-engaged community of content creators (Musical.ly Corporate Website, 2017). The app also allows users to browse popular "musers", content, trending songs and sounds and hashtags. As of July 2016, musical.ly has over 90 million registered users and an average of 12 million new videos posted every day (Rys, 2016). In May 2017 over 200 millions of users were using the platform.

3.4 Units of Analysis and Data Collection

Every type of empirical research has an implicit research design. In the most straightforward sense the design is defined by Yin (2003) as “the logical sequence that connects the empirical data to a study's initial research questions and, ultimately, to its conclusions” .

Striving towards this aim, Yin (2003) selected three different principles for an unbiased data collection, that were also followed throughout this analysis.
To begin with, the use of multiple sources of evidence will provide the researcher with a broad range of information that will result in more solid results (Yin, 2003).
To continue, A case study database tackles the documentation of the collected data. This documentation requires the structured organization of collected data through annotated bibliographies and case study notes (Yin, 2003).
To conclude, the maintenance of a chain of evidence involves the increase in reliability of the data collected by organizing data effectively (Yin, 2003).
Following these principles during the analysis, here the dataset of the research.

Case	Theme	Document Type	Source
	Initial strategic approach to foreign Western market	Article	AT&T Global Information Solutions to bundle Softbank On Hand CD-ROMs with SOHO PC product. (June 20, 1994). *Business Wire*. Retrieved from www.lexisnexis.com/uk/nexis
		Article	Softbank Corporation Buys Ziff Davis Exposition & Conference Company for $202 Million. (1994, November 2). *PR Newswire.* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Softbank Holdings Inc. Makes a $23 Million Investment in OnLive! Technologies; Funding To Further Advance OnLive!'s Internet Technologies And Expand Sofbank's Portfolio. (1996, June 25). *PR Newswire.* Retrieved from www.lexisnexis.com/uk/nexis
Softbank	Evolution of the Strategic Approach to foreign Western Markets	Article	Evans, M. (1996, July 10). Comdex shows are just one strand of Softbank profit. *The Financial Post (Toronto, Canada)*. Retrieved from www.lexisnexis.com/uk/nexis
		Article	Herhold, S. (1997, July 7). Softbank, How Softband's Investment Division Stumbled Japanese Conglomerate Seeks Unusual Back-Up Financing for Internat Start-Ups. *San Jose Mercury News (California)*. Retrieved from www.lexisnexis.com/uk/nexis
		Article	Abrahams, P., & Nakamoto, M. (1997, November 15). Japan's Softbank Teeters at the Top. As the multimedia empire's shares tumble and debt soars, flamboyant founder Masayoshi Son faces hard decisions. *The Financial Post.* Retrieved from www.lexisnexis.com/uk/nexis

		Corporate Annual Report	Softbank (1999). 1998 Annual Report of Softbank. Retrieved from https://www.softbank.jp/en/corp/irinfo/financials/annual_reports/
		Article	Son also rises with Softbank success Japanese tech leader gambles big, wins big. (1999, April 5). *Usa Today*. Retrieved from www.lexisnexis.com/uk/nexis
		Article	Softbank Venture Capital Announces the Newest Concept in Incubating Companies, "Hotbank". Softbank Venture Capital Provides Internet Start-Ups with More than Just Financial Capital. (1999, October 14). *Business Wire*. Retrieved from www.lexisnexis.com/uk/nexis
		Article	New Softbank Funds Commit Over $1 Billion USD for European Internet Start-Ups. (2000, March 8). *Business Wire.* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Softbank forms European start-up funds with News Corp and Vivendi. (March 9, 2000). *Agence France Presse.* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Softbank Corp. Organizes for Rapid International Expansion; Creates Global Ventures Group to Manage Markets Outside of Japan. (2000, March 8). *Canadian Corporate Newswire*. Retrieved from www.lexisnexis.com/uk/nexis
		Article	Softbank Aligns Holdings With Internet Business Strategy. (1999, July 14). *Business Wire.* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Softbank building Internet empire as Japan rushes to go online. (2000, March 21).*The Associated Press.* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Sprint playing crucial role in Softbank's 30-year grand plan BYLINE: Tammy Parker. (2012, November 19). *FierceWirelessTech.* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Softbank sweetens offer for Sprint by $1.5B. (2013, June 11). *The Associated Press State & Local Wire.* Retrieved from www.lexisnexis.com/uk/nexis
		Article	SoftBank seeks profitability overseas. Some investors concerned over massive debt incurred to enable Sprint purchase. (2012, October 17). *The Daily Yomiuri (Tokyo)*. Retrieved from www.lexisnexis.com/uk/nexis
		Article	SoftBank And Legendary To Form Strategic Partnership; SoftBank to Invest $250 Million in Legendary. (2014, October 2). *PR Newswire.* Retrieved from www.lexisnexis.com/uk/nexis

		Article	Corporate strategy - Company Profile - Softbank spins a world wide web. (2015, April 1). *Foreign Direct Investment (FDI)*. Retrieved from www.lexisnexis.com/uk/nexis
		Article	SoftBank Announces Agreement to Acquire Boston Dynamics; Companies to Collaborate in Advancing the Development of Smart Robotics Technologies. (June 8, 2017). *Business Wire.* Retrieved from www.lexisnexis.com/uk/nexis
Rakuten	Initial strategic approach to foreign Western market	Article	Rakuten grows in new directions. (2004, January 26). *The Nikkei Weekly (Japan)*, Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten, Leading Japanese E-Commerce Portal, to Acquire LinkShare, Leading U.S. Performance-Based E-Commerce Company; - Transaction is Rakuten's first step into U.S. e-commerce market. (2005, September 6). *PR Newswire US*, Retrieved from: www.lexisnexis.com/uk/nexis
		Article	Japan's Rakuten to Buy America's LinkShare. (2005, September 6). *Associated Press Financial Wire*, Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten to expand Internet mall into U.S. (2006, May 15). *The Daily Yomiuri*, Retrieved from www.lexisnexis.com/uk/nexis
		Corporate Annual Report	Rakuten (2006). 2005 Annual Report of Rakuten. Retrieved from https://global.rakuten.com/corp/investors/documents/annual.html
		Article	Report: Japan's biggest online shopping mall Rakuten plans to launch U.S. service this year. (2007, January 10). *The Associated Press* Retrieved from www.lexisnexis.com/uk/nexis
	Evolution of the Strategic Approach to foreign Western Markets	Article	Rakuten gets back to its e-tail roots. (2008, November 4). *The Nikkei Weekly (Japan)*, Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten shifts focus in bid to target No. 1 position overseas. (October 26, 2009). *The Nikkei Weekly (Japan),* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten Makes Major Global Expansion Move With Acquisition of Buy.com; Companies Share Strategic Vision of Global Ecommerce Marketplace. (2010, May 20). *Business Wire*, Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten getting ready to take on Amazon. (2010, May 24). *The Nikkei Weekly (Japan)*, Retrieved from www.lexisnexis.com/uk/nexis

		Article	Japan:Rakuten in first online move into Europe with French deal. (2010, June 19). *TendersInfo,* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten's Buy.com® Opens its Online Marketplace to Nearly 70 Million Customers in Japan; Turnkey Solution Expands Buy.com's Global Sales Efforts; Enables U.S. Retail Partners to Sell & Ship to Japan's Largest Online Shopping Mall. (2011,February 22). *PR Newswire,* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten to Acquire Ikeda in Brazil; Rakuten's Global Reach Expands to Include South America. (2011, June 7). *Business Wire,* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten buys German e-commerce firm Tradoria. (2011, July 28). *Associated Press Financial Wire*, Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten to Acquire Play.com; Global e-commerce firm plans long term UK investment. (2011, September 21). *Business Wire,* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten to Acquire Kobo; Kobo, a Global Leader in eReading Expands Rakuten Offering to Include eBooks and eReaders Worldwide. (2011, November 8). *Business Wire*, Retrieved from www.lexisnexis.com/uk/nexis
		Article	Rakuten Leads Investment in Pinterest; Global social commerce pioneer takes stake in online sharing service. (2012, May 17). *Business Wire,* Retrieved from www.lexisnexis.com/uk/nexis
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		Article	MTV, Seventeen, E! Plan Original Shows for Musical.ly. (2017, June 15). *Hollywoodreporter.com.* Retrieved from www.lexisnexis.com/uk/nexis
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		Article	Settembre, D. (2017,November 10). Musical.ly, l'avanzata cinese su un successo globale. [Musical.ly, Chinese progress to a global success]. *Forbes.com.* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Cheetah Mobile Announces the Merger of Musical.ly with Bytedance. (2017, November 11). *News Bites US Markets.* Retrieved from www.lexisnexis.com/uk/nexis
		Article	Bytedance to Acquire Musical.ly to Expand Global Reach in Video-Sharing Platform Market. (2017, November 14). *Financial Wire*, Retrieved from www.lexisnexis.com/uk/nexis
		Article	Musical.ly President Departs Following Acquisition. (2018, January 8). *Hollywoodreporter.com.* Retrieved from www.lexisnexis.com/uk/nexis

The dataset of the research consists, where possible, of balance sheets, financial statements and company reports of each company from the foundation until nowadays (focusing on important milestones) to understand the internationalization processes that they undertook and in order to find patterns among the selected companies. Unfortunately, due to the inaccessibility of key strategic people within the selected companies, It was impossible to include interviews, which would have been a great contribution to the research.

To continue, in order to prevent source bias, not only the company's perspective was considered but also other sources such as financial and traditional press.

To begin with, balance sheets, financial statements and company reports can give a clear source of how the company performed in order to reach the most important milestones achieved. Starting from an historical perspective, it will be retraced the steps undertook by them at the beginning and during the evolution of their internationalization process. An examination of these data will enable the reader to understand which were the main goals that the company wanted to achieve and what it actually reached in terms of performance and strategy. These data will be able to unveil company's practices and strategies undertook in order to reach a successful penetration into Western market.

Furthermore, in order to prevent source bias that could emerge only taking in regard the company's perspective with the aforementioned type of data, financial and traditional press, government and industry reports are also considered. As a matter of fact, in order to prevent an erroneous analysis it was crucial to consider sources outside the company that could give us an external point of view about the actions of the company.

Through the analysis of the most important milestones of the company with the aforementioned conceptual model, it will be possible to observe whether or not some patterns will emerge.

The data related to the category financial press are retrieved through the LexisNexis database, a comprehensive tool that helps the researcher to find enough data units. To conclude, in order to retrieve balance sheets, financial statements and company reports it were used tools such as companies' websites and the SEC Edgar Database.

3.5 Operationalization

The data are be observed through the conceptual model developed in the theoretical framework. The internationalization process is defined through two different steps: "Initial Strategic Approach" and "Evolution of Strategic Approach". The conceptual model is applied to the selected cases to compare existing theory with empirical companies' practices in order to understand if the current theoretical knowledge can be further expanded. The data are analyzed through in depth qualitative content analysis. The concepts defined in the theoretical framework about different mode of entry strategies will be essential in the analysis of both the main concepts in order to to define how did these companies firstly internationalized and later evolved their approach towards Western markets.

Initial Strategic approach to the foreign Western Market	
Mode of Entry	This concept is measured by the explicit mentioning of chosen "mode of entry" in press releases, company reports and interviews. Based on the occurrence of different mode of entry keywords (Acquisition, Joint Venture, Strategic Alliances and all the remaining present in Figure 1) , the themes found are directly linked to those definition proposed in the theoretical framework. Only the dynamics in which the first interaction of the company with the foreign Western Market occurred will be considered.
International Exploitation Strategy	The International Exploitation Strategy concept was evaluated by looking at the mode of entry dynamics previously found in the analysis. based on their occurrence through the thematic analysis, the modes of entry are directly connected to the main objective that the company had at the moment of entrance. Thus, The International Exploitation Strategy implies the usage from companies of both low risk and high risk entry strategies in order to leverage on their own capabilities and resources such as Brand and know-how, without investing in external companies or resources.

International Exploration Strategy	The International Exploration Strategy concept was evaluated by looking at the mode of entry dynamics previously found in the analysis. based on their occurrence through the thematic analysis, the modes of entry are directly connected to the main objective that the company had at the moment of entrance. Thus, The International Exploration Strategy implies the usage from companies of both low risk and high risk entry strategies in order to leverage on foreign capabilities, resources, and partners; acquiring new foreign assets and resources without relying on internal resources.
Evolution of the Initial Strategic approach to the foreign Western Markets	
Following operations in foreign Western Markets	This concept is measured by the explicit mentioning of the following operations in Western Markets in press releases, company reports and interviews after the moment of entrance until 2018. Based on the occurrence of different operations keywords (Acquisition, Joint Venture, Strategic Alliances and all the remaining present in Figure 1) the themes found are directly linked to those definition proposed in the theoretical framework. Only the dynamics in the following interactions of the company with foreign Western Markets will be considered.
First sequential Ambidexterity	The "First Sequential Ambidexterity"concept was evaluated by looking at the following operations dynamics found in the analysis after the very first moment of entrance. based on their occurrence, the following operations are directly connected to the main objective that the company pursued after the very first moment of entrance, analyzing if a difference occurs between the initial analysis made. "First sequential Ambidexterity" implies an evolution in the initial strategic approach that moves from an an exploitation strategy towards exploration strategy. This implies that a company that first was leveraging only on its own capabilities and resources such as Brand and know-how without investing in external companies or resources, now widens its scope investing in foreign companies or partners.

Second Sequential Ambidexterity	The "Second Sequential Ambidexterity"concept was evaluated by looking at the following operations dynamics found in the analysis after the very first moment of entrance. based on their occurrence, the following operations are directly connected to the main objective that the company pursued after the very first moment of entrance, analyzing if a difference occurs between the initial analysis made. "Second Sequential Ambidexterity" implies an evolution in the initial strategic approach that moves from an an exploration strategy towards exploitation strategy. This implies that a company that first was leveraging only on foreign capabilities, resources, and partners; on its own capabilities and resources such as Brand and know-how without investing in external companies or resources, now widens its scope leveraging on its own capabilities and resources such as Brand and know-how.

3.5 Data analysis: Pattern Matching

Pattern matching is considered one of the most popular analytical technique for a qualitative research on multiple case studies (Yin, 2014). The main purpose of this technique is to understand if an observed pattern matches with theories or not as it was done in this study (Yin, 2014). Over the aforementioned theoretical framework, this ultimately proposed different drivers of strategic approach into a foreign market, different ways in which a company can overcome its own national boundaries through the different types of mode of entry and in conclusion, the different corporate and business strategies that a company should adopt in order to successfully enter into foreign markets. This study aims to validate the evidence found, based on the conceptual framework, which are developed in the theoretical framework section.

The replication logic was used for the cross-case research for patterns among companies. Similarities and differences for each case were observed, and moreover, a further comparison of the eight cases among each other was conducted. Similarities and differences were identified through thematic analysis in order to examine themes across cases. Through the thematic analysis applied through the case template chosen, the insights from different data evidence were collected.

To conclude, the thematic analysis pattern-matching logic implied the comparison of theoretically based patterns and empirically based ones.

4. Results

The overall research aims to provide a better understanding of how Asian Information Technology companies did develop their internationalization processes in order to enter in Western markets. In order to do so, a conceptual framework formed by two main elements was developed.

In order to investigate this question in its depth, the study also made an attempt to detect what these companies are looking to achieve by international expansion in Western Markets.

The research was based on the concepts defined by Pan & Tse model (2000), Gronroos (1999, 2016) and Deng, et al. (2018).

To continue, the data for each case were collected and sequentially the cases were compared between each other in order to detect the differences and similarities in patterns and themes.

This comparison makes an attempt to give the reader a further understanding of the ways Asian Information Technology companies selected did develop their internationalization processes.

4.1 Initial Strategic Approach in the foreign Western market

As stated previously in the theoretical framework, different modes of entry present different level of commitment that a company undertakes into a foreign market (Harzing,2002). To know them and to understand their importance is crucial in order to comprehend later on the development of the strategies that these companies used in order to expand even further their international presence the Western market. In the section "Appendix B" can be found additional data analisi for each company. Following throughout the analysis the definitions given by Pan and Tse (2000) model and the concept of electronic marketing given by Grönroos (1999, 2016) the most important theme that emerges is the astonishing diversity in which these companies initially faced their internationalization process.

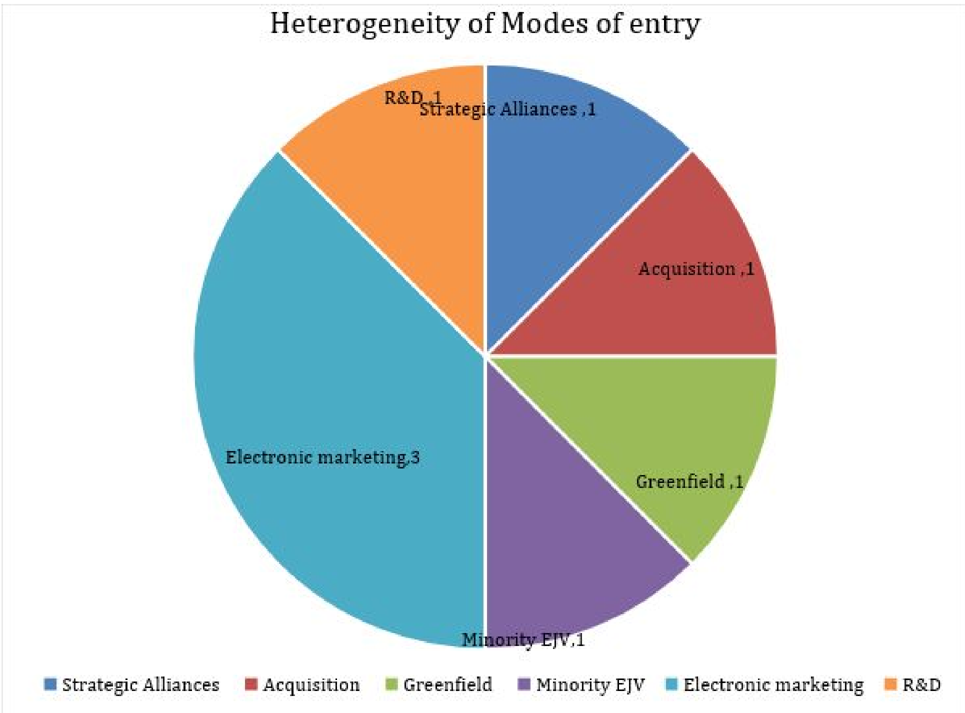

Figure 4: Modes of entry Analysis

4.1.2 Electronic Marketing as favourite mode of entry: JD.com, Alibaba and Musically

As a matter of fact, the only similar pattern regarding the mode of entry of these companies can be found through the comparison of Alibaba, JD.com and Musical.ly. Only 3 out of the 8 companies share the same mode of entry: Electronic Marketing.

Companies like JD.com, Alibaba, and Musical.ly developed and thrived in a digital and connected world, taking advantage of the opportunities given by the Internet and the Electronic Marketing mode of entry. Looking even closer, it is possible to find even more similarities between JD.com and Alibaba. As a matter of fact, the companies shares the most similar patterns in terms of overseas expansion.

To begin with, when Alibaba launched AliExpress, the specific online platform that allows international online buyers to directly purchase goods from exporters in small quantities, partnered with Ebay's payment platform PayPal. Although, Alibaba and Ebay are longstanding rivals in the world of e-commerce, Alibaba needed a strong local partnership in order to agevolate the payment process to its future customers. Even though the opposition of these two companies dates back to the last decade when Alibaba squeezed eBay out of the Chinese market in 2006 by undercutting its commission fees, both the companies had a good reason to collaborate.

"Everybody knows we are competitors. But we have one thing in common, that is to provide services for small business, which is the basis of our cooperation," stated at that time Jack Ma, founder and chairman of Alibaba group. Likewise, John Donahoe, CEO of eBay at that time added "We can use a better way by cooperation rather than competition".

This move enabled Alibaba's new site to sell goods to nearly 100 million users of PayPal predominantly located in Western markets, and gave PayPal users a new vast selection of products to choose from.

To further continue, is it possible to find similarities in how JD.com in 2012 emulated the launch of Alibaba's Aliexpress opening its website to international consumers. Shi Tao, its vice-president at that time stated that the company primary goal was to extend its reach to the global market and establish an online empire on the same lines as Seattle-based Amazon.com Inc. In order to achieve this goal JD.com had to cooperate with international courier companies such as DHL and UPS, since the logistic network of the company was inexistent outside Mainland China.

Recovering the definition given Grönroos (1999) retailers such as JD.com and Alibaba can sell almost any item internationally but will have to necessarily manage deliveries and payment services by partnering with other firms.

From the other hand, Musical.ly is a particular case that owes its immediate success in the Western Markets to the direct, intuitive, and border-less environment in which Internet start-ups can operate nowdays. Being able to bypass all the steps required by traditional companies and business models due to the intangibility of its core product was the great strength and success factor attributable to Musical.ly. As Grönroos (2016) state in its more

recent research, digitalization made possible the internationalization of almost any type of offering, not only in the retailing sector, but also pure intangible services.
Musical.ly, for now, is an unique case of Asian tech platform that successfully penetrated in Western Markets managing to disrupt the already competition.

4.2.3 Softbank & Rakuten - Differences between first movers

To further continue, several other factors such as their foundation date directly influenced their mode of entry choice and strategic approach to Western markets. As a matter of fact, Softbank, the oldest companies taken into examination, started way earlier its internationalization process compared to the other companies analysed. The company in 1994 was still operating in a global environment not highly influenced yet by digitalization phenomenon, where physical boundaries were still a great obstacle to the distribution of its product. At that time, the most logical choice was a strategic alliance with a strong local player that resulted in a low risk investment. This mode of entry implies a very low risk strategy, in line with the classical theories presented in the theoretical framework. (Peng, 2001; Hitt et al., 2004).
Oh the other hand, Rakuten, the oldest company analyzed after Softbank, showed a complete different approach to its internationalization in the west compared to the other Japanese giant.
Starting since its early beginning to acquire companies on Japanese territory, the first significant move towards Western markets was the acquisition of the US based LinkShare.
Back in 2005 Rakuten took a great risk not only acquiring a foreign company, but also shifting from its core activities and expanding in a sector, affiliate marketing, relatively new for the industry and the company itself. This high risk strategy can be directly linked to Rakuten global ambitions that shaped its vision since its foundation.
As a matter of fact, Rakuten president and founder Hiroshi Mikitani was and is still bent on pursuing his ambitious goal of making the company the world's No. 1 Internet service business. Already in the Annual Report 2005 is visible how this important acquisition fit the original company's vision: “We began to lay the foundations for overseas operations by acquiring U.S.–based LinkShare Corporation, one of the world's largest affiliate marketing

companies. Through LinkShare's operation, which serves more than 500 blue-chip merchants, we will become active in the U.S. e- commerce marketplace and leverage the solid customer base of LinkShare for further international expansion" (Rakuten Annual Report, 2005).
To conclude, is not possible to find patterns between the two oldest and Japanese companies analyzed regarding their mode of entry into Western markets.

4.2.4 Baidu and Netease and their strategy as late movers

An interesting point of view can be taken into consideration analyzing the two late-movers Baidu and Netease. As a matter of fact, both of these companies share unique features that can explain their late entry into Western markets. Dunning (1977; 1993; 1998) contributed to academic literature with a broad explanation regarding the dynamics that push an MNC to undertake an internationalization and for both of the companies analyzed, a lack of need or willingness to internationalize their activities was initially present until 2014 - 15. This lack of internationalization can be attributed to several factors.
To begin with, these companies were and still are both focused on providing internet services in mainland China, tailored to the average Chinese consumer/user. In point of fact, the rapid growth of their home country and the enormous internet user base present in the Chinese market didn't create the pressure or the need to initiate an internationalization process in Western markets. Nowadays, the main source of revenue of these two companies comes solely from mainland China.
Moreover, these two companies operate in an international highly competitive environment, where powerful competitors in their core segment such as Google or Activision-Blizzard already dominate Western markets.
In conclusion, from the analysis emerged that these two companies both started quite late their internationalization process, but in two very different directions.
On one hand, Baidu officially established a research and development center in Silicon Valley in 2014. The company started to recruit top globally recognized talents in order to start a technological competition with world's IT giants on different verticals, but not necessarily aiming to increase their influence on Western audiences.
On the other hand, Netease, established from the ground up new US headquarters, combining the development and scaling capabilities of the Chinese workforce know-how to directly

compete in their core segment in new Western Markets. The development of a new series of products aimed to target directly Western users is the main difference emerged between these two companies.

4.2.5 Tencent - A unique mode of entry strategy.

The last company presented, Tencent, started its internationalization with a low risk equity investment of the 10% stake in Digital Sky Technologies (DST). The company is the only one of the analyzed to use such an approach as first move into Western markets. This approach is very peculiar considering that this 10% can only exercitate 0.51% voting power among the board of directors. The rationale behind this approach gets clearer considering the words of Tencent President Martin Lau: "We are excited to enter into a long-term strategic partnership with DST, a key global Internet player and a leader in Russian-speaking Internet markets. The investment allows us to benefit from the fast-growing Internet market in Russia, as well as to leverage our technical and operational know-how to strengthen the leadership position of DST and explore new business opportunities in the Russian-speaking Internet market" (Bishop, 2010).

4.3 Patterns on initial strategic approach to the foreign Western Market:

What emerge from the previous sections is the absence of a clear pattern among the companies analyzed and a surprising heterogeneity among the mode of entries that they used in order to enter Western Markets. Only three companies present the same mode of entry, defined as "Electronic marketing" while the remaining 5 companies present 5 different dynamics such as R&D, strategic alliances, acquisition, greenfield and minority EJV.

From the mode of entry analysis, it was possible to retrieve the strategic approach that these companies pursued at the beginning of their internationalization journey into Western markets. The results found are directly linked to the two definition expressed in the theoretical framework referring to "international exploitation strategy " and "international exploration strategy” given by Deng, et al. (2018). The first concept is defined as “the ability to integrate and reconfigure the resource capabilities (brand, ways of working, products) and to effectively deploy them within their specific international settings” (p.3); while the second one is defined as“the ability to develop new capabilities or to upgrade existing capabilities particularly through accelerated internationalization such as cross-border M&As and high commitment investments in developed economies”

The findings revealed that 6 out of 8 companies analyzed tried to leverage their internal resources, reconfiguring their capabilities when initially entering in Western markets; therefore, embracing initially an “international exploitation strategy”.

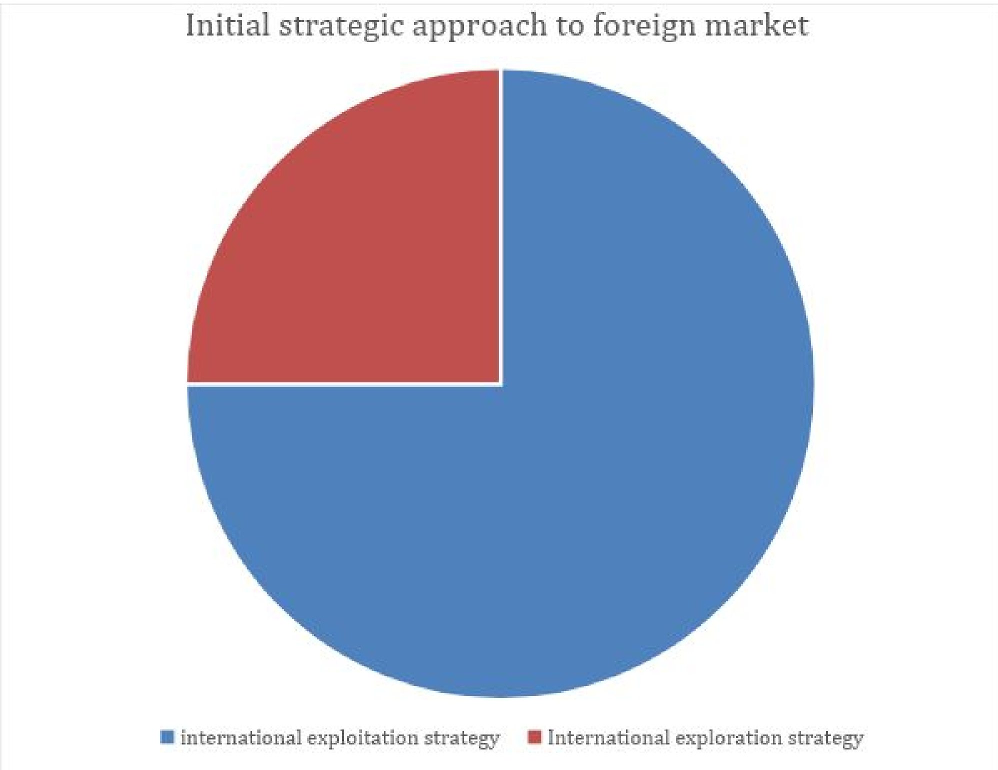

Figure 5: Initial Strategic Approach to the foreign Western Market

As a matter of fact, JD.com, Alibaba, and Musical.ly simpy adapted their already present resources and capabilities to the international scenario. Electronic marketing mode of entry made possible for these companies to be present in several Western Markets with a relatively low commitment investment. Another interesting feature that needs to be noted is the fact that these companies started with leveraging on their original Chinese structure and central organization, rather than acquiring external resources.

On the other hand, Baidu and Softbank started in Western markets with a low degree investment, but still leveraging on know-how for the first, and products for the second.
The only two companies that leveraged direct investment in developed Western companies, Rakuten and Tencent**,** tried initially to develop and adopt new capabilities and resources with their equity investments. These two companies embraced an "international exploration strategy" as initial approach. Rakuten through its LinkShare acquisition entered in a complete sector, whilst laying the foundation for a further and greater expansion in the US.
Similarly, Tencent with the investment in DST accessed to a synergistic portfolio of internet services in the Russian Market.
To conclude Even though Netease, the last company, started from scratch with an high commitment investment in the US, the company still leveraged its experience and brand abroad, trying to develop new customized products for Western audiences. This still implies an exploitation strategy despite the high investment.
Another interesting finding is that the low risk approach is still the most common among the companies analyzed when they had to take the very first step into Western markets.
5 companies out of 8 chose a low risk - non equity mode as first step in a Western Market while only 2 companies, Rakuten and Netease, decided to pursue an high risk equity investment.
To conclude, Tencent is the only company that decided to acquire only a minimal ownership of a Western company.

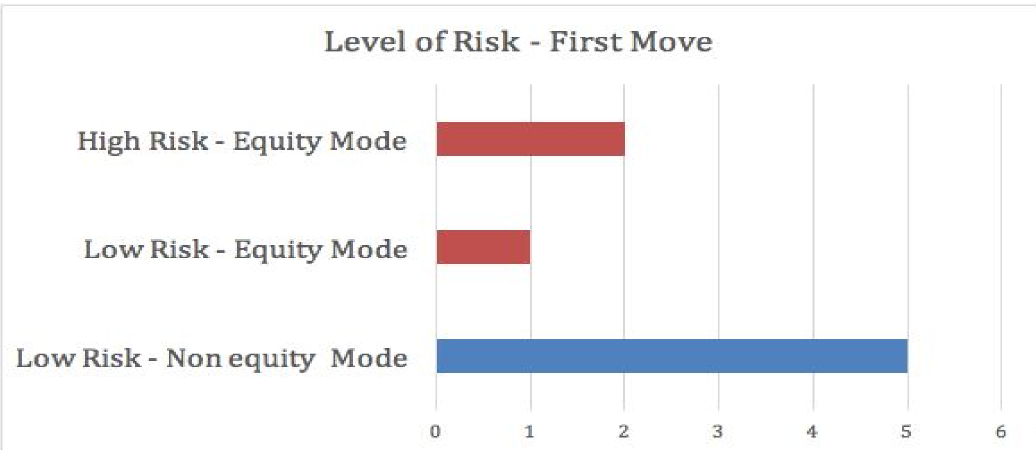

Figure 6: Level of Risk of the first entry mode considering Pan & Tse model (2000)

To conclude, is possible to state that even if a strong heterogeneity of the mode of entry is present, the path these companies chose at the very beginning of their internationalization process is very clear. The international exploitation strategy is the most used by the companies selected.

4.4 Evolution of the Strategic approach into the foreign market

4.4.1 Acquisitions and Equity investments - the most common evolution of operations into foreign Western markets

Following throughout the analysis the definitions given by Pan and Tse (2000) model and the the definitions given by Deng, et al. (2018), the most important finding that emerges is the importance of Acquisitions and Equity investments in a context of international expansion.
If in the previous section emerged a pattern that was moving towards a low risk - non equity investment approach, now the situation radically changed.

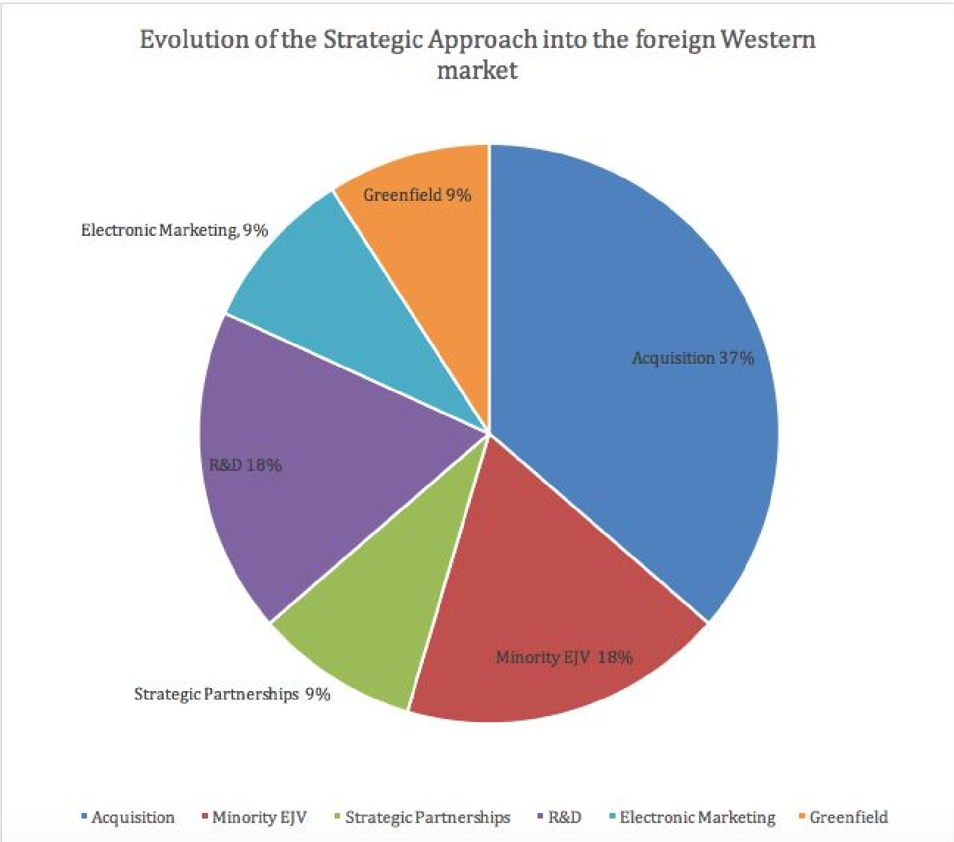

Figure 7: Evolution of the following operations in Western markets

Both Softbank and Rakuten embarked themselves in a huge growth through foreign companies acquisition since their first entry in Western Markets. However, even though these two companies share many attributes in common compared to the other analyzed (the two oldest companies in the mix and the only two originated from Japan) some differences between the two companies emerge.

To begin with, Softbank started what has been defined an “aggressive” and “straightforward” process in 1996 targeting almost indiscriminately the more diverse companies in the Western Internet environment. Only in 1997, Softbank has spent more $353 million in order to acquire more than 55 U.S. technology start-ups, making its venture arm the most aggressive investor in the Internet at that time. This trend continued throughout the 90s , leaning towards the type of acquisitions defined by Subramani and Venkatraman (2003) as “vertical acquisition”.

On the other hand, after the first vertical acquisition made in order to enter in the US in 2005, Rakuten focused its effort on horizontal acquisitions (2010-2011), aimed to directly enter in competition with local e-commerce players such as Amazon. Recalling the definition given by Capron (1999) the acquisition of a company competing in the same industry as the acquiring firm is defined as a horizontal acquisition. Horizontal acquisitions like the one occurred between Rakuten and Buy.com (2010) increase a firm’s market power by exploiting not only cost-based, but also revenue-based synergies. Findings show that during this period the company had more focus on reaching their vision of being

As a matter of fact, Mikitani, founder and actual CEO of Rakuten, has stated more than once that its goal is “to become the world's largest Internet commerce player by overtaking Google Inc. of the U.S. in market capitalization.” Only in the last years the company started to integrate again important equity investment with Pinterest in 2012; Kobo in 2014; and Lyft in 2015. This investment scheme is linked to its international strategy aspiration, aiming to create a process where retailers and consumers can communicate, discover, and make the whole experience more entertaining.

To continue, Netease surprisingly concluded a vertical acquisition of a finnish company, Reforged studios, just few months later its debut on the US. It should be considered that Netease is one of the oldest companies took into analysis and yet, at the same time, the latest to enter in Western Markets.

Netease acquisition operation reflects its young and well defined global strategy. By acquiring Reforged Studios and its pool of talent the company has as main goal. to push its global expansion by introducing Chinese games to global markets creating games developed from the ground up tailored to international audiences.

Alibaba is the fourth company analyzed that made a significant leap on the evolution of its strategic approach towards the West. To start with, on 2014 Alibaba invested in Shoprunner, a US based in already recognized by US consumers and that at that time was defined as “a powerful competitor” of Amazon. This strategy, that was the same used by Rakuten, is a key way to quickly increase Western e-commerce presence. Alibaba held only the 39% , providing the firm with capital support and management best practices.

To continue, Alibaba started from scratch in 2014 a new venture, 11Main. The company financed 11 Main, providing both funding and guidance. It should be noted that Alibaba did not have a direct control over the management leadership.

After one year, on 2015, 11 Main was still mostly unknown in the US, lacking of awareness and performance. The company has not disclosed any sales or traffic figures in both Annual Reports 2014 and 2015, where it was impossible to find mention of the project.

To conclude, Alibaba’s approach to e-commerce in the US has been more uncertain and experimental than the company’s aggressive approach in China. In 2015, 11 Main was sold and later sold and finally closed due to poor performance.

To further continue, Tencent is a relatively interesting company since its strategic approach did not change throughout its evolution in the West. As a matter of fact, Tencent's investment strategic approach is to acquire minority stakes, which better allows the management of teams of the acquired company to "run the company" instead of forcing them to be integrated. Tencent also has a reputation as being flexible in terms of the stake it seeks to acquire.

Another interesting finding is the unique position that Tencent managed to build during recent times. The company managed to bring to live exclusive content partnerships with a tremendous amount of Western entities and companies such as BBC, NBA, Walt Disney, Paramount Pictures, MGM and GroupM in order to bring exclusive content to the wide Chinese audience. Tencent positioned itself in the middle between West & East and clearly, his goal is not to expand West as Softbank or Rakuten did at the beginning, but with different dynamics that can enrich both international and most of all, domestic position.

To conclude, 3 companies out of the 8 analyzed (Netease, Softbank, Alibaba) evolved their internationalization process towards a most risky and high commitment level of investment found in the Pan & Tse model (2000) whilst the remaining 2 companies presented in this section (Rakuten and Tencent) maintained their initial high commitment approach throughout time.

4.4.2 A Timid Evolution - JD.com, Baidu and Musical.ly and their low risk approach

The analysis showed that the last three companies taken into consideration (Baidu, Musical.ly and JD.com) did not evolve their strategic approach in a with a more heavy or diversified investment. Baidu and Musically kept the same initial strategic approach even after their first entrance to the market.

As a matter of fact, Baidu only upweighted its already present R&D investment in the Silicon Valley in 2016. It is interesting to note a radical shift of focus for the Chinese company, that now is centred on self-driving cars and Artificial Intelligence; shifting away from its core product as a search engine. The new enlarged team in Silicon Valley is focused on research, development and testing of the newly-created Autonomous Driving Unit, meant to compete with both Western automotive and Tech companies such as Uber, Google and Tesla.

To continue, Musical.ly launched its new platform Live.ly in order to diversify its product selection. No other significant measures were taken in order to evolve their strategic approach to Western Markets.

On the other hand, JD.com evolved its strategic approach opening its first R&D facility in the US and initiating a development in its strategic alliances intensifying its relationship with DHL. The two companies agreed on working together on developing commercial and technical innovations with the aim of establishing further commercial agreements.

The analysis shows that these companies internationalized their activities way later than the previously analyzed case studies and their strategy stick to a low risk - low commitment approach.

4.5 Patterns on the evolution of the strategic approach

From the evolution of strategic approach analysis, it was possible to study the strategic approach that these companies pursued after moving their first step into Western markets. The results found are directly linked to the two definition expressed in the theoretical framework. The first one refers to “first sequential international ambidexterity” that is, when a company starts with an exploitation strategy and moves towards an exploration approach. On the other hand, the “second sequential international ambidexterity” is defined when a company moves its strategic approach from exploration towards exploitation.

The analysis shows that 4 companies out of 8 followed the path that goes from exploitation to exploration, thus applying the first sequential ambidexterity to their international expansion process in Western Markets. Of these 4 companies, Softbank, Alibaba and Netease intensified their activities in Western Markets throughout a series of heavy investments in other Western companies, whilst JD.com embarked in a more timid approach with a low - commitment investment strategy through strategic partnerships.

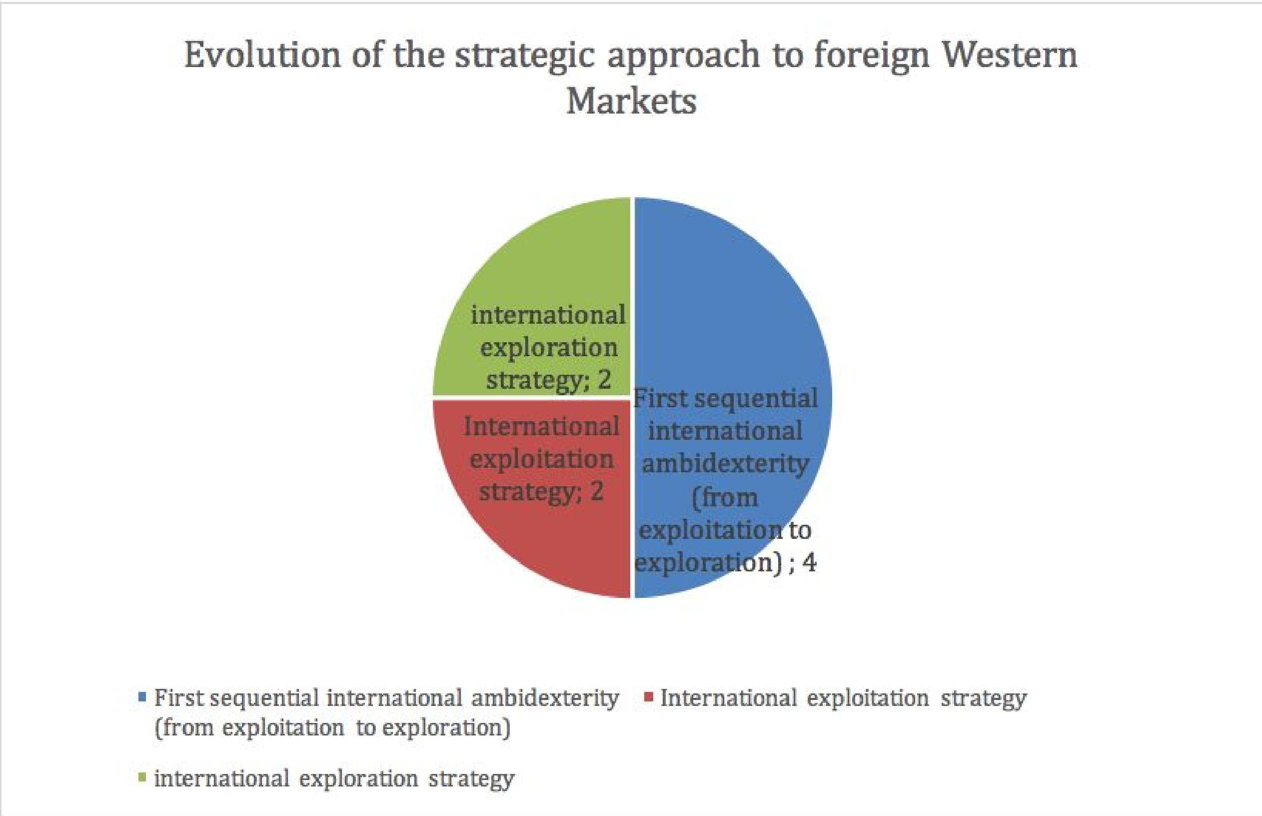

Figure 8: Final Evolution of the initial strategic approach

To continue, the remaining 4 companies (Rakuten, Tencent, Baidu and Musical.ly) didn't change their initial strategic approach during time, continuing on their initial strategy in order to expand their influence in the West. It has to be noted that those 4 companies carry on very diverse approaches to internationalization.

From one hand we have Rakuten and Tencent, two companies that from their early internationalization steps were already committing high risk investments. This initial exploration strategy remained unchanged, investing in more Western companies and in more verticals.

From the other hand, the remaining two companies Baidu and Musical.ly, did not change their initial strategic approach and still nowadays they are opting for a more exploitative approach with no significant investment in Western assets or with a high risk level.

5. Conclusion

The starting point of this study was the evidence from scholars that old and acclaimed theories about the internationalization process of MNCs were not suitable anymore if applied to new Asian IT MNCs.
To begin with, most of the classical internationalization theories were modeled on Western MNCs (Hymer, 1960; Aharoni, 1966; Buckley & Casson, 1976; Johanson & Vahlne, 1990) on a time where physical boundaries still heavily influenced the choice of a company in emberking through an internationalization process.
To continue, many new theories address the need of Asian specific theories since the unique internationalization path that these companies overtook. For instance, Ramamurti (2012) argues that specifically, Chinese MNCs, according to classical theory hardly would have undertaken a growth process while still in an economic developing phase given their economic and technological backwardness. Instead, is possible to find throughout this analysis many instances of companies that behaved in this way.
New theories emerged on "why" these companies embarked in such process (Wesson, 1999; Child & Rodrigues, 2005; Luo & Tung, 2007) but still, more research needed to be done regarding "how" these companies started to internationalize, and later evolved, their internationalization process.
Therefore, this thesis posed the following research question:
How did Asian Information Technology Multinational companies develop their internationalization processes in order to enter and compete in Western markets?
Additionally, four research sub questions have been posed:

Sub Question 1: How do Asian Information Technology Companies companies enter in Western markets?

Sub question 2: What potential patterns are identifiable in the initial strategic approach of these companies at the beginning of their internationalization process in Western Markets?

Sub question 3: What potential patterns are identifiable in the evolution of the strategic approach of these companies from the moment of their entry to present times?

Sub question 4: How does the internationalization process of companies from other Asia-Pacific nations differ from their Japanese predecessors?

The case analysis provided several interesting findings, which revealed the patterns and dynamics of the internationalization process that the analyzed companies pursued. The many evidence collected from the different sources allowed to answer the research questions.
Based on the conceptual framework created from the definitions of Pan and Tse (2000), Grönroos (1999, 2016), and Deng et al. (2018) the research analyzed the initial strategic approach that companies used to enter in foreign Western markets, and consequently, the evolution of this strategic approach throughout time.
The analysis and comparison of the cases has confirmed that the companies analyzed did not follow a clear pattern when considering the different modes of entry used. As a matter of fact, only three companies are using the same modality of "Electronic Marketing" proposed in the theory by Gronroos (1999, 2016). For the remaining five companies analyzed is possible to find very diverse modes of entry in terms of dynamics and risk associated. The late mover perspective proposed in the theoretical framework by Wesson (1999) and Child & Rodrigues (2005) suggest that MNCs from emerging economies like China often do not follow a well-defined path or evolutionary process in selecting entry modes and project location.

To further continue, despite the lack of a clear pattern of modes of entry among the companies selected, a visible pattern emerges when taking into account the overall initial strategic approach. As a matter of fact, at the very beginning 6 out of 8 companies invested leveraging their own assets and capabilities and directly competing in Western countries without having integrated any foreign company or resource. This finding contrast with the theories proposed by Dunning and Lundan (2008) in their most recent and revised research. The fourth approach added on the list of reasons that push a firm to invest abroad, the strategic-asset seeking FDI approach, is not suitable for the very first moment of the internationalization process of these companies. As a matter of fact, this theory states that companies tend to acquire the assets of foreign corporation in order to promote their long-term strategic objectives. To conclude, only 2 companies out of 8 can be considered compliant with this definition in the very first phase of their internationalization process.

Taking into consideration the third research sub-question many consideration can be linked to to the existent theory.

To begin with, the findings show a huge shift towards high risk equity operations compared to the first moment of entry. As a matter of fact, a clear pattern emerge in the evolution of the strategic approach of 4 out of 8 companies, who moved from an initial exploitation strategy towards a more aggressive exploration strategy. These companies started to intensify their Western presence acquiring assets such as competitor companies, and invest more in Western markets.

Opposedly from the previous research sub-question, here the theories introduced earlier by Dunning and Lundan (2008), Franco et al. (2008) are relevant and compliant with the findings. Another interesting point of view that can be linked to this last pattern is the late-mover perspective presented by Wesson (1999) integrated by the Springboard approach proposed by Luo & Tung (2007). Compared to the mainstream perspective, Wesson (1999) introduced the possibility that some firms might develop international links in order to address a relative disadvantage, rather than exploit a competitive advantage. The significance of this theory lies in the fact that 4 companies out of 8 analyzed evolved their strategic approach towards exploration in order to complete both vertical and horizontal acquisitions in Western Markets. In addition, the "springboard" approach suggested by Luo & Tung, 2007 perfectly fits with the findings. As stated in their theory, companies from Asian countries use otward investment in order to acquire strategic assets needed to compete more effectively against the strong presence of global rivals and to better adapt to the quick changes that occur in technological and product development (Luo & Tung, 2007).

The last sub- research question aimed to understand if a different pattern might emerge considering the two most diverse companies in the sample chosen. As a matter of fact, Rakuten and Softbank share a lot of similarities in terms of country of origin and foundation date. Nonetheless, these two companies have started their internationalization process in the most diverse modality.

If the first one opted for a low risk investment leveraging an international exploitation strategy of its core product, the second company started its an internationationalization process with a big high risk acquisition. Still, regarding the evolution of their initial strategic approach, a clearer pattern between these two companies emerge.

Both of them evolved going towards an exploration strategy making acquisition and equity investments the most used modalities of international expansion.

The only pattern that emerge for these two companies compared among the others in the sample is their similarity of approach with the Chinese company Tencent, whose strategy moves towards exploration and both high and low risk equity investment.

Another interesting point that could be here applied is the theory of Onetti et al. (2010) about the fast moving environment in which IT companies are nowadays operating.

As a matter of fact, innovation and internationalization tended to be considered two alternative and separated growth options. Innovation for traditional industries was not the main focus, whilst internationalization was one of the many path that a company could pursue to achieve competitive advantage (Vernon 1966; Johanson and Vahlne 1990). Nowadays, especially for young technology-based firms, innovation and internationalization are more likely to be instantaneous, fast, and inter-related. The findings shows that Both Softbank and Rakuten during their strategic evolution proved and validated this concept more than once.

To conclude and return to the main research question, is not possible to define a clear and unique pattern of the internationalization process of Asian IT Companies. If at the beginning of their internationalization was possible to visualize a strong exploitation strategy pattern from the majority of the companies (6 out of 8), when the research considered the evolution of their strategic approach only 4 out of 6 evolve their approach towards a more explorative approach.

A pattern that possible to discern is the increasing strategic importance that high level investment such as acquisition and other equity investment play in order not only to create a strong international presence, but also to create positive synergies among the different resources at company's disposal.

Overall, the theories presented in the theoretical framework resulted compliant with the findings excluding for the first part of the conceptual framework about the very initial moment of entry.

5.1 Limitations and Further Research

This research aimed to understand how Asian IT MNCs internationalized their activities specifically in Western markets. Several limitations of the research need to be mentioned.

To begin with, since the study aimed to focus only in the internationalization practices towards Western Markets, only North American and European operations were represented and analyzed in this research.

This is an important limitation since none of the Asian Pacific Countries, South American Countries or Middle East countries were considered during the analysis

At the same time, this limitation can be perceived as a ground for the future research and include the foreign operations also for Asian, Australian, South American and African countries. The outcome of a research that includes the aforementioned region might be very different from the one obtained in this paper.

To further continue, during the analysis, some of the minor limitations were met, such as the availability of english sources for older or minor operations happened in the1990's. Unfortunately, many of the eligible sources that I wanted to include in this research were in Mandarin and Japanese.

The third limitation that this research must encountered was the lack and difficulty in retrieving annual reports for private or non-listed in the US companies.

As a matter of fact, different laws affect Asian Stock Exchanges, where we find more flexible rules about the publication of annual reports to the public.

While the current research has taken the perspective of Asian IT companies, the further research might focus on the Western Companies moving towards China and Japan, challenging the powerful local players. In this case, the in-depth interviews would might be a better method or survey might shed a light on the opinion of the visitors on Web 2.0 functionalities and their necessity for the visitors' satisfaction.

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Appendix A

Data Analysis: Initial Strategic Approach to foreign Western Markets

Softbank

Softbank is a Japanese multinational company operative in the sector of Telecommunications and Internet Corporation founded by Masayoshi Son. It should be mentioned that this company is the oldest one analyzed; as a matter of fact, its foundation date goes back to 1981, more than 37 years in the past. Although his now old age, is important to state that Masayoshi Son it's still in charge of the operations of the conglomerate with the role of active CEO.

Softbank was initially born as a software distribution company. Its growth started in the early 80s and focused on Japan territory. Should be noted that the figure of Masayoshi Son is the key of its success and international expansion. By 1984, only three years after its foundation, Softbank owned 50% of Japan's retail market for computer software. At the same time, its determined CEO was exploring other business lines. The firm expanded into the Japan market telephone-routing devices, magazine publishing, and broadband internet service. The first act of internationalization in western countries it's dated back to June 1994, when Softbank initiated a strategic alliance with AT&T Global I.T . This strategic alliance allowed both Softbank and AT&T to exploit each other synergies in a dynamic and complementary way. As a matter of fact, "Softbank On Hand two-disc CD-ROM" product could be found only on personal computers offered to customers exclusively through AT&T Direct and the AT&T Global Information Solutions mail-order channel sets. The alliance aimed to sell hardware and software targeted for small office and home office users. Softbank On Hand is a two-disc CD-ROM disc set that enabled users to "desktop shop" for software and other products without leaving their homes or offices. It included interactive product trials, multimedia product advertisements, demonstrations and actual software titles that could be directly unlocked and installed immediately to the user's hard drive.

Rakuten

Rakuten was founded in 1997 with the release of "Rakuten Ichiba", an online shopping mall that featured products from 13 merchants.

The pioneering concept of Rakuten Ichiba was to enable people with strong business skills to easily set up online businesses and at a time when the production of an effective e-commerce website required advanced technical skills and resources. Seeing their initial success, the company expanded their offerings through several acquisitions in Japanese territory and additional service launches. They went public on the JASDAQ in 2000 and by 2004 had added a credit card company and a professional baseball team to their portfolio. In Japan, Rakuten started to actively take over Internet-related companies since the early beginning of its operations, pursuing economies of scale while promoting synergistic effects among them. With those acquisitions and the increasing strength of its shopping websites, the company has been able to expand transaction volume and value of purchased merchandise to become the Japan leader.

Rakuten first overseas activity is the acquisition of LinkShare's performance-based marketing in 2005. The founder and CEO Hiroshi Mikitani appoints the strategic importance of this first operation: "We began to lay the foundations for overseas operations by acquiring U.S.–based LinkShare Corporation, one of the world's largest affiliate marketing companies. Through LinkShare's operation, we will become active in the U.S. e- commerce marketplace and leverage the solid customer base of LinkShare for further international expansion," (Rakuten annual report, 2005).

Alibaba

Alibaba is the first global internet brand emerged from Mainland china. Its foundation dates back to 1999, following the vision of its founder Jack Ma who already back then wanted "to make it easy to do business anywhere". The first important point to be noted is that the funding capital came in first place by companies such as Softbank & Goldman Sachs. Ma's idea found strong investors that gave an international footprint to the company since the early beginning. Interesting to note that since the moment of its foundation, R&D centres where opened in the US and UK. Very significant is the declaration of Ma after landing Forbes cover story “Best of the Web: B2B” In July 2000:

"From the first day we started Alibaba.com our goal has been to become one of the top websites in the world, not just one of the top websites in China. This honor by Forbes, one of the world's most respected publications, recognizes that Alibaba.com has emerged as a truly global Internet leader."

Still, in the next years the focus it was the development and diversification of products designed for Chinese consumers. Even if this platform had an international B2B footprint since the early beginnings, the real B2C expansion overseas comes with the launch of Aliexpress in 2010. AliExpress.com is an online retail service made up of small businesses in China and elsewhere offering products to international online buyers. Today, AliExpress is the most visited e-commerce website in Russia. It is more accurately compared to eBay, as sellers are independent, using Aliexpress as a host to sell to consumers and other businesses. It should be noted that AliExpress is blocked in mainland China and designed specially for foreign audiences. From this experience Alibaba could get more knowledge of consumer habits in order to adapt to their unique demands.

David Wei, CEO of Alibaba at that time, added that Alibaba's overseas efforts were just begun. "Over the next 10 years, we aim to make Alibaba not only a place for exporters in China, but also around the world."

Tencent

Tencent is one of the leading provider of Internet value added services in China. Since its establishment, the company has maintained a stable growth under its user-oriented operating strategies. Tencent provides social platforms and digital content services holding consumers into an engaging digital ecosystem. Already in 2008, Tencent hosted a creative pitch for an international media agency in order to prepare to position the brand for an eventual international expansion. According to sources, Tencent wanted debut in North America and other Western markets by the end of that year

In reality, the first move of this company in western markets came way later with the In April 2010, when Tencent acquired a 10% stake in Digital Sky Technologies (DST). The latter is operating Russia's largest social networking web site and one of the investors of Facebook.

Tencent has also participated in the bidding for SNS site Friendster and ICQ, the instant messaging platform of AOL Inc. without succeeding. Tencent President Martin Lau stated that equity acquisition of DST was an important step for Tencent's globalization process

Baidu

Baidu is the world's largest Chinese search engine and also the largest Chinese website. Founded in 1999, what the press use to call the "Chinese Google," reached 354% on Aug. 5, 2005, the day it went public on Nasdaq (Simon, 2006).

Before to start its internationalization process, the company tighten its ties with many Western companies focused on the Chinese Market and Consumers.

In 2011 for instance, Baidu partnered with Microsoft for English-language search, giving the U.S. software giant a chance to expand its very small presence in a market where Google was forced to step back from. At the same time, this move helped the Chinese company's international ambitions. At that time, investors and market analyst were thrilled by the opportunities that this partnership was bringing. whilst it represented an opportunity for Bing to make more money from the Chinese market, Baidu would have got what it needed to expand overseas when ready to do so.

Still, Baidu will never really expand in Western markets within its core segment.

As a matter of fact, Baidu has been trying to grow its overseas business since the second half of the 2000s but still it does not offer an exclusively English search service. The company started quite late its internationalization process in the West with the opening their first R&D lab in the US only in 2014, focusing on the development of artificial intelligence.

JD.com (ex 360buy)

JD.com is one of the largest B2C online retailers in China by transaction volume and revenue, a member of the Fortune Global 500, and a major competitor to Alibaba.

The company, founded in 1998 after three round of investments in 2007, 2009, 2010, became a real competitor to Alibaba imitating in toto Amazon’s business model.

JD.com suffered for years from a cash flow strain, low profit margin due to the pursuit of market share rather than profitability. As a matter of fact, China's major e-commerce players continued to try to eliminate the each other and prove to investors that they will be the only survivor left in the field.

"The price war will serve as a trump card in the initial stage of expansion, but the model of sacrificing reasonable profits in the long run is not a sustainable model," (Xinhua Economic News, 2012).

We have the first real act of internationalization in October 2012, when finally JD.com launches its new english website.

Shi Tao, at that time JD.com vice-president, stated that the company aimed to extend its reach to the global market and establish an online empire on the same lines as Seattle-based Amazon.com Inc., adding that"Amazon has long been regarded as a role model for 360buy.com".

To continue, the cooperation with international courier companies such as DHL and UPS, 360buy.com was fundamental in order to increase its business coverage to 36 countries, especially in North America and Europe. Already at his launch, the company offered to overseas customers nearly 400,000 products, from consumer electronics to clothing and books.

NetEase

Founded in 1997, NetEase is a Chinese Internet technology company providing online services ranging from content creation, communications and commerce. This firm was a key pioneer in the development of Internet services for China.

Nowadays, NetEase main activities are focused on the development and distribution of China's most popular online PC and mobile games, email, and advertising services.

In September 2001, NetEase faced a number of difficulties, including accounting scandal, lawsuit, and the temporary suspension from Nasdaq stock market.

The international ambitions of this company emerged way later compared to the other companies analyzed. Already in 2005, the COO Michel Tong stated that Netease "will consider the development of foreign online game markets only when the timing is ripe," (SinoCast, 2005). In 2008, NetEase forged a three-year licensing agreement with Blizzard on the US game developer's main titles (StarCraft II, s Warcraft III, exc...) and the Battle.net platform used to provide online multiplayer services for these games. This licensing-agreement was Chinese focussed, meant to bring Western games to Chinese consumers.

As a matter of fact, Netease is going to start its real internationalization process only in 2015, with the establishment of operations in North America. The US headquarters combine the development and scaling capabilities of the Chinese workforce know-how with local market expertise in North America. The US team is focused on building a strong pipeline of mobile games for Western audiences from the ground up.

Musical.ly

Musical.ly was founded in Shanghai in 2014. With more than 100 million users worldwide, musical.ly is the first social media app out of China that made a huge success in the United States. The app allows you to lip sync miming the lyrics of hit songs, record videos and share the final product to the rest of the users. At the moment, is very popular among the 12-25 age group (Gen Z. and Millenials). Analysts agree that the enormous success that a Chinese app like Musically had in the U.S. is unique and unprecedented.

The app's 37-year-old founder Alex Zhu and his team in Shanghai launched the app in English and Chinese. Once the downloads in the U.S. started to take off, they decided to focus solely on that market where now most of the app's users are based.

In this unique case study, we found that the internationalization process of this company began straight with its birth and the early adoption of the product by overseas users.

Evolution of Strategic Approach:

Softbank

This company grew exponentially since its first step into the US. What is more impressive is the rapidity in which changes were implemented in order to shift the focus towards a coordinated and aggressive global expansion. After only two years after the first step in the US Softbank's Internet strategy aroused interest amony Western media , who described it as “straightforward”. The company’s commitment to aggressively carry out his expansion plans was glaring. As a matter of fact, the company financed a $ 500 million bond fund raised in order to make new investments in U.S. Internet firms.

Undoubtedly, Masayoshi Son was the mastermind behind Softbank's overnight transformation of a company that became from Japan's largest distributor of software and hardware to a real global high-tech firm with equity investments in more than 100 companies. Is interesting to note that this extraordinary internationalization process came with a price. Softbank, in order to achieve his internationalizations targets, occured in a massive debt that become source of anxiety for investors. The company in 1997 had to publicly state that would have refrained from acquisitions that required raising additional funds on the capital markets. To conclude, in 2000s Softbank signed two partnerships with News Corp. and Vivendi in order to focus the acquisition of European internet companies and startups. More recently Softbank started to diversify even more its investment buying Sprint, the third largest carrier in the US for the astonishing price of $20bn.

Rakuten

Rakuten is the only company that started its internationalization process with an acquisition in 2005. After some investments in the APAC area, in May 2010 Rakuten acquired Buy.com, a leading U.S. retail marketplace, pointing out a new found acceleration of its global expansion plans. Combined together, the two companies represented at that time one of the world's largest online retail marketplaces, offering consumers more than 60 million. After only one week, Rakuten continued its global expansion plans with its first incursion into Europe with the acquisition of France's PriceMinister. These acquisition operations and their timing highlighted since that day the group's ambitions to transform itself from a predominantly domestic operator to an accredited true global player. Hiroshi Mikitani, founder and CEO of Rakuten chief said the acquisition was only "the start of our evolution into a global enterprise.” To continue, after these two pivotal moments, many more acquisition in the e-commerce sector took place in Europe (in 2011 Play.com and Tradoria, leading e-commerce websites in UK and Germany).

Just in recent times, Rakuten shifted its focus towards a more diversified approach to its global investment. As a matter of fact, after 2012 Rakuten started to invest in companies not directly linked to its principal stream of revenue such as Pinterest, Lyft and Kobo.

Hiroshi Mikitani justifies the Pinterest equity investment as it follows: “ While some may see e-commerce as a straightforward vending machine-like experience, we believe it is a living process where both retailers and consumers can communicate, discover, and curate to make the experience more entertaining. We see tremendous synergies between Pinterest's vision and Rakuten's model for e-commerce. Rakuten looks forward to introducing Pinterest to the Japanese market as well as other markets around the world."

Alibaba

Alibaba launched its first international platform aimed to target international buyers in 2010. Since then, the e-commerce giant tried in two distinct occasion to directly access to the US market through two distinct operations.

To begin with, In 2014, Alibaba invested more than $200 million for the a 39% stake in San Mateo, Calif.-based ShopRunner, a smaller, members-only rival of Amazon. Headed by former Yahoo CEO Scott Thompson, ShopRunner is meant as joint service with Alibaba that provides U.S. brands with a direct way to sell to China's consumers. When it's up and running, the 300 million-plus Chinese users of Alibaba's AliPay payments service will be able to order products directly from the U.S.

To further continue, always in 2014 Alibaba established a new venture aimed to target american consumers. “11 Main” was quite unique platform, designed to focus on quality products trying to appeal to the US audience. Alibaba sold its new venture after only one year from its launch due to poor performance.

Tencent

After the company’s first move in 2010, Tencent didn’t change its strategic approach. the The firm started its expansion abroad with only the 10% of equity investment of DTS and it followed again in 2013 with a 5% equity investment in the game-giant Activision - Blizzard. The only exception we find to this approach is the acquisition of the US based online game firm Riot Games for $230M million. Tencent strategic approach is focused on the acquisition of minority shares of the most diverse segments.

Furthermore, a recurrent theme that goes beyond the literature was found during the analysis. Tencent in 2014 started an aggressive expansion in strategic alliances with Western established companies and entities (Paramount, MGM, GroupM, HBO, BBC, NBA) in order to bring with exclusive agreements their products and content in mainland China.

Baidu

Baidu is a company that moved its first steps in Western markets relatively late. As aforementioned, its first real expansion act in the West was the setting up of a R&D laboratory in the Silicon Valley in 2014. The company kept it’s strategic approach on this track forming in 2016 a self-driving car team focused on research, development and testing with an new dedicated Autonomous Driving Unit (ADU).

JD.com

JD.com started its expansion to the West in 2012 with the launch of its international platform, allowing Western customers to buy directly its inventory. Only in 2015 the company will open officially its first U.S. facility, a new research and development center located in Silicon Valley. The office focus is currently on developing and enhancing new and existing technologies. To further continue, in 2016 JD.com has signed an agreement to cooperate on a range of cross-border supply chain initiatives with DHL. This strategic alliance is that will leverage the two companies' expertise in logistics and ecommerce, further expanding their relationship.

Netease

After its late entrance in the US only on 2015 establishing new North American HQ, Netease acquired in 2016 with a $2.5 million investment Reforged Studios, a privately held game studio based in Helsinki. Reforged Studios was formed in 2015 by industry veterans who have played key roles at other big companies such as Riot Games, Electronic

Arts, Blizzard Entertainment, DICE, Games Workshop, Ubisoft, LucasArts, and many more. The studio's goal is to create world-class core games with strong mainstream appeal and high production values.

Musical.ly

As aforementioned, Musical.ly is a unique case study. The app was initially launched in 2014 both in English and Chinese. Once the success in the U.S. started to take off, the company decided to focus only on that market where now most of the app's users are based. On 2016 the company launched a second app, Live.ly, that focuses on live streaming. The company didn’t change its initial strategic approach and the app is organically growing in the U.K. and Germany.