Firm resources, cultural distance and simultaneous international expansion in the retail sector

Abstract. Despite the fact that many firms simultaneously expand into multiple new markets, we continue to know very little about why firms choose this type of international expansion instead of sequentially entering new markets. Drawing on the resource-based view (RBV) we argue that in order to engage in simultaneous international expansion firms have to be able to draw on intangible assets, be financially strong, and have international experience that will enable them to reduce and/or shoulder the strains on managerial resources, time compression diseconomies and costs of simultaneously entering multiple new overseas markets. We further expect the strength of these associations to be moderated by the cultural distance between a firm's home country and newly entered countries. Our analysis of the international expansion of the sales operations of 102 retailers over the period 2003-2012, during which these retailers sequentially or simultaneously experienced a total of 836 foreign expansions, largely supports our hypotheses. Our study underlines the usefulness of the RBV for understanding simultaneous international expansion as an important phenomenon that has received only scant scholarly attention to date.

Keywords: Simultaneous international expansion; resource constraints; time compression diseconomies; costs of doing business abroad; retailers; empirical study

1 Introduction

There has been growing interest in the internationalisation of retailers (Alexander & Myers, 2000, Swoboda, Zentes, & Elsner, 2009, Treadgold, 1988, Treadgold, 1990) as a result of the particular characteristics of retail internationalisation that are seen as limiting the applicability of insights generated on the basis of the internationalisation of manufacturing firms (Burt & Carralero-Encinas, 2000, Dawson, 1994). Key among this characteristics is the simultaneity of production and consumption of retailers' services (Boddewyn, Halbrich, & Perry, 1986, Bouquet, Hebert, & Delios, 2004). As a result, unlike manufacturers, retailers cannot export their services and have to be physically located where their customers are, requiring retailers to establish store networks in, transfer retail formats to, and thus embed themselves in a multitude of potentially highly different environments (Burt, Johansson, & Dawson, 2016, Coe & Lee, 2013, Currah & Wrigley, 2004, Dawson & Mukoyama, 2014, Dawson, 1994, Huang & Sternquist, 2007, Wood, Coe, & Wrigley, 2016). Their direct interaction with the end customers also increases retailers' exposure to the differences in customer needs and preferences across countries (Bianchi & Ostale, 2006, Burt, Johansson, & Thelander, 2010, Burt, Johansson, & Thelander, 2011, Evans & Bridson, 2005).

As a consequence of the restricted choice of foreign market servicing modes, their (forced) geographical dispersion, and their high levels exposure to different consumer preferences, research has highlighted, for instance, the idiosyncratic nature of retailers' internationalisation strategies (Goldman, 2001, Rugman & Girod, 2003), their foreign market selection (e.g., Alexander, Rhodes, & Myers, 2007, Gripsrud & Benito, 2005, Swoboda, Schwarz, & Hälsig, 2007), their choice of foreign market entry strategy (Cliquet & Burt, 2011 , Gielens & Dekimpe, 2007, Huang & Sternquist, 2007, Swoboda, Elsner, & Olejnik, 2015), and their foreign divestments (e.g., Alexander & Quinn, 2002, Bianchi, 2006, Burt, Dawson, & Sparks, 2004, Mellahi, Jackson, & Sparks, 2002). Research has also highlighted the rapid internationalisation of retailers in various segments, such as, for example, cash and carry retailing (Burt, 2014), department stores and hypermarkets (Choi, 2014), and fashion retailing (Bhardwaj & Fairhurst, 2010, Tokatli, 2008). Research has begun to identify the determinants of retailers' internationalisation speed (Gielens & Dekimpe, 2007, Mohr & Batsakis, 2014) or retailers' foreign entry timing (Huang & Sternquist, 2007). Yet, anecdotal and case-based evidence not only suggests that many retailers rapidly expand into overseas markets, it also shows that retailers often engage in simultaneous international expansion and enter new markets in a short period of time, i.e. within a single calendar year (e.g., Birchall, 2008, Dawson & Mukoyama, 2014, Lopez & Fan, 2009, Swoboda, Schwarz, & Hälsig, 2007). Lopez and Fan (2009) and Dawson and Mukoyama (2014), for example, respectively report, how fashion retailers Zara and H&M repeatedly entered multiple new markets within a single year. However, despite this evidence for retailers' simultaneous international expansion, we know little about the conditions that enable retailers to expand in this way. Although prior research has discussed simultaneous internationalisation focusing on firms' introducing new products in multiple existing overseas markets (e.g., Swoboda, 2002), there exists very little research about simultaneous establishment of outlets in multiple new markets by retailers.

We suggest that as a result of the particular characteristics of retail internationalisation, i.e., the restricted choice of foreign market servicing modes, their greater geographical dispersion, and their high levels of exposure to different consumer preferences, expanding simultaneously requires significant resources, both tangible, such as financial resources; but also intangible resources, in particular intangible assets and international experience. Prior research into retail internationalisation has underlined the role that retailers' resources and competencies play (e.g., Bianchi, 2009, Currah & Wrigley, 2004, Dawson & Mukoyama, 2014, Lowe & Wrigley, 2010, Picot-Coupey, Burt, & Cliquet, 2014, Vida, Reardon, & Fairhurst, 2000). As a consequence prior research into retail internationalisation has drawn on the resource-based view (RBV) (Bianchi, 2009, Cao & Dupuis, 2009, Elsner, 2014, Mohr & Batsakis, 2014), while other theories explaining the internationalisation of firms, mainly developed to explain the internationalisation of manufacturing firms, have been argued to be of limited use in explaining retail internationalisation (Dawson, 1994).

In line with this prior research we draw on the RBV to derive and empirically test hypotheses regarding the relationship between various resources and the simultaneous international expansion of retailers. The development of the RBV with regard to explaining firm internationalisation (e.g., Sethi & Guisinger, 2002, Tan & Mahoney, 2005) is at an advanced stage of theory development, characterised by well-developed constructs and prior empirical support for its main tenets. Under such conditions, prior research can aid the development of insights into a phenomenon and recommendations for methodological fit suggest deductive, hypothesis-testing, quantitative research as most effective approach for studying a phenomenon (e.g., Edmondson & McManus, 2007). Whereas much of the prior research into retail internationalisation has employed case-based research, quantitative empirical analyses based on large samples remain underrepresented in research on international retailing (e.g., Elsner, 2014, Swoboda, Zentes, & Elsner, 2009).

Specifically, we draw on RBV-logic to argue that simultaneous international expansion will be associated with retailers' possession of intangible assets, their financial strength, as well as their international experience. First, because of retailers' direct contact with end customers, prior research has underlined the role of intangible assets, in particular, strong retail brands for retailers' ability to expand across borders (Bianchi, 2009, Buckley, Pass, & Prescott, 1992, Swoboda, Berg, & Dabija, 2014). While a strong brand is thus important when entering an individual foreign market, its importance increases when simultaneously expanding into multiple new overseas markets. Intangible assets are generally regarded as central in overcoming firms' liability of foreignness when expanding overseas (Delios & Beamish, 2001, Zaheer, 1995), and, all else being equal, such assets are thus likely to be positively related to a retailer's ability to engage in simultaneous international expansion. Our first research question is thus: *(1) What is the relationship between retailers' intangible assets and their simultaneous international expansion?*

Second, retailers' limited choice in terms of market servicing mode and their need to locate in geographic proximity to their customers raises the financial resources required for retailers' international expansion (Doherty, 2007, Elsner, 2014, Pederzoli, 2006). We suggest that, *ceteris paribus*, the need for financial resources is higher for retailers' simultaneous entry into multiple new overseas markets than for their sequential entry into different markets. Retailers that are financially strong are therefore better able to simultaneously expand into multiple new markets than financially weak retailers. Retailers' financial strength is thus likely to be a key driver behind their choice of simultaneous over sequential expansion into new markets. Our second research question is thus: *(2) What is the relationship between retailers' financial strength and their simultaneous international expansion?*

Third, prior research on firm internationalisation in general has highlighted the importance of prior international experience for firms' ability to expand internationally (e.g., Clarke, Tamaschke, & Liesch, 2013, Erramilli, 1991, Jiang, Beamish, & Makino, 2014). Because of the their need to locate close to customers and the associated greater geographic spread of retailers, this prior experience of operating overseas is likely to be of even greater importance to internationalising retailers (Gielens & Dekimpe, 2001, Lu, Karpova, & Fiore, 2011, Mohr & Batsakis, 2014, Mohr, Fastoso, Wang, & Shirodkar, 2014, Segal-Horn & Davison, 1992, Swoboda, Elsner, & Olejnik, 2015). Such international experience is likely to improve retailers' ability to deal with the particular challenges of simultaneous international expansion into new markets. Our third research question is thus: *(3) What is the relationship between retailers' international experience and their simultaneous international expansion?*

Finally, because of the direct exposure to their end consumers retailers are particularly subject to the differences in shopping and consumer preferences across these countries that require adjustments of, for example, their retail format(s) (Bianchi, 2006, Bianchi & Ostale, 2006, Goldman, 2001) and their marketing mix (Bianchi, 2009, Burt, Johansson, & Thelander, 2011, Wigley & Chiang, 2009). This heightened exposure and the associated need for adjustments are compounded when retailers expand simultaneously into multiple new countries because in such cases retailers will face multiple cultural distances between the respective host countries and their home country. High cultural distance will therefore increase the usefulness and thus importance of a retailer's resources in avoiding and overcoming the challenges associated with entering multiple new markets simultaneously. The fourth research question we address is therefore: *(4) Does cultural distance affect the relationships between retailers' intangible assets, financial strength and international experience and their simultaneous international expansion?*

By addressing these four research questions we contribute to a better understanding of simultaneous international expansion as an important but so far under-researched phenomenon.

Despite the importance of simultaneous international expansion for retailers (e.g., Birchall, 2008, Swoboda, Schwarz, & Hälsig, 2007), prior research provides little insight into the conditions under which retailers engage in this type of international expansion. Additionally, we contribute to the development of RBV logic to explain the internationalisation of firms both, by focussing on RBV logic to explain an under-researched facet of firm internationalisation and by accounting for the contingent nature of this logic in the context of simultaneous international expansion.

2 Theory and hypothesis development

Drawing on RBV-logic we suggest that intangible assets, financial strength and international experience will be associated with retailers' simultaneous internationalisation because these resources enhance retailers' ability to deal with the particular challenges of simultaneous international expansion. First, simultaneous international expansion puts significant *strains on managerial resources*. Case studies of internationalising retailers highlight the complexity of decisions and the intensive involvement of different groups of managers, in particular, CEOs and expansion managers, in the process of internationalisation (e.g., Swoboda, Schwarz, & Hälsig, 2007). Given retailers' enhanced need for local embeddedness reflected in the required adjustment of retail formats and various dimensions of their marketing mix, assessing the need for and implementing this localisation is both of crucial importance and resource-intensive (Bianchi, 2006, Bianchi & Ostale, 2006, Burt, Johansson, & Thelander, 2011, Goldman, 2001, Wood & Reynolds, 2014). For instance, in their study of the role of store development departments in retailers' efforts to embed themselves in different country markets, Wood and Reynolds (2014) find that different phases of retailers' international expansion create different levels of demands on firms' resources, with the analysis of entry modes and catchment areas being particularly demanding. Because simultaneous international expansion increases the number of countries that retailers' need to screen and assess at the same time, such expansion multiplies the strains on retailers' managerial resources associated with these activities.

Second, simultaneous international expansion involves a speeding up of a firm's processes of resource and capability development and exploitation. For example, Lowe and Wrigley (2010: 382) discuss the "continuous reconfiguration" of UK retailer Tesco's capabilities based on the company's experiences of operating in the United States. Simultaneous expansion into multiple new markets requires retailers to speed up this process of resource configuration, leading to potential *time compression diseconomies* (TCD) (Vermeulen & Barkema, 2002) as a result of spending insufficient time on decisions that are critical to the success of retailers' overseas expansion. Prior research on retail internationalisation has highlighted the negative consequences of incorrect assessments of host country conditions, such as, for example, a lack of appropriate adjustment of retail formats and retailers' marketing mix to consumer preferences (Bianchi, 2009, Goldman, 2001, Wigley & Chiang, 2009).

Third, simultaneous international expansion compounds the *costs* associated with international expansion. Case-based research into retailers' internationalisation has highlighted the importance of adjustments to various dimensions of retailers' business models when expanding overseas (Bianchi, 2006, Bianchi & Ostale, 2006, Burt, Johansson, & Thelander, 2011) to embed themselves in the local environments (Burt, Johansson, & Dawson, 2016, Coe & Lee, 2013)(Burt, Johansson, & Dawson, 2017), meet idiosyncratic customer demands, and generally overcome their liability of foreignness (Maruyama & Wu, 2015). Because these adjustments impose costs on internationalising retailers, expanding simultaneously into multiple new overseas markets will significantly increase these costs because retailers face multiple new and different customer demands and 'liabilities' of foreignness.

Drawing on the RBV perspective we suggest that simultaneous international expansion is related to retailers' intangible assets, financial strength, and their international experience. This is because these resources are related to retailers' ability to reduce or deal with three characteristics of retailers' simultaneous international expansion, i.e. increased strains, greater likelihood of TCD, and higher costs.

2.1 Intangible assets and retailers' simultaneous international expansion

Prior research on service sector firms in general and retailers in particular has put particular emphasis on the role that intangible assets, specifically retail brand equity and advertising capabilities, play in the internationalisation of such firms (Bianchi, 2009, Buckley, Pass, & Prescott, 1992, Swoboda, Berg, & Dabija, 2014) . In addition to the importance of such intangible assets for overcoming firms' liability of foreignness (Delios & Beamish, 2001, Maruyama & Wu, 2015, Zaheer, 1995), we suggest that retailers with such assets face less strain on their managerial resources and are less likely to experience TCD when expanding simultaneously compared with firms without such assets for a number of reasons.

First, simultaneous internationalisation requires retailers to overcome their liabilities of foreignness in multiple new overseas markets at the same time, putting considerable strain on retailers' managerial resources. For example, in each of the simultaneously entered countries, retailers might have to address negative biases and host government discrimination and build market-share in the face of local competition that does not suffer from such disadvantages (e.g., Maruyama & Wu, 2015, Mezias, 2002, Zaheer, 1995). Insofar as retailers with intangible assets are in a better position to overcome the natural competitive disadvantage of being foreign vis-a-vis local competitors (Swoboda, Berg, & Dabija, 2014), intangible assets thus reduce the efforts for marketing activities (e.g., Baldauf, Cravens, Diamantopoulos, & Zeugner-Roth, 2009) and thus the strain on managerial resources associated with simultaneous internationalisation.

Second, retailers with high levels of intangible assets are also likely to experience lower TCD when expanding simultaneously than retailers without such assets. This is because the latter are more likely to have to compensate for the absence of intangible assets that they could use to overcome their liability of foreignness (Zaheer, 1995). Such retailers will face greater pressure to develop new location-specific resources and reconfigure capabilities, a process that is particularly likely to be subject to TCD during simultaneous international expansion (Jiang, Beamish, & Makino, 2014, Lowe & Wrigley, 2010).

Third, the role of intangible assets in reducing or compensating for the comparatively greater costs of doing business abroad has long been recognised (Delios & Beamish, 2001, Swoboda, Berg, & Dabija, 2014, Zaheer, 1995). For example, the costs of educating consumers and creating brand recognition will be lower for retailers with strong, internationally recognised brands (e.g., Baldauf, Cravens, Diamantopoulos, & Zeugner-Roth, 2009, Steenkamp, 2014). Insofar as intangible assets allow retailers to reduce these costs, retailers with such assets will thus, ceteris paribus, incur lower costs when simultaneously entering multiple new overseas markets than retailers without such assets.

Additionally, due to the possibility of asset erosion, retailers with intangible assets will be under pressure to quickly recoup their investments in the development of these assets, such as, for example, strong brand equity, by exploiting their assets in a larger number of markets (Moore, Fernie, & Burt, 2000). Because brands may lose their value as a result of changes in the consumer population (e.g., Dierickx & Cool, 1989), retailers exploiting their brands in sequentially entered markets will incur opportunity costs if they do not recoup their investment in the development of these assets quickly enough. In their study of retailer brands, Moore, Fernie and Burt (2000), for example, highlight that changes in the ownership of retailers can dramatically increase the pressure on retailers to exploit their brand through international expansion. An increase in retailers' intangible assets will thus be associated with greater incentives to adopt simultaneous internationalisation.

Overall, retailers with intangible assets will thus be more likely to internationalise simultaneously into multiple new markets than retailers that do not possess such intangible assets because these assets reduce the strain on managerial resources and TCD, as well as the costs associated with simultaneous internationalisation. Accordingly, we formulate the following hypothesis.

> *Hypothesis 1. There is a positive relationship between retailers' intangible assets and simultaneous international expansion (ceteris paribus).*

2.2 Financial strength and retailers' simultaneous international expansion

Financial resources constitute important firm resources in the RBV (Grant, 1991, Trevino & Grosse, 2002). Because of the financial needs associated with expanding internationally, prior research has stressed the important role that retailers' financial strength plays in their ability to expand their operations internationally (Doherty, 2007, Pederzoli, 2006). Abundant financial resources provide firms with greater options when deciding about their international expansion (Chang & Rhee, 2011, Dunning, 2000, Oxelheim, Randøy, & Stonehill, 2001, Trevino & Grosse, 2002), but also allow for the decision-making processes surrounding this expansion to become more rigorous (Wood & Reynolds, 2014). In contrast, a lack of financial resources restricts firms' international expansion by limiting options and constraining the level of resources that can be put towards identifying and assessing potential overseas markets (e.g., Picot-Coupey, 2006).

The pool of managers that has the necessary firm-level experience to decide about and implement the international expansion of a retailer or firm in general is limited and cannot be quickly expanded (Bianchi & Ostale, 2006, Penrose, 1959). Yet, financially strong retailers may draw on their financial strength to reduce the strain that simultaneous international expansion puts on their managerial resources. Financially strong retailers are able to use externally available intelligence on target markets or employ consultants to gather and analyse data on potential target markets and thus reduce the strain on their own managers (Palmer, 2004, Wood & Reynolds, 2014). For example, Wood and Reynolds (2014) highlight the frequent use of location planning consultancies in retailers' decisions on international expansion. This enhanced support of decision-makers that is possible in financially strong retailers also reduces the likelihood of TCD when speeding up decision-making processes, as the greater information reduces the chances of making mistakes when deciding on, for example, the new markets to enter.

Furthermore, financially strong retailers are better able to bear the comparatively greater costs of simultaneously entering multiple new markets. For example, financial strength enhances retailers' ability to make adjustments to their retail formats and marketing mix that are necessary to account for idiosyncratic customer requirements in multiple new markets (Bianchi, 2009, Bianchi, 2006, Bianchi & Ostale, 2006, Burt, Johansson, & Thelander, 2011, Goldman, 2001, Wigley & Chiang, 2009). In contrast, firms that lack the financial strength to take on such adjustments for multiple new markets will be forced to adopt a sequential entry into new markets. Based on this discussion, we formulate the following hypothesis.

Hypothesis 2. There is a positive relationship between retailers' financial strength and simultaneous international expansion (ceteris paribus).

2.3 International experience and simultaneous international expansion

From a RBV-perspective, international experience and the resulting experiential knowledge for firms are regarded as an important firm resource that facilitates international expansion (Clarke, Tamaschke, & Liesch, 2013, Mezias, 2002, Zaheer, 1995). International experience has been argued to play an equally, if not more important role for internationally expanding retailers given their closer proximity to their end customers and their greater geographic spread. Prior research into retail internationalisation has thus underscored the importance of retailers' international experience (Gielens & Dekimpe, 2001, Lu, Karpova, & Fiore, 2011, Mohr & Batsakis, 2014, Mohr, Fastoso, Wang, & Shirodkar, 2014, Segal-Horn & Davison, 1992, Swoboda, Elsner, & Olejnik, 2015). We expect international experience to reduce the strain on retailers' managerial resources, TCD, and costs of expanding simultaneously into multiple new markets.

First, managers with international experience and thus greater international knowledge will perceive lower levels of uncertainty and will have to spend less time/effort on internationalisation (Clarke, Tamaschke, & Liesch, 2013). Such managers, therefore, will not experience the same level of strain when expanding overseas as managers without international experience. Furthermore, internationally experienced managers are likely to have experience with developing new capabilities or adjusting existing ones to the particular requirements of overseas markets (Barkema & Drogendijk, 2007). The necessary development and adjustment of retailers' capabilities when expanding internationally (Lowe & Wrigley, 2010) in general, and in the specific context of simultaneous internationalisation will thus put less strain on the managerial resources of internationally experienced retailers. Internationally experienced retailers are therefore more likely to engage in this type of international expansion.

Second, internationally experienced retailers are less likely to suffer from TCD when expanding simultaneously than retailers with little or no international experience. A key source of TCD is the greater likelihood of making mistakes when making decisions in shorter periods of time (Vermeulen & Barkema, 2002). Because internationally experienced retailers are likely to have developed and tested various mechanisms to account for the new and different conditions when entering and operating in new countries, they are less likely to experience TCD when expanding simultaneously. Prior research into retail internationalisation indicates that internationally experienced retailers have developed formalised and standardised processes when expanding overseas, for example, with regard to the particular characteristics of countries that need to be assessed. For example, Swoboda et al. (2007) provide case based evidence of the development of formalised and standardised market selection processes by an internationally experienced retailer. Furthermore, international experience improves retailers' absorptive capacity (Cohen & Levinthal, 1994) which has been highlighted in the retailing context as important determinant of retailers' ability to assess, digest and share information from its network of international operations (Wood, Coe, & Wrigley, 2016).

Third, internationally experienced retailers are also likely to be able to expand into multiple new overseas markets at lower costs than their less experienced counterparts. For internationally experienced retailers, simultaneous international expansion will be associated with comparatively lower levels of uncertainty (e.g., Erramilli, 1991) than for retailers with no or very little international experience. Internationally experienced retailers will thus incur lower costs when simultaneously expanding into multiple new markets than firms with little or no international experience (Eriksson, Johanson, Majkgard, & Sharma, 1997). This particularly applies to international experience obtained from operating in diverse countries, which has been argued to provide firms with knowledge that is less country-specific and thus more applicable when operating in other markets than international experience gained from operating in a narrow set of overseas markets (Clarke, Tamaschke, & Liesch, 2013).

Overall, internationally experienced retailers are thus better able to expand simultaneously because they will face less strain on managerial resources, lower TCD, and lower costs associated with simultaneous internationalisation than retailers with little or no international experience. Accordingly, we formulate the following hypothesis.

> *Hypothesis 3. There is a positive relationship between retailers' international experience and simultaneous international expansion (ceteris paribus).*

2.4 The moderating effect of cultural distance

Prior research into the internationalisation of retailers has highlighted the role of cultural distance for various aspects of retailers' internationalisation, given their more direct exposure to consumers, when compared to manufacturing firms (Bianchi & Ostale, 2006, Evans & Bridson, 2005). Research has investigated the effect of cultural distance on, for example, retailers' choice of which foreign markets to enter (Gripsrud & Benito, 2005), their choice of entry mode (Swoboda, Elsner, & Olejnik, 2015), their adaptation to different cultural contexts (Burt, Johansson, & Dawson, 2017, Burt, Johansson, & Thelander, 2011), and retailers' decision to withdraw from particular markets (Burt, Dawson, & Sparks, 2003).

Greater cultural distance leads to greater resource strains as expansion into culturally distant country markets requires greater amounts of information collection and analysis because of the greater environmental complexity when compared to expansion into culturally close markets (e.g., Pla-Barber, Villar, & León-Darder, 2014, Villar, Pla-Barber, & León-Darder, 2012). As such, the strains faced by retailers' managers when simultaneously expanding into multiple new markets thus increase with the cultural distance between the retailers' home- and the respective host countries.

Similarly, the greater uncertainty associated with expanding into multiple new and culturally distant countries will increase the likelihood of insufficient analysis and thus incorrect decisions being taken during the international expansion. Prior research argues, for example, that cultural distance increases difficulty for retailers to learn from overseas markets (Pla-Barber, Villar, & León-Darder, 2014) and "transfer strategic routines abroad" (Swoboda, Elsner, & Olejnik, 2015: 510), both of which are of particular importance for the success of retail internationalisation (e.g., Currah & Wrigley, 2004). Cultural distance will thus increase the likelihood that simultaneously expanding firms face TCD.

Finally, prior research into the role of cultural distance between firms' home country and host countries for firm internationalisation argues it increases firms' liability of foreignness and the costs associated with operating in a host country (e.g., Gripsrud & Benito, 2005, Villar, Pla-Barber, & León-Darder, 2012). Cultural distance leads to a greater liability of foreignness for retailers further compounding the higher costs associated with simultaneous as opposed to sequential international expansion. Cultural distance thus increases the strains on retailers' managerial resources, TCD as well as the costs associated with simultaneous international expansion.

When facing large cultural distances, retailers with intangible assets, in particular, internationally recognised brand names will be affected to a lower extent by cultural differences and consumers' perceptions of superior quality and brand name in the host location become more important in compensating for firms' costs of foreignness (Sethi & Judge, 2009). Retailers' ability to reduce strains on managerial resources, TCD and costs of expanding simultaneously will thus assume greater importance the greater the cultural distance between retailers' home and the entered host countries.

The role of retailers' financial strength will increase with growing cultural distance, as financially strong retailers are better able to draw on external support. Culturally-bound differences in geographical shopping behaviour, may, for example, be accounted for through the use of local location planning consultants (Wood & Reynolds, 2014). Cultural distance thus increases the role of financial resources in reducing the strains and potential TCD and bearing the increased costs of expanding simultaneously into multiple new and culturally distant countries.

Finally, international experience fosters the development of an internationally-oriented organisational culture that make retailers more open to, and facilitates adaptation of processes and services (e.g., Burt, Dawson, & Sparks, 2003) and thus gains in importance when simultaneously expanding into multiple new and culturally distant markets. The higher levels of uncertainty with regard to, for example, location choice or need for adaptation, that are associated with simultaneously expanding into multiple new and culturally distant markets enhance the role of international experience as a means to reduce this uncertainty as retailers can draw on prior experience with location choice and the adaptation of services.

Overall, cultural distance will render retailers' intangible assets, financial strength and international experience more important given the role of these resources in shaping retailers' ability to deal with the greater strains, TCD, and costs. Accordingly, we formulate the following hypothesis.

> *Hypothesis 4. The positive relationships between retailers' intangible assets, financial strength, and international experience on the one hand and simultaneous international expansion on the other hand, will be strengthened by cultural distance.*

3 Data and methods

3.1 Sample

We choose the market-seeking international expansion in the retail sector as setting for our study. Although services account for a larger share of the world's GDP than manufacturing (Kundu & Lahiri, 2015), service sector firms remain under-studied. Because there is a large number of retailers with no international operations, we select all retailers with international operations that are listed in one or more of the following three company rankings: (i) PlanetRetail's Top Global 250 Retailers (2012); (ii) Deloitte's Top 250 Global Retailers (2011); and (iii) UNCTAD's 2012 ranking of the top 100 transnational corporations. The combination of all retailers with international operations in these rankings results in a total of 189 large internationally operating retailers, including firms such as Carrefour, Tesco, Foot Locker, Inditex, and GameStop. For these firms we extract data for a 10-year period (2003-2012) from the PlanetRetail and ORBIS databases. Because of missing data for some of the 189 retailers, our final sample consists of 102 international retailers. Out of these 102 retailers, 52 (51%) have only expanded sequentially, 10 (9%) have expanded simultaneously only, and 40 (39%) have expanded both sequentially and simultaneously over the examined 10-year period. To ensure that the final sample of our study is not significantly different from the initial population of 189 retailers, we use a t-test to check for significant differences in retailers' characteristics, such as market share and profitability, throughout the 10-year period of examination. We find no statistically significant differences.

The 102 retailers included in our sample have on average foreign sales of USD 5.20 billion and together represent 15.68% of the world's total retail sales in the examined 10-year period (2003-2012). The majority of the retailers in our sample are headquartered in developed countries in Europe (44.82%), North America (38.80%) and Asia (16.38%) and generate sales in one or more retail segments, including grocery, electrical and office, food service, clothing and footwear, leisure and entertainment, health and beauty, and home and garden. At the beginning of the examined 10-year period (i.e., 2003), the firms in our sample were approximately 44 years of age and had on average operations in more than 6 foreign markets. The retailers in our sample undertook 269 internationalisation moves over our observation period. Out of these, 124 (46%) took place as simultaneous entries into two or more countries, and the remainder 145 (54%) as sequential entries.

3.2 Measures

Our *dependent* variable, *simultaneous market entry*, is the number of new countries that a retailer has entered during a year in which the retailer has expanded into at least one new overseas market. Although there are no prior studies on simultaneous internationalisation, past research has adopted similar count measures to capture other facets of firms' international expansion (e.g., García-Canal & Guillén, 2008). Periods in which retailers did not expand internationally are not included because we are not interested in explaining whether a retailer internationalises during a given period of time but rather in *how* it expands internationally. Based on this conceptualisation, our final sample consists of 269 internationalisation episodes during which retailers expanded into at least one new overseas market. The minimum value for this variable is 1, reflecting a retailer's expansion into a single new country in a particular year, i.e., a retailer following a sequential expansion pattern. The maximum for this variable in our study is 31, representing a retailer's expansion into 31 new countries in a single year. Values in between the minimum and maximum represent growing levels of simultaneity in terms of international expansion.[1]

We measure our *independent* variables as follows. We measure retailers' *intangible assets* in line with prior research by computing the ratio of intangible assets to total assets (Chang, Chung, & Moon, 2013). We measure retailers' *financial strength* using two variables in line with prior research (e.g., Chang & Rhee, 2011, Trevino & Grosse, 2002). First, we include retailers' financial *leverage,* measured using the ratio of a retailer's debt to its total assets as a proxy for (the absence of) slack resources (Chang & Rhee, 2011). Retailers with low levels of leverage thus tend to be financially stronger than highly leveraged retailers. Second, we account for a retailer's *profitability*, measured as return on assets (e.g., Hitt, 1997), as an indicator of retailers' ability to generate excess funds (Trevino & Grosse, 2002). Retailers' *international experience* is measured in line with prior research as the total number of foreign countries in which a retailer has established at least one outlet (Mohr & Batsakis, 2014). To measure *cultural distance* as our moderator we used Hofstede's cultural dimensions[2] and Kogut and Singh's (1988) index to calculate these distances. For simultaneous entries, i.e. when retailers entered

---

[1] We also ran our models using a measure of simultaneous internationalisation that excludes the years in which firms expanded sequentially, i.e., into a single foreign market. The results for both measures are consistent and are available from the authors.

[2] Values for Hofstede's dimensions of culture are only available for 91 countries. The retailers in our study have entered more than 160 different countries. Although there are missing values for specific countries, Hofstede provides scores for entire geographic regions. Therefore, where appropriate, we use the values of regions to capture the cultural values of specific countries that are not reported individually in the index. This is in line with prior research into retail internationalisation that has combined culturally-similar countries into cultural clusters (see, for example, Waarts & van Everdingen, 2006).

more than one country in a given year, we combined the cultural distances of all the entered countries.

We include a number of *control variables* to account for additional country- and firm-level factors that may potentially affect simultaneous internationalisation. Prior research has highlighted the roles of various country characteristics and the differences between home- and target-countries for firms' location choices (Ghemawat, 2001, Nachum, Zaheer, & Gross, 2008). We control for the transportation and distribution *infrastructure* of the countries that a retailer entered because of prior research highlighting the role of (host) countries' infrastructure, including airports, road systems and ports for retail operations (Goldman, 2001, Halepete & Iyer, 2008, Segal-Horn & Davison, 1992). A good transportation infrastructure is likely to facilitate a retailer's simultaneous expansion into multiple new markets. We follow Nachum et al. (2008) and calculate a proxy for the quality of a particular country's transport and distribution infrastructure as the average of the standardised values of per capita aircraft departures, rail networks, and container port traffic[3] of the countries that a firm has entered in a given year, all adjusted to the size of the countries that a retailer has entered in a given year. In line with past studies (Makino & Tsang, 2011) we use *GDP per capita* in order to control for the consumption potential in the host market. Specifically, we use the average GDP per capita of the countries that a retailer has entered in a given year based on the central role that market size plays in the market-seeking investments on which we focus. Information on these variables is taken from the World Bank database.

[3] Nachum et al (2008) used the size of the road as the third indicator of the transportation *infrastructure* index. Due to data unavailability, we replace this indicator with the container port traffic of the countries. This way, we are also able to capture the availability/size of all possible means of transport (i.e., air, land, and sea) in each entered country.

We also add controls for the geographic and administrative distance between retailers' home- and host countries. We measure *administrative distance* using data on administrative distances between countries provided by the Penn Lauder Centre for International Business Education and Research (Berry, Guillén, & Nan, 2010). To calculate *geographic distance*, we use data on the geographic latitude and longitude of the countries' capital cities (see, for example, Hutzschenreuter, Kleindienst, & Lange, 2014, Makino & Tsang, 2011). This data is taken from the French research centre in international economics (CEPII).

We control for firm-level factors that relate to retailers' foreign market entry mode and firm characteristics that may affect retailers' ability and/or willingness to engage in simultaneous international expansion. We control for the potential effect of three characteristics of retailer's entry mode. First, we control for retailers' choice of establishment mode, i.e. whether it has expanded through an *acquisition* by using a dummy that takes the value of '1' if a retailer has acquired either another retailer at home or overseas or the assets of another retailer in a foreign market in a particular year, and '0' otherwise (similarly, see Hutzschenreuter & Voll, 2008). Second, we include a dummy variable to control for whether a retailer enters overseas markets through *franchise*, given the importance of franchising in the retail sector. Third, because retailers use different channels when expanding internationally (e.g., Foscht, Swoboda, & Morschett, 2006) we control for whether a retailer uses a *multi-channel* strategy to service overseas markets, i.e. if a retailer uses channels beyond physical sales (outlets), such as, for example, online platforms.[4] Information for these variables was taken from ORBIS and other sources, such as corporate websites, annual reports, and reports in the business press, such as, for example, Bloomberg, Reuters, and Forbes.

[4] We like to thank the anonymous reviewers for highlighting the importance of controlling for these difference facets of retailers' foreign entry modes.

We control for additional firm-level factors that have been argued to affect a firm's ability or motivation to internationalise and may thus also affect simultaneous international expansion. A dummy variable is used to control for whether a retailer is family-owned retailer, given the potential role that private, in particular, family ownership versus public ownership plays for retailers' internationalisation (Moore, Fernie, & Burt, 2000). Following the approach used by the Center for Family Business (University of St. Gallen) in compiling their Global Family Business Index, this *family ownership* variable takes the value '1' if more than 32% of a retailer's shares are held by a family, and '0' otherwise.

To control for non-managerial slack resources that are likely to increase the occurrence of simultaneous international expansion, we include measures that reflect the level of such resources. Larger retailers are more likely to possess slack resources, and we thus include a retailer's *size* measured using the natural logarithm of a firm's total assets in line with past research (e.g., Grant, Jammine, & Thomas, 1988). Data for these firm-level control variables are taken from ORBIS. Following prior studies (e.g., Mohr & Batsakis, 2014), we also control for retailers' *market share*. This measure is taken from PlanetRetail and is based on retailers' total sales including grocery and non-grocery categories from a company's retail outlets worldwide excluding wholesale and all non-retail operations such as restaurants, financial services and travel services. Finally, given the potential differences in the internationalisation strategies between food- and non-food retailers we use a dummy variable (*food-related format*) to control for the retailer's primary activity (Swoboda & Elsner, 2013, Swoboda, Elsner, & Morschett, 2014). This variable takes the value '1' if the retailer's primary activity is grocery- or food-related, and the value '0' otherwise. This data is sourced from Planetretail database.

Table 1 presents our variables, short explanations, sources of data, and previous studies that have used the respective measures.

*** Insert Table 1 here ***

3.3 Methodology

The dependent variable is non-negative and integer-valued, implying that the adoption of a Poisson regression is more suitable than Ordinary Least Squares. However, due to overdispersion in the dependent variable, a Negative Binomial regression model is more appropriate because the assumption of equal mean and variance is relaxed (Cameron & Trivedi, 1998, Hausman, Hall, & Griliches, 1984). A relative Hausman test ($p > 0.05$) validates the use of Random- instead of Fixed- effects specification (Greene, 2007). Given the panel formation of our dataset and the random-effects specification, we also include year dummies to account for possible effects of serial correlation. We include home-region dummies to control for home-region unobserved heterogeneity. The inclusion of home-region dummies is particularly important for two reasons. First, the worldwide home regions are not equally represented in our sample, since most of our retailers are headquartered in Europe (44.82%) or North America (38.80%). Second, it is important to account for the heterogeneity across these regions in terms of institutions, competition, and economic characteristics as these may affect the internationalisation processes of firms based in these regions. The home-region dummies are created based on Rugman and Verbeke's (2004) broad triad concept.

4 Results

Table 2 presents the correlation matrix. Although there are no high correlations among our independent variables, we carry out a Variance Inflation Factors (VIFs) test to check for potential multicollinearity. The results indicate that there is no issue of multicollinearity because none of the VIF scores exceeds 5, which is the most commonly used cut-off point for possible multicollinearity. However, because multicollinearity might also arise from the inclusion of interaction effects, we follow Aiken and West (1991) and mean-centre the respective independent and moderating variables. In so doing, we alleviate non-essential ill conditioning among exploratory variables and their interaction terms (Cohen, Cohen, West, & Aiken, 2003). The correlation matrix in Table 2 also shows the means and standard deviations for our variables. These values indicate that there is sufficient heterogeneity among our sample firms with regard to both our dependent and independent variables.

*** Insert Table 2 here ***

Table 3 presents the results of the negative binomial regression with random effects. In Model 1, we include all independent and control variables. We use this model for testing hypotheses 1 to 3. Models 2 - 5 include the interaction effects. To check for the possibility that the presence of extreme outliers might have influenced our findings, we also run our models without potential outliers. After removing the two observations with the highest values for our dependent variable (i.e., 17 and 31 market entries in a single year), the results remain consistent.

*** Insert Table 3 here ***

In line with *Hypothesis 1*, the coefficient reflecting the association between retailers' intangible assets and their simultaneous international expansion is positive and statistically significant ($p < 0.05$).

Hypothesis 2 suggested a positive relationship between retailers' financial strength and their simultaneous international expansion. The results show that the association between profitability, as a source of excess financial assets, and retailers' simultaneous international expansion is positive and statistically significant ($p < 0.05$). This result is in line with *hypothesis*

2. However*,* we find no statistically significant relationship between retailers' financial leverage and their simultaneous international expansion. There is thus only partial support for hypothesis 2.

Hypothesis 3 suggested a positive relationship between retailers' international experience and their simultaneous expansion into multiple new overseas markets. Our findings are in line with this suggestion as the respective coefficient is positive and statistically significant ($p < 0.01$).

In *hypothesis 4* we predicted a positive moderation effect of cultural distance on the relationships between retailers' intangible assets, financial strength, and international experience on the one hand, and retailers' simultaneous international expansion on the other hand. In line with this hypothesis, our results indicate that cultural distance positively moderates the association between international experience and simultaneous international expansion ($p < 0.05$), and the relationship between profitability -- as one facet of retailers' financial strength -- and retailers' simultaneous international expansion ($p < 0.10$). The interactions between cultural distance and retailers' intangible assets and between cultural distance and retailers' financial leverage as our second indicator for retailers' financial strength are not statistically significant. There is thus partial empirical support for hypothesis 4.

5 Discussion

To address the existing dearth of explanations for simultaneous international expansion into multiple new markets in general, and in the context of retail internationalisation in particular, we argued that such expansion will be associated with the level of retailers' intangible assets and their international experience.

The findings for our first hypothesis indicate that increasing intangible assets enhance retailers' ability to enter multiple new overseas markets simultaneously. By highlighting the association between retailers' intangible assets and their simultaneous international expansion, this finding complements existing explanations of retailers' foreign (sequential) expansion that has stressed the role of such assets (Moore, Fernie, & Burt, 2000). Our finding also lends support for the important role of firm-specific assets, and particularly of intangible assets, in reducing the liability of foreignness faced by retailers (Maruyama & Wu, 2015) and firms in general (Delios & Beamish, 2001, Hymer, 1960, Zaheer, 1995). We argued that in addition to comparatively greater costs, simultaneous international expansion is also associated with greater strain on retailers' managerial resources and the likely occurrence of TCD. Our support for the positive association between retailers' intangible assets and simultaneous international expansion underlines the importance of such assets, not only in avoiding costs associated with retailers' liability of foreignness but also in warding off the additional strain on managerial resources and TCD associated with simultaneous international expansion.

In contrast with research that has stressed the location-boundedness of firms' resources (e.g., Eden and Miller, 2004), our finding on the role of intangible assets indicates that this location-boundedness may be less pronounced in the context of internationalising retailers. In addition to exploring potential cross-sector variation in the extent to which retailers' resources and capabilities are location-bounded, we thus suggest that greater emphasis should be put on the role of intangible assets, specifically when investigating the sequence and speed not only of retailers, but of firms in general (Chang & Rhee, 2011).

In our second hypothesis, we argued that financial strength is related to a retailer's simultaneous international expansion based on prior research highlighting the important role of financial resources in retail internationalisation (Doherty, 2007, Elsner, 2014, Pederzoli, 2006). We find that profitability, as an indicator of retailers' financial strength, is positively associated with retailers' simultaneous international expansion. This result highlights the importance of retailers' access to excess funds when engaging in simultaneous international expansion as a particular high commitment form of international expansion. This finding is thus in line with research highlighting the important role of financial strength and the internationalisation of firms in general (Oxelheim, Randøy, & Stonehill, 2001, Westhead, Wright, & Ucbasaran, 2001) and retailers in particular (Doherty, 2007, Elsner, 2014, Pederzoli, 2006). High levels of profitability indicate particular firm-level competitive strengths (Trevino & Grosse, 2002) that are at least partially related to retailers' intangible assets. Interestingly, however, our results show that retailers' intangible assets, which may potentially be such an underlying driver, are negatively correlated with profitability. In contrast, we find no association between retailers' financial leverage as our second proxy for retailers' financial strength and retailers' simultaneous international expansion. Because financial leverage reflects the ratio of borrowing to assets, and thus a retailer's likely further access to borrowing in order to finance an international expansion, our finding may indicate a retailers' preference for equity- over debt-financed international expansion. Given the importance of financial resources in retail internationalisation (Doherty, 2007, Elsner, 2014, Pederzoli, 2006), we suggest that further research explores the role of various dimensions of retailers' financial strength in helping or limiting retailers' international expansion.

Our third hypothesis suggested that retailers' international experience will be positively related to simultaneous international expansion. Based on the RBV-logic and prior research on the role of international experience in retail internationalisation (e.g., Lu, Karpova, & Fiore, 2011, Mohr & Batsakis, 2014, Segal-Horn & Davison, 1992), we argued that international experience provides retailers with a larger set of skills that allows retailers to reduce the strain on managerial resources, TCD, and costs associated with simultaneously expanding into multiple new markets. The empirical support for our hypothesis is in line with the existing research that stresses the important role of international experience in explaining internationalisation of firms in general (e.g., Barkema & Vermeulen, 1998, Clarke, Tamaschke, & Liesch, 2013) and of retailers in particular (Gielens & Dekimpe, 2001, Mohr, Fastoso, Wang, & Shirodkar, 2014, Swoboda, Elsner, & Olejnik, 2015).

In our last hypothesis we suggested that the strength of the associations between retailers' intangible assets, financial assets, and international experience on the one hand, and retailers' simultaneous international expansion on the other hand would depend on how culturally distant the entered countries are. Based on prior research on retail internationalisation that has highlighted the role of cultural distance (Burt, Dawson, & Sparks, 2003, Gripsrud & Benito, 2005, Swoboda, Elsner, & Olejnik, 2015), we argued that as strains on managerial resources, TCD and costs of expanding overseas increase with retailers' simultaneous international expansion, so will the role of their intangible assets, financial strength and international experience. The lack of support of such a moderating role of cultural distance on the association between retailers' intangible assets and retailers' simultaneous international expansion may be caused by limits in the transferability of firms' intangible assets across markets with distinct cultural characteristics, such as, for example, different consumer preferences (Bianchi & Ostale, 2006). Although we find no statistically significant moderating effect, cultural distance may increase the importance of retailers' intangible assets, but at the same time weaken the international transferability of these assets. The moderating role of cultural distance on the relationship between financial strength and retailers' simultaneous international expansion is supported for retailers' profitability as one facet of retailers' financial strength, but not for leverage. This may be due to the generally low role that debt-financed international expansion seems to play for the retailers in our sample. Finally, we find that in line with our expectation cultural distance strengthens the association between retailers' international experience and their simultaneous international expansion. While research has highlighted the role of direct effect of cultural distance on firms' internationalisation (Burt, Dawson, & Sparks, 2003, Gripsrud & Benito, 2005), our result underlines the role that cultural distance plays in influencing the conditions under which firms are able to internationalise in particular ways. Our findings thus complements research that has argued for a moderating effect of cultural distance on the effect of preferred entry mode choice on retailers' subsequent mode choice when expanding internationally (Swoboda, Elsner, & Olejnik, 2015), by showing that cultural distance may affect the role of retailers' resources in facilitating their international expansion.

6 Conclusion

Drawing on the RBV and prior research on retail internationalisation, we theorise and empirically show that intangible assets, financial strength, and international experience are related to retailers' simultaneous expansion into multiple new overseas markets. We also argued that the strength of the relationships between these resources and retailers' simultaneous international expansion is moderated by the cultural distance between a retailer's home country and the respective target country/ies. Our theoretical and empirical analyses contribute to a better understanding of simultaneous international expansion as a facet of the internationalisation of firms in general, and of retailers in particular, which has received very little scholarly attention so far, particularly when compared with issues such as entry mode choice. By building on the

RBV-logic our study contributes to the application of this theoretical lenses to improve our understanding of the internationalisation of retailers. We also extend the RBV-logic in the context of firm internationalisation by highlighting how the associations between different resources and retailers' internationalisation pattern are contingent on cultural distance between a retailer's home and the host country/ies.

6.1 Practical implications and managerial relevance

Our findings have practical implications for retailers. Although we did not analyse the relationship between simultaneous international expansion and retailers' performance, simultaneous internationalisation can be considered a very rapid form of international expansion. Simultaneously internationalising retailers are thus likely to obtain benefits similar to those ascribed to rapid internationalisation, including, for example, first mover advantages (Gielens & Dekimpe, 2001, Lee, Smith, Grimm, & Schomburg, 2000, Sternquist, 2007), rapid catch-up with competitors (Bonaglia, Goldstein, & Mathews, 2007), or the rapid exploitation of firm-specific advantages (Chang & Rhee, 2011). Given the increasing competition in the retail sector and anecdotal evidence of retailers engaging in simultaneous international expansion (e.g., Birchall, 2008, Dawson & Mukoyama, 2014, Lopez & Fan, 2009, Swoboda, Schwarz, & Hälsig, 2007), this particular type of expansion appears to be an important consideration in retailers' internationalisation strategies. By providing insight into the conditions under which retailers engage in such simultaneous internationalisation, our results are of use to managers in the retail industry when deciding whether to simultaneously expand (market-seeking) operations into multiple new overseas markets.

Our results show that retailers with intangible assets and international experience are more likely to choose simultaneous internationalisation, which we argue is due to their superior ability to reduce the strain on their managerial resources, TCD, and costs associated with simultaneous internationalisation. Retailers should thus assess their intangible assets and international experience and the potential consequences of a lack of these factors before considering simultaneous expansion into multiple new overseas markets.

6.2 Limitations

Our study has a number of limitations. First, the objective of this study was to shed light on the role that various firm resources play in retailers' simultaneous expansion into multiple new overseas markets, and we did not address the performance consequences of simultaneous expansion into multiple new overseas markets. Retailers may be successful despite adopting different internationalisation trajectories. Future research should thus clarify the benefits and costs associated with retailers' simultaneous internationalisation and compare the performance effects of simultaneous international expansion with those of sequential internationalisation. Such research should not only focus on financial measures of performance but could also examine whether retailers are more likely to withdraw from host countries that were entered alongside other countries than from host countries that were entered as part of a sequential expansion process.

Second, data availability affected the measurement of some of our variables and the variables that we are able to include in our analyses. We treat retailers' international expansions as simultaneous if they took place within a single calendar year. This treatment was based on the assumption that expansion into multiple new overseas markets within this period would limit the transfer and exploitation of experiential knowledge from one market to facilitate entry and operations into a different market. While we would have liked to test the robustness of our results for retailers' international expansions undertaken in a shorter period of time, doing so would require information on the month (rather than the year) in which a retailer entered a certain country. Furthermore, the data PlanetRetail uses to calculate market share relates to the total sales of a retailers, including sales generated by franchise operations, and market shares may thus be overestimated. Similarly, ORBIS provides data on retailers' intangible assets, but does not distinguish and offer data for particular types of intangible assets. Future research might be able to obtain differentiated data on retailers' intangible assets, for example, by using different data collection methods, such as surveys, and explore the role of different types of retailers' intangible assets for their international expansion.[5] Similarly, our research design limits the set of factors that we are able to analyse to directly observable and measureable country- and firm-level phenomena. In contrast, using qualitative, case-based research may allow researchers to capture difficult- or impossible to observe variables, such as, for example, decision-makers' willingness to take risks that may lead retailers to opt for simultaneous as opposed to sequential international expansion. Such approaches would also be useful to clarify empirically the processes and mechanisms underlying the relationships we propose in this study.

Furthermore, although we accounted for environmental factors by controlling for administrative, geographic and economic distances of the countries that the retailers in our sample had expanded into, future research into the drivers behind simultaneous internationalisation could account in more detail for the environmental characteristics of target countries, for example, by exploring the role of the regulative and normative dimensions of host country environments (Yiu & Makino, 2002). Similarly, there may be other firm-level factors that are associated with retailers' ability or willingness to expand simultaneously, including, for

[5] We like to thank one of the anonymous reviewers for pointing out this limitations with regard to our data.

example, a retailers' organisational culture and/or structure. We have no data on these issues and future research accounting for these and other firm-level factors seems worthwhile.

Despite the importance of retailers' simultaneous international expansion, there is a dearth of research into the factors that lead firms in general and retailers in particular to adopt this internationalisation pattern. The current study provides a first theory-driven investigation of the conditions under which retailers engage in simultaneous international expansion. However, much work remains to be done to fully understand the antecedents and the consequences of this under-researched phenomenon.

7 References

Aiken, L. S. & West, S. G. 1991. *Multiple regression. Testing and interpreting interactions*. Newbury Park: Sage.

Alexander, N. & Myers, H. 2000. The retail internationalisation process. *International Marketing Review*, 17(4-5): 334-53.

Alexander, N., Rhodes, M., & Myers, H. 2007. International market selection: measuring actions instead of intentions. *The Journal of Services Marketing*, 21(6): 424-34.

Alexander, N. S. & Quinn, B. 2002. International retail divestment. *International Journal of Retail & Distribution Management*, 30(2): 112-25.

Baldauf, A., Cravens, K. S., Diamantopoulos, A., & Zeugner-Roth, K. P. 2009. The Impact of Product-Country Image and Marketing Efforts on Retailer-Perceived Brand Equity: An Empirical Analysis. *Journal of Retailing*, 85(4): 437-52.

Barkema, H. G. & Drogendijk, R. 2007. Internationalising in small, incremental or larger steps? *Journal of International Business Studies*, 38(7): 1132-48.

Barkema, H. G. & Vermeulen, F. 1998. International expansion through start-up or acquisition: A learning perspective. *Academy of Management Journal*, 41(1): 7-26.

Berry, H., Guillén, M. F., & Nan, Z. 2010. An institutional approach to cross-national distance. *Journal of International Business Studies*, 41(9): 1460-80.

Bhardwaj, V. & Fairhurst, A. 2010. Fast fashion: response to changes in the fashion industry. *International Review of Retail, Distribution & Consumer Research*, 20(1): 165-73.

Bianchi, C. 2009. Retail internationalisation from emerging markets: case study evidence from Chile. *International Marketing Review*, 26(2): 221-43.

Bianchi, C. C. 2006. Home Depot in Chile: A Case Study. *Journal of Business Research*, 59(3): 391-93.

Bianchi, C. C. & Ostale, E. 2006. Lessons learned from unsuccessful internationalization attempts: Examples of multinational retailers in Chile. *Journal of Business Research*, 59(1): 140-47.

Birchall, J. 2008. Best Buy plots its global strategy. *Financial Times, May 12, 2008*.

Boddewyn, J. J., Halbrich, M. B., & Perry, A. C. 1986. Service multinationals. Conceptualization, measurement and theory. *Journal of International Business Studies*, 17(3): 41-57.

Bonaglia, F., Goldstein, A., & Mathews, J. A. 2007. Accelerated internationalization by emerging markets' multinationals: The case of the white goods sector. *Journal of World Business*, 42(4): 369-83.

Bouquet, C., Hebert, L., & Delios, A. 2004. Foreign expansion in service industries: Separability and human capital intensity. *Journal of Business Research*, 57(1): 35-46.

Buckley, P. J., Pass, C. L., & Prescott, K. 1992. The internationalization of service firms: a comparison with the manufacturing sector. *Scandinavian International Business Review*, 1(1): 39-56.

Burt, S. 2014. The Metro group: Internationalizing the cash and carry format.In Dawson, J & M Mukoyama, (Eds.), *Global Strategies in Retailing: Asian and European Experiences*. London: Routledge, 201-26.

Burt, S. & Carralero-Encinas, J. 2000. The role of store image in retail internationalisation. *International Marketing Review*, 17(4/5): 433-53.

Burt, S., Dawson, J., & Sparks, L. 2003. Failure in international retailing: research propositions. *International Review of Retail, Distribution & Consumer Research*, 13(4): 355-73.

Burt, S., Dawson, J., & Sparks, L. 2004. The International Divestment Activities of European Grocery Retailers. *European Management Journal*, 22(5): 483-92.

Burt, S., Johansson, U., & Dawson, J. 2017. Dissecting Embeddedness in International Retailing. *Journal of Economic Geography*, Forthcoming.

Burt, S., Johansson, U., & Dawson, J. 2016. International retailing as embedded business models. *Journal of Economic Geography*, 16(3): 715-47.

Burt, S., Johansson, U., & Thelander, A. 2010. Retailer Image. Conceptualisation, formation, methods and perspectives in previous research.In Burt, S, U Johansson, & A Thelander, (Eds.), *Consuming IKEA: different perspectives on consumer images of a global retailer*. Lund, Sweden: Lund University Press, 1-23.

Burt, S., Johansson, U., & Thelander, Å. 2011. Standardized marketing strategies in retailing? IKEA's marketing strategies in Sweden, the UK and China. *Journal of Retailing & Consumer Services*, 18(3): 183-93.

Cameron, A. & Trivedi, P. 1998. *Regression Analysis of Count Data*. Cambridge, UK.: Cambridge University Press.

Cao, L. L. & Dupuis, M. 2009. Core competences, strategy and performance: the case of international retailers in China. *The International Review of Retail, Distribution and Consumer Research*, 19(4): 349-69.

Chang, S.-J., Chung, J., & Moon, J. 2013. When do wholly owned subsidiaries perform better than joint ventures? *Strategic management Journal*, 34(3): 317-37.

Chang, S.-J. & Rhee, J. H. 2011. Rapid FDI expansion and firm performance. *Journal of International Business Studies*, 42(8): 979-94.

Choi, S. C. 2014. Lotte Shopping. Transforming a Korean retailer towards being global.In Dawson, J & M Mukoyama, (Eds.), *Global Strategies in Retailing: Asian and European Experiences*. London: Routledge, 116-36.

Clarke, J. E., Tamaschke, R., & Liesch, P. W. 2013. International Experience in International Business Research: A Conceptualization and Exploration of Key Themes. *International Journal of Management Reviews*, 15(3): 265–79.

Cliquet, G. & Burt, S. 2011 Interactions between globalisation and retail productivity. Some governance issues In Aurifeille, J-M, CJ Medlin, CA Tisdell, JG Lafuente, & JG Aluja, (Eds.), *Globalisation, Governance and Ethics: New Managerial and Economic Insights. Economic Issues, Problems and Perspectives Government Procedures and Operations* New York: Nova Science, 163-79.

Coe, N. M. & Lee, Y.-S. 2013. 'We've learnt how to be local': the deepening territorial embeddedness of Samsung–Tesco in South Korea. *Journal of Economic Geography*, 13(2): 327-56.

Cohen, J., Cohen, P., West, S. G., & Aiken, L. S. 2003. *Applied Multiple Regression/Correlation Analysis for the Behavioral Sciences*. 3 ed. Mahwah, N.J.: L. Erlbaum Associates.

Cohen, W. M. & Levinthal, D. A. 1994. Fortune favors the prepared firm. *Management Science*, 40(2): 227-51.

Currah, A. & Wrigley, N. 2004. Networks of organizational learning and adaptation in retail TNCs. *Global Networks*, 4(1): 1-23.

Dawson, J. & Mukoyama, M. 2014. Building international strategy with formats and formulae.In J, Dawson & Mukoyama M, (Eds.), *Global Strategies in Retailing: Asian and European Experiences*. London: Routledge, 37-54.

Dawson, J. & Mukoyama, M. 2014. Recent developments in retail internationalization In J, Dawson & Mukoyama M, (Eds.), *Global Strategies in Retailing: Asian and European Experiences*. London: Routledge, 5-36.

Dawson, J. A. 1994. Internationalization of Retailing Operations. *Journal of Marketing Management*, 10(4): 267-82.

Delios, A. & Beamish, P. W. 2001. Survival profitability: The roles of experience and intangible assets in foreign subsidiary performance. *Academy of Management Journal*, 44(5): 1028-38.

Dierickx, I. & Cool, K. 1989. Asset stock accumulation and sustainability of competitive advantage. *Management Science*, 35(12): 1504-11.

Doherty, A. M. 2007. The internationalization of retailing: Factors influencing the choice of franchising as a market entry strategy. *International Journal of Service Industry Management*, 18(2): 184-205.

Dunning, J. H. 2000. The eclectic paradigm as an envelope for economic and business theories of MNE activity. *International Business Review*, 9(2): 163-90.

Edmondson, A. C. & McManus, S. E. 2007. Methodological fit in management field research. *Academy of Management Review*, 32(4): 1155-79.

Elsner, S. 2014. *Retail Internationalization. Analysis of Market Entry Modes, Format Transfer and Coordination of Retail Activities*. Wiesbaden: Springer Gabler.

Eriksson, K., Johanson, J., Majkgard, A., & Sharma, D. D. 1997. Experiential knowledge and cost in the internationalization process. *Journal of International Business Studies*, 28(2): 337-60.

Erramilli, M. K. 1991. The Experience Factor in Foreign Market Entry Behavior of Service Firms. *Journal of International Business Studies*, 22(3): 479-501.

Evans, J. & Bridson, K. 2005. Explaining retail offer adaptation through psychic distance. *International Journal of Retail & Distribution Management*, 33(1): 69-78.

Foscht, T., Swoboda, B., & Morschett, D. 2006. Electronic commerce-based internationalisation of small, niche-oriented retailing companies: The case of Blue Tomato and the Snowboard industry. *International Journal of Retail & Distribution Management*, 34(7): 556-72.

García-Canal, E. & Guillén, M. F. 2008. Risk and the strategy of foreign location choice in regulated industries. *Strategic Management Journal*, 29(10): 1097-115.

Ghemawat, P. 2001. Distance Still Matters. The Hard Reality of Global Expansion. *Harvard Business Review*, 79(8): 137-47.

Gielens, K. & Dekimpe, M. G. 2001. Do international entry decisions of retail chains matter in the long run? *International Journal of Research in Marketing*, 18(3): 235-59.

Gielens, K. & Dekimpe, M. G. 2007. The Entry Strategy of Retail Firms into Transition Economies. *Journal of Marketing*, 71(2): 196-212.

Goldman, A. 2001. The transfer of retail formats into developing economies: The example of China. *Journal of Retailing*, 77(2): 221-42.

Gollnhofer, J. F. & Turkina, E. 2015. Cultural distance and entry modes: implications for global expansion strategy. *Cross Cultural Management*, 22(1): 21-41.

Grant, R. M. 1991. The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation. *California Management Review*, 33(3): 114-35.

Grant, R. M., Jammine, A. P., & Thomas, H. 1988. Diversity, diversification, and profitability among British manufacturing companies, 1972-1984. *Academy of Management Journal*, 31(4): 771-801.

Greene, W. H. 2007. *Econometric Analysis*. 6th ed. London: Pearson.

Gripsrud, G. & Benito, G. R. G. 2005. Internationalization in retailing: modeling the pattern of foreign market entry. *Journal of Business Research* 58(12): 1672-80.

Halepete, J. & Iyer, K. V. S. 2008. Multidimensional investigation of apparel retailing in India. *International Journal of Retail & Distribution Management*, 36(9): 676-88.

Hausman, J., Hall, B., & Griliches, Z. 1984. Econometric models for count data with an application to the patents-R&D relationship. *Econometrica*, 52: 909 - 38.

Hitt, M. A. 1997. International diversification: Effects on innovation and firm performance in product-diversified firms. *Academy of Management Journal*, 40(4): 767-98.

Huang, Y. & Sternquist, B. 2007. Retailers' foreign market entry decisions: An institutional perspective. *International Business Review*, 16(5): 613-29.

Hutzschenreuter, T., Kleindienst, I., & Lange, S. 2014. Added Psychic Distance Stimuli and MNE Performance: Performance Effects of Added Cultural, Governance, Geographic, and Economic Distance in MNEs' International Expansion. *Journal of International Management*, 20(1): 38-54.

Hutzschenreuter, T. & Voll, J. C. 2008. Performance effects of "added cultural distance" in the path of international expansion: the case of German multinational enterprises. *Journal of International Business Studies*, 39(1): 53-70.

Hymer, S. 1960. *The international operations of national firms*. Cambridge, Mass: MIT Press.

Jiang, R. J., Beamish, P. W., & Makino, S. 2014. Time compression diseconomies in foreign expansion. *Journal of World Business*, 49(1): 114-21.

Kogut, B. & Singh, H. 1988. The Effect Of National Culture On The Choice Of Entry Mode. *Journal of International Business Studies*, 19(3): 411-32.

Kundu, S. K. & Lahiri, S. 2015. Turning the Spotlight on Service Multinationals: New Theoretical Insights and Empirical Evidence. *Journal of International Management*, 21(3): 215-19.

Lee, H., Smith, K. G., Grimm, C. M., & Schomburg, A. 2000. Timing, order and durability of new product advantages with imitation. *Strategic Management Journal*, 21(1): 23-30.

Lopez, C. & Fan, Y. 2009. Internationalisation of the Spanish fashion brand Zara. *Journal of Fashion Marketing and Management*, 13(2): 279-96.

Lowe, M. & Wrigley, N. 2010. The "Continuously Morphing" Retail TNC During Market Entry: Interpreting Tesco's Expansion into the United States. *Economic Geography*, 86(4): 381-408.

Lowe, M. & Wrigley, N. 2010. The “Continuously Morphing” Retail TNC During Market Entry: Interpreting Tesco’s Expansion into the United States. *Economic Geography*, 86(4): 381-408.

Lu, Y., Karpova, E. E., & Fiore, A. M. 2011. Factors influencing international fashion retailers' entry mode choice. *Journal of Fashion Marketing and Management*, 15(1): 58-75.

Makino, S. & Tsang, E. W. K. 2011. Historical ties and foreign direct investment: An exploratory study. *Journal of International Business Studies*, 42(4): 545-57.

Maruyama, M. & Wu, L. 2015. Overcoming the Liability of Foreignness in International Retailing: A Consumer Perspective. *Journal of International Management*, 21(3): 200-10.

Mellahi, K., Jackson, T. P., & Sparks, L. 2002. An Exploratory Study into Failure in Successful Organizations: The Case of Marks and Spencer. *British Journal of Management*, 13(1): 15-29.

Mezias, J. M. 2002. Identifying liabilities of foreignness and strategies to minimize their effects: The case of labor lawsuit judgments in the United States. *Strategic Management Journal*, 23(3): 229-44.

Mohr, A. & Batsakis, G. 2014. Intangible assets, international experience and the internationalisation speed of retailers. *International Marketing Review*, 31(6): 601-20.

Mohr, A. T., Fastoso, F., Wang, C., & Shirodkar, V. 2014. Testing the Regional Performance of Multinational Enterprises in the Retail Sector: The Moderating Effects of Timing, Speed and Experience. *British Journal of Management*, 25(Special Issue): 100-25.

Moore, C. M., Fernie, J., & Burt, S. 2000. Brands without boundaries. *European Journal of Marketing*, 34(8): 919-37.

Nachum, L., Zaheer, S., & Gross, S. 2008. Does it matter where countries are? Proximity to knowledge, markets and resources, and MNE location choices. *Management Science*, 54(7): 1252-65.

Oxelheim, L., Randøy, T., & Stonehill, A. 2001. *On the Treatment of Finance-Specific Factors Within the OLI Paradigm*. Stockholm: The Research Institute of Industrial Economics.

Palmer, M. 2004. International Retail Restructuring and Divestment: The Experience of Tesco. *Journal of Marketing Management*, 20(9,10): 1075-105.

Pederzoli, D. 2006. Conception and test of a comprehensive model of international strategy for retail companies. *The International Review of Retail, Distribution and Consumer Research*, 16(4): 415-31.

Penrose, E. 1959. *The Theory of the Growth of the Firm*. Oxford: Oxford University Press.

Picot-Coupey, K. 2006. Determinants of international retail operation mode choice: Towards a conceptual framework based on evidence from French specialised retail chains. *The International Review of Retail, Distribution and Consumer Research*, 16(2): 215-37.

Picot-Coupey, K., Burt, S. L., & Cliquet, G. 2014. Retailers′ expansion mode choice in foreign markets: Antecedents for expansion mode choice in the light of internationalization theories. *Journal of Retailing & Consumer Services*, 21(6): 976-91.

Pla-Barber, J., Villar, C., & León-Darder, F. 2014. Augmenting versus exploiting entry modes in soft services Reconsidering the role of experiential knowledge. *International Marketing Review*, 31(6): 621-36.

Rugman, A. M. & Girod, S. 2003. Retail Multinationals and Globalization. The Evidence is Regional. *European Management Journal*, 21(1): 24-37.

Rugman, A. M. & Verbeke, A. 2004. A perspective on regional and global strategies of multinational enterprises. *Journal of International Business Studies*, 35(1): 3-18.

Segal-Horn, S. & Davison, H. 1992. Global markets, the global consumer and international retailing. *Journal of Global Marketing*, 5(3): 31-62.

Sethi, D. & Guisinger, S. 2002. Liability of foreignness to competitive advantage: How multinational enterprises cope with the international business environment. *Journal of International Management*, 8(3): 223-40.

Sethi, D. & Judge, W. 2009. Reappraising liabilities of foreignness within an integrated perspective of the costs and benefits of doing business abroad. *International Business Review*, 18(4): 404-16.

Steenkamp, J.-B. 2014. How global brands create firm value: the 4V model. *International Marketing Review*, 31 (1): 5-29.

Sternquist, B. 2007. *International Retailing*. 2nd ed. New York: Fairchild Books.

Swoboda, B. 2002. The Relevance of Timing and Time in International Business — Analysis of Different Perspectives and Results.In Scholz, Christian & Joachim Zentes, (Eds.), *Strategic Management: A European Approach*. Wiesbaden: Gabler Verlag, 85-113.

Swoboda, B., Berg, B., & Dabija, D. C. 2014. International transfer and perception of retail formats A comparison study in Germany and Romania. *International Marketing Review*, 31(2): 155-80.

Swoboda, B. & Elsner, S. 2013. Transferring the retail format successfully into foreign countries. *Journal of International Marketing*, 21(1): 81-109.

Swoboda, B., Elsner, S., & Morschett, D. 2014. Preferences and Performance of International Strategies in Retail Sectors: An Empirical Study. *Long Range Planning*, 47(6): 319-36.

Swoboda, B., Elsner, S., & Olejnik, E. 2015. How do past mode choices influence subsequent entry? A study on the boundary conditions of preferred entry modes of retail firms. *International Business Review*, 24(3): 506-17.

Swoboda, B., Schwarz, S., & Hälsig, F. 2007. Towards a conceptual model of country market selection: Selection processes of retailers and C&C wholesalers. *International Review of Retail, Distribution and Consumer Research*, 17(3): 253-82.

Swoboda, B., Zentes, J., & Elsner, S. 2009. Internationalisation of Retail Firms. State of the art after 20 years of research. *Marketing. Journal of Research and Management*, 2: 105-26.

Tan, D. & Mahoney, J. T. 2005. Examining the Penrose effect in an international business context: the dynamics of Japanese firm growth in US industries. *Managerial and Decision Economics*, 26(2): 113-27.

Tokatli, N. 2008. Global sourcing: insights from the global clothing industry—the case of Zara, a fast fashion retailer. *Journal of Economic Geography*, 8(1): 21-38.
Treadgold, A. 1988. Retailing Without Frontiers: The Emergence of Transnational Retailers. *Retail & Distribution Management*, 16(6): 8-12.
Treadgold, A. D. 1990. The Developing Internationalisation of Retailing. *International Journal of Retail & Distribution Management*, 18(2): 4-11.
Trevino, L. J. & Grosse, R. 2002. An analysis of firm-specific resources and foreign direct investment in the United States. *International Business Review*, 11(4): 431-52.
Vermeulen, F. & Barkema, H. 2002. Pace, Rhythm, and Scope: Process Dependence in Building a Profitable Multinational Corporation. *Strategic Management Journal*, 23(7): 637-53.
Vida, I., Reardon, J., & Fairhurst, A. 2000. Determinants of international retail involvement: The case of large US retail chains. *Journal of International Marketing*, 8(4): 37-60.
Villar, C., Pla-Barber, J., & León-Darder, F. 2012. Service characteristics as moderators of the entry mode choice: empirical evidence in the hotel industry. *Service Industries Journal*, 32(7): 1137-48.
Waarts, E. & van Everdingen, Y. M. 2006. Fashion retailers rolling out across multi-cultural Europe. *International Journal of Retail & Distribution Management*, 34(8): 645-57.
Westhead, P., Wright, M., & Ucbasaran, D. 2001. The internationalization of new and small firms: A resource-based view. *Journal of Business Venturing*, 16(4): 333-58.
Wigley, S. & Chiang, C.-L. R. 2009. Retail internationalisation in practice: per una in the UK and Taiwan. *International Journal of Retail & Distribution Management*, 37(3): 250-70.
Wood, S., Coe, N. M., & Wrigley, N. 2016. Multi-Scalar Localization and Capability Transference: Exploring Embeddedness in the Asian Retail Expansion of Tesco. *Regional Studies*, 50(3): 475-95.
Wood, S. & Reynolds, J. 2014. Establishing Territorial Embeddedness within Retail Transnational Corporation (TNC) Expansion: The Contribution of Store Development Departments. *Regional Studies*, 48(8): 1371-90.
Yiu, D. & Makino, S. 2002. The choice between joint venture and wholly owned subsidiary: An institutional perspective. *Organization Science*, 13(6): 667-83.
Zaheer, S. 1995. Overcoming the liability of foreignness. *Academy of Management Journal*, 38(2): 341-63.

Table 1. Variables, short explanations and sources

Variables	Definition	Source of data	Measure adopted from
Simultaneous international expansion	The total number of new countries a firm has entered (i.e., opened at least one outlet) in a given year.	Planet Retail	Measure developed by the authors.
Intangible assets	Ratio of intangible assets to total assets.	ORBIS	Chang, Chung & Moon (2013)
Leverage	Ratio of firm's debt to total assets.	ORBIS	Chang & Rhee (2011)
Profitability	Ratio of firm's net income to its total assets.	ORBIS	Hitt et al. (1997)
International experience	The total number of foreign countries in which the MNE has established at least one outlet.	Planet Retail	Mohr & Batsakis (2014)
Cultural distance	Cultural distance between a retailer's home country and the country/ies entered in a given year. If multiple new overseas markets were entered, we used the average of all cultural distances. Distance measured using the Kogut and Singh index with data from the Hofstede Centre.	The Hofstede Centre	Kogut & Singh (Kogut & Singh, 1988)
Infrastructure	The average of the standardized values of per capita aircraft departures, rail networks, and container port traffic of the countries the firm entered.	World Bank	Nachum et al. (2008)
GDP/capita	The average GDP per capita of the countries the firm entered.	World Bank	Makino & Tsang (2011)
Geographic distance	Geographic distance between a retailer's home country and the country/ies entered in a given year. If multiple new overseas markets were entered, we used the average of all administrative distances. To calculate geographic distance, we use data on the geographic latitude and longitude of the countries' capital cities.	CEPII (French institute for research into international economics)	Makino & Tsang (2011)
Administrative distance	Administrative distance between a retailer's home country and the country/ies entered in a given year. If multiple new overseas markets were entered, we used the average of all administrative distances.	Penn Lauder Centre for International Business Education and Research	Berry et al. (2010)

Table 1. Variables, short explanations and sources (continued)

Variables	Definition	Source of data	Measure adopted from
Franchise	Dummy variable taking the value '1' if the firm enters overseas markets through franchise agreements.	Annual reports and business news (e.g., Forbes, Businessweek)	Gollnhofer & Turkina (2015)
Multi-channel	Dummy variable taking the value '1' if the firm serves overseas markets through channels beyond the establishment of physical outlets.	Annual reports and business news (e.g., Forbes, Businessweek)	-
Family ownership	Dummy variable taking the value '1' if a family owns more than 32% of the shares of the firm.	Global Family Business Index	http://familybusinessindex.com
Size	The natural logarithm of a firm's total assets.	ORBIS	Grant, Jammine, & Thomas (1988)
Market share	Percentage of total retail formats market share.	Planet Retail	Mohr & Batsakis (2014)
Food-related format	Dummy variable taking the value '1'for food retailers.	Planet Retail	Swoboda & Elsner (2013)

Table 2. Pairwise correlations and descriptive statistics

		Mean	Std. Dev.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Simultaneous entry	2.41	2.81	1.00															
2	Intangible assets	0.12	0.14		1.00														
3	Leverage	0.18	0.29	***0.22***	***0.13***	1.00													
4	Profitability	0.11	0.14		***0.10***	***0.26***	1.00												
5	International experience	12.67	17.79		***-0.13***	***0.20***	***0.14***	1.00											
6	Cultural distance	2.68	1.67			***0.14***		*0.13*	1.00										
7	Geographic distance	4,646.23	3,674.43							1.00									
8	Administrative distance	16.43	18.73			***-0.16***			***-0.23***	***0.28***	1.00								
9	Acquisition	0.35	0.48	*0.14*		***0.20***						1.00							
10	Franchise	0.41	0.49					-0.07	*0.13*		-0.11	***-0.18***	1.00						
11	Multi-channel	0.76	0.42	***0.16***	***0.21***									1.00					
12	Family ownership	0.25	0.44	0.12		***0.40***	*0.08*		***0.16***					*-0.14*	1.00				
13	Infrastructure	-0.12	0.49	0.12	***0.09***	***0.32***					*0.13*	***0.17***	***-0.17***		***0.28***	1.00			
14	GDP/capita	24,424.84	16,543.32	0.12	0.06	***0.09***		0.07									1.00		
15	Size	16.04	2.80			***-0.13***		***-0.16***										1.00	
16	Market share	0.15	0.31			***0.10***	***0.09***							***0.21***		***0.14***	***0.15***	***0.20***	1.00
17	Food-related format	0.49	0.50		***-0.15***	0.07	***0.14***		0.11		-0.11	*-0.13*					0.07		***0.21***

Only correlation coefficients with values above the 5% level of significance are shown. Figures in italics denote significance at the 2.5% level. Figures in bold and italics denote significance at the 1% level.

Table 3. Negative binomial regression model with random effects explaining simultaneous international expansion

	Model 1	Model 2	Model 3	Model 4	Model 5
Intangible assets (H1)	0.965**	0.858**	0.921**	0.960**	0.604
	(0.415)	(0.424)	(0.418)	(0.413)	(0.407)
Leverage (H2)	-0.239	-0.285	-0.240	-0.394	0.0211***
	(0.391)	(0.390)	(0.386)	(0.405)	(0.00415)
Profitability (H2)	1.009**	0.951*	1.016**	0.521	-0.409
	(0.508)	(0.508)	(0.505)	(0.557)	(0.386)
International experience (H3)	0.0165***	0.0162***	0.0163***	0.0174***	0.641
	(0.00390)	(0.00388)	(0.00388)	(0.00393)	(0.493)
Cultural distance	0.0319	0.0326	0.0235	0.0131	-0.00361
	(0.0318)	(0.0312)	(0.0327)	(0.0340)	(0.0348)
Cultural distance x Intangible assets (H4)		-0.309			
		(0.195)			
Cultural distance x Leverage (H4)			-0.197		
			(0.194)		
Cultural distance x Profitability (H4)				0.637*	
				(0.332)	
Cultural distance x International experience (H4)					0.00460**
					(0.00198)
Infrastructure	-0.193*	-0.197*	-0.200*	-0.201*	-0.190*
	(0.117)	(0.117)	(0.117)	(0.117)	(0.112)
GDP/capita	6.53e-06**	6.29e-06**	6.26e-06**	5.83e-06*	7.54e-06**
	(3.14e-06)	(3.13e-06)	(3.16e-06)	(3.16e-06)	(3.05e-06)
Geographic distance	5.12e-06	7.38e-06	6.32e-06	6.75e-06	2.47e-05*
	(1.53e-05)	(1.54e-05)	(1.53e-05)	(1.54e-05)	(1.47e-05)
Administrative distance	0.00142	0.00147	0.00139	0.00101	0.000314
	(0.00282)	(0.00278)	(0.00281)	(0.00285)	(0.00281)
Acquisition	0.387***	0.391***	0.385***	0.355***	0.378***
	(0.107)	(0.106)	(0.106)	(0.108)	(0.101)

Table 3. Negative binomial regression model with random effects explaining simultaneous international expansion (continued)

	Model 1	Model 2	Model 3	Model 4	Model 5
Franchise	-0.117	-0.118	-0.115	-0.136	-0.0978
	(0.119)	(0.119)	(0.119)	(0.120)	(0.117)
Multi-channel	0.182	0.174	0.185	0.146	0.114
	(0.176)	(0.176)	(0.176)	(0.177)	(0.167)
Family ownership	0.156	0.132	0.151	0.152	0.229**
	(0.121)	(0.122)	(0.121)	(0.121)	(0.116)
Size	-0.0196	-0.0198	-0.0200	-0.0159	0.0120
	(0.0242)	(0.0243)	(0.0242)	(0.0241)	(0.0234)
Market share	0.524***	0.530***	0.530***	0.512***	0.118
	(0.135)	(0.134)	(0.135)	(0.135)	(0.140)
Food-related format	-0.393***	-0.421***	-0.410***	-0.392***	-0.260**
	(0.139)	(0.140)	(0.139)	(0.138)	(0.131)
Constant	2.076***	2.081***	2.077***	2.097***	16.46***
	(0.639)	(0.637)	(0.639)	(0.637)	(0.768)
Wald chi2	147.33***	152.56***	148.85***	151.09***	125.31***
Log-likelihood	-468.10	-467.76	-467.71	-466.05	-452.66
Observations	269	269	269	269	269

*** p<0.01, ** p<0.05, * p<0.10; Numbers in parentheses are standard errors. All models include year and region dummies.