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Are turbocharged multisided platforms more likely to become born-global compared to traditional SMEs?

Analysis of two internationalization processes: Port Cities and Listminut

Research Master's Thesis submitted by
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ABSTRACT

Multisided platforms are believed to be a new business model, but the reality is that they have been present for centuries. The leading exchange in Athens around 300 BCE, the classified section in the newspapers in 1750, and the credit card invention in 1950, are all multisided platforms. A multisided platform is a business that operates in a physical or virtual place that incentivizes two or more groups of customers to engage in a mutually beneficial interaction. (Evans & Schmalensee, 2016).

Nowadays, information technology is giving a new impulse to multisided platforms and allowed firms such as Facebook, Uber, and Airbnb to emerge. This new type of multisided platforms is called "*turbocharged multisided platform.*"

These new platforms are not only present around the world, but they are becoming global faster than traditional businesses. While conventional models such as the Uppsala model" explains an internationalization based on gradual involvement in the foreign market, These firms follow a "born-global" model that challenges the previous one. A substantial number of new companies, especially in high technology industries, multisided or not, have shown the ability to internationalize faster and often from or near inception. Knight and Cavusgil (2004) defined the born-globals as entrepreneurial firms that, from or near establishment, seek to derive a considerable percentage of their revenue from the sale of products in foreign markets.

The ultimate purpose of this thesis is to compare the early internationalization process of a turbocharged multisided platform and a traditional SME. To do so, we developed a theoretical framework that we challenged with two qualitative case studies. First, Port Cities, a highly technological SME and its internationalization process from Indonesia to Malaysia. Second, Listminut, a Belgian turbocharged multisided platform and its internationalization to France. We challenged both important concepts to understand their business model and type of internationalization process. Eventually, we shared our recommendations for these cases and proposed suggestions for further studies on the topic.

Keywords: multisided platforms, born-global, internationalization processes

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List of Abbreviations

ASEAN: Association of Southeast Asian Nations

BG: Born Global

B2B:Business to Business

DIY: Do-it-yourself

EU: European Union

IB: International Business

ICT: Information and Communication Technologies

ID: Identity Document

INV: International New Companies

ME: Multinational Enterprise

OECD: Organization for Economic Co-operation and Development

OKR: Objectives and Key Results

R&D: Research and Development

SME: Small and Medium Enterprise

STE: Small Technology-based Enterprise

USD: American Dollar

INTRODUCTION

1. Context

Platforms have been present in the marketplace for centuries. Nevertheless, information technology has re-invented this way of doing business, and turbocharged platforms are disrupting several markets. Enterprises that follow a platform business models have grown energetically in size and scale over the last years. Not only in social media, travel, books or music industry. However, multisided platforms have also entered into transportation, banking, healthcare, and energy. Turbocharged multisided platforms are present everywhere in the world. Further, some platforms are known names such as Amazon, Apple, Google, and Alibaba. (Evans & Gawer, 2016). These companies have in common that they connect two or more groups of peoples that were not able to connect before.

Even though they are still in their early days, they have been disrupting traditional approaches to banking, healthcare and energy services. Moreover, multisided platforms have also attracted regulatory controversy. (Evans & Schmalensee, 2016; Evans & Gawer, 2016; Parker, Van Alstyne and Choudary, 2016)

Another common point that companies as Airbnb and Uber have is that they are present globally regardless of their young ages. It made us think about the internationalization process of multisided platforms. Indeed, traditional businesses often follow a conventional internationalization process, the stage model, more specifically the Uppsala model. However, some authors have shown that companies are internationalizing faster than before (McDougall, Shane & Oviatt 1994; Moen & Servais 2002; Oviatt & McDougall, 1995; Rennie 1993), some do it incredibly fast, that it would be impossible to follow a stage model. Thus, some researchers started to look at it more in details to eventually discuss the internationalization process of a “born-global firm.”; (Oviatt & McDougall, 1994)

Hence, this thesis aims to discuss and describe both significant concepts; multisided platforms and born-globals, try to look after a link between them and compare them with traditional approaches.

2. Structure of the thesis

This thesis is separated into two main parts. The literature review, built in two chapters. The latter allows the reader to discover the literature made by the researcher. In the first chapter, we discussed the evolutions and discussions of the concepts of multisided platforms. We started by defining the concept, then the characteristics have been exposed, and the difference between a traditional business, a multisided platform, and a turbocharged multisided platform has been stressed. In the second chapter, we explored the different types of internationalization process that a firm could follow, focusing on the born-global theory, its characteristics, motivations, and drivers.

The second part of the thesis, the empirical analysis, is divided into four chapters. In chapter three, a link between both major concepts of this papers has been made to make a summary of the theoretical findings eventually. Also, the problematic have been defined, to eventually arrive at the research question of this thesis: "*Are turbocharged multisided platforms more likely to become born-global compared to traditional SMEs?*". In chapter 4, different types of methodology have been described and compared in order to choose the right one to answer the research question. Hence, this thesis is a qualitative study, and two case studies have been chosen to compare the early internationalization of a multisided platform and a traditional business. In chapter 5, we applied the theoretical findings and presented the case studies.

The last chapter of this thesis showed the discussion of the two cases challenged with the theoretical findings. Eventually, we conclude the paper with a summary of the findings of the literature review and case studies. Some managerial recommendations are made, and questions for further studies are proposed.

PART I - LITERATURE REVIEW

CHAPTER 1: Multisided Strategy

1. History

Multisided platforms are commonly believed to be a new business model. However, the reality is that it is a strategy that has been used for centuries. Indeed, the leading exchange in Athens around 300 BCE, the classified section in the newspapers in 1750, and the credit card invention in 1950, are all multisided platforms.

It is essential to understand that we will be talking about a model that has been present for thousands of years and is now being re-impulsed by technology. Nowadays we interact with multisided platforms on a daily basis. Companies such as Uber and Airbnb are using the same strategy that was used in the times of Confucius. In fact, in the book of songs, a 2000 years old book, we can find the following phrase: "*How does one find a wife? Without a matchmaker, one does not*", showing that in the old China, young men used to pay a "matchmaker" that would arrange a marriage with a young lady.

During the Greek empire, the trades were enhanced by matchmakers at the Athens emporium. Merchants were financed and insured by lenders. Also, during the "golden ages," kings provided protection to people traveling to the fairs around Europe, which included protection against creditors, except for debts taken during the fairs.

In the last years, the appearance of highly technological matchmakers made us believe that we are watching a new business model.

2. Definition

In order to understand what a multisided platform is, one needs first to understand the concept of a platform. Indeed, Gawer and Cusumano (2014) affirm that a platform is something that helps to facilitate interactions. Multisided platforms, also called multisided business or matchmakers (Silva, 2017), perform under a different model than traditional businesses. Indeed, a traditional business usually buys raw material and either re-sell it or process it and sells a new finished product. The multisided platforms' raw material is different groups of customers, and part of what they sell is an access from the customers of one group to the customers of other groups. Also, they operate in physical or virtual places where the groups can meet (Evans & Schmalensee, 2016).

Concretely, Evans and Schmalensee (2016) defined matchmakers as a business that operates in a physical or virtual place that incentivizes two or more groups of customers to engage into a mutually beneficial interaction; each group is a side of the platform. The concept is not about finding the perfect match but instead finding good trading exchanges. Parker (2014) added that they are present in any industry where the product is information or where access to information, price, supply chain, demand and markets trends are valued, primarily almost any industry. Further, multisided platforms are becoming the leader (see appendix 1). Examples of multisided businesses go from a mall to big companies such as Alibaba, Amazon, Apple, Facebook, and Microsoft.

2.1. Turbocharging platforms

It is incorrect to affirm that the platform business model is new, what is new is the "turbocharged platforms". According to Evans and Schmalensee (2016), a turbocharged platform is "*a matchmaker that benefits from the new powerful information and communication technologies that have lowered the cost and increased the reach of connecting platforms sides.*" Those technologies have allowed platforms-for-platforms, which are matchmakers that create a platform that could be used by another matchmaker. In other words, turbocharged platforms are matchmakers that are created into another platform thanks to technology. Powerful chips, the internet, the world wide web, the broadband communications, the programming languages and operating systems and the cloud are the turbocharging technologies that have allowed matchmakers such as Uber, PayPal, and Airbnb to develop and grow in an unprecedented path. (Evans & Schmalensee, 2016).

3. Characteristics

Evans and Schmalensee (2016) addressed six issues that are critical and specific for matchmaker that we will enumerate and develop later on in the paper.

a. The multisided platforms might identify the frictions that do not allow two or more groups of participants to interact with each other, they could do it by taking a look into the transaction cost and the willingness to pay of the groups to interact.
b. They need to reach the critical mass frontier, by resolving the chicken-or-egg dilemma. Meaning that; multisided platforms need to get both sides to join and keep them in the platform. In order to solve this problem, the frictions should be perceived big enough by the parts.
c. They need to get an optimal pricing strategy, to make sure that it is profitable in the long term, it is possible that they would need to subsidize one of the sides, something that does not happen in traditional business.
d. They are located between broader ecosystems, governments, regulations and other institutions.
e. They manage physical or virtual places where the different sides meet. They need to ensure that they design this places in a way to create positive network effects.
f. They need to decide how many groups of participants they want to interact with each other.

By their side, Parker, Van Alstyne and Choudary (2016) highlighted that every platform operates differently, targeting different groups of customers, and creating different types of value, but we could recognize these same essential elements in all platform business. In their study, they called the traditional businesses as "*pipelines*" because of their linear value chain. The change from a single side to the complex world of matchmakers seems natural, but the reality is the expansion of the multisided strategy across industries is generating revolutionary changes. For the sake of explaining the characteristics of matchmakers, we will compare some of these changes.

3.1. Efficient scale

Pipelines depend on inefficient doorkeepers to deal with the flow of value from the producer to the user. In the traditional music industry, companies would sign a few numbers of artists of the thousands that may apply; they need to take into consideration which has potential to become famous, and hope that it works. It is a time-consuming process that needs much labor. Also, it relies mostly on human intinction.

On the other hand, multisided platforms such as YouTube allows everyone to upload videos of themselves singing and it allows the viewers to judge who would succeed and who would fail, avoiding the time-consuming process of the traditional doorkeeper. The matchmakers could grow to scale faster and accurately because market feedback replaced the traditional doorkeepers, provided automatically by one of the sides of the platform. Furthermore, the withdrawal of doorkeepers grants consumers more freedom to choose products that suit them better.

3.2. New sources of value creation and supply.

Growth for a pipeline usually requires high investments, and it could mean a tremendous amount to maintain, improve and expand them. On the other hand, the platform model could support growth without increasing their physical assets, due to the fact that growth is not any more related to the capability to invest capital and manage physical assets. Hence, in a short period, some multisided platforms have archived a value in the market that traditional businesses are not capable of doing. Per instance, Uber does not own any car, or Airbnb does not own any hotel room. They develop and maintain their platform that allows individuals to provide the services directly to clients. In return, they take a commission of one of the involved parts.

The supply is also different for multisided business, unlocking spare capacity and harnesses contributions from the community. While some traditional businesses use jut-on-time inventory, the matchmakers use the "*not-even-mine*" inventory.

Nowadays, we have traditional businesses that must cover fixed costs in competition with platforms that do not need to cover it. Before, it would have been almost impossible to loan something to an unknown person, because of the uncertainty to get the asset back with any damage, but platforms serve not only to match with someone that needs your asset but also as an insurance for the provider, lowering transaction costs and allowing producers to enter the market.

3.3. Platforms invert the firm.

In the past, the goal of the strategy was to create barriers and control the unique resources of the firms, while nowadays it generates externals resources and develops communities. Also, it is not created in one lab by an internal expert, but by crowdsourcing and feedback from different participants of the platform.

External resources are not supposed to replace internal resources. Usually, they serve as a compliment (Parker et al. 2016). The same authors added that matchmakers are more interested in ecosystem governance than in product optimization and control of their staff.

4. Network effects

Network effects or network externalities could be separated into direct network effects and indirect network effects. Direct network effects are the externalities that occur within users of the same side of the platform. On the other hand, indirect network effects are the ones that happen between two or more sides of users of the platform. Literature also refers to this as cross-side and cross-group network effects, but in the aim of this paper, we will use the term indirect network effect.

Furthermore, network effects could be both positive or negative. Positive network effects happen when users attract more users to the platform and create value, while adverse effects occur when a new user decrease the value for existing users. Moreover, network effects could be direct and indirect. When a new restaurant joins OpenTable and increases the value of the other brands, it creates a positive direct network effect. A positive indirect network effect happens when a new driver join Uber because the waiting time for clients would decrease. Conversely, if that driver is taking away demand from other drivers, it would be considered as a negative direct network effect. Following the same logic, if the new restaurant in OpenTable increments the difficulty for users of the other side to find a good restaurant, it would be considered as a negative indirect effect.

Hagiu (2014), Evans and Schmalensee (2016a) highlighted that indirect network effects not only depend on the number of users but also on the quality of those. Indeed, the strength of their indirect network effects may be as significant as the number of users. Evans and Schmalensee (2016) proved it with the example of OpenTable that was successful in recruiting restaurants in different American cities but struggled with enrolling customers. Hence, they reviewed their strategy and focused only in one city, having a lower number of restaurants but enough to attract customers in that city.

4.1. Liquidity: thin and thick market

Evans and Schmalensee (2016a) highlighted the importance of reaching liquidity, referring to it as a thin and think market. A market is thin if it does not have enough user that interact exchange value while it is thick if the number of participants is important and they realize value transactions often (Evans & Schmalensee, 2016a). Parker et al. (2016) expressed that achieving liquidity is fundamental in the life cycle of a matchmaker. Also, they pointed out that it is not enough to have a significant number of users but that those needs to interact and exchange value in order to achieve the liquidity point. The authors defined liquidity as: "*the state in which there are a minimum number of producers and consumers, and the percentage of successful interactions is high*" (Parker et al. 2016, p. 190). Achieving a "*thick market*" is crucial for matchmakers to create positive indirect network effects that will result in more users joining the platform, and leading it to the critical mass point. (Evans & Schmalensee, 2016; Parker et al, 2016).

4.2. Winner-takes-all market

The early study of Rohlfs (cited by Solheim & Tovsen, 2017) found that the first firm achieving the critical mass would be the one that benefits the most from network effects. Moreover, those network effects would allow the firm to create entry barriers to avoid potential competitors to join the market. Nevertheless, Parker et al. (2016) shown that besides network effect, there exist three other conditions in order to know if a market is a winner-takes-all or not: multihoming, differentiation, and economies of scale.

4.2.1. Multihoming

A study from Rochet and Tirole (cited by Solheim & Tovsen, 2017) introduced the concepts single-homing and multi-homing. If users of a market use more than one platform, that market is called multi-homing. On the contrary, if users only use one platform, it is single-homing. The research of Eisenmann et al. (cited by Solheim & Tovsen, 2017) found that multi-homing costs are high, users need a good reason to use more than one platform.

4.2.2. Differentiation

In order to avoid winner-takes-all markers, uses need to have preferences for differentiated functionalities challenging to serve in a single platform. Wan, Cenamor, Parker and Van Alstyne (2017) expressed that a follower platform could overcome the barriers created by the first mover if their product or service offers to the user is high quality.

Multi-sided platforms such as Facebook with its six sides could help to create new market niches, in which users could get attracted by a specific interaction of the platform. Furthermore, Parker et al. (2016a) highlighted that it is easier to create a niche platform if the firm knows the value propositions of their competitors.

4.3. Ecosystems

The ecosystem is the term that is used to refer to the group of stakeholders inside a market, users, businesses, institutions and any other participant that would interact with each other. (Evans & Schmalensee, 2016). In an ecosystem, participants depend on each other. Parker et al. (2016) added that the idea of a technological multisided ecosystem is to be interactive and to create as much value for everyone as possible.

Parker et al. (2016) highlighted that thanks to the network effects, matchmakers could create open digital ecosystems able to host millions of participants. In comparison to traditional ecosystems, these ecosystems are more significant, and the quantity of value exchanged is more critical.

5. Frictions

Frictions are defined as "*cost or other impediments that impede mutually advantageous interactions and exchanges*" (Evans & Schmalensee, 2016 p. 209). The key idea of a matchmaker is to solve frictions that are big enough in order to survive. The authors explained that value should be seen as a pie, this value pie must be big enough in order to ensure that customers of every side of the platform are getting good value and that the venture can still make profits. If the friction is not significant enough, this "pie" would be smaller, and the sides will not stay in the platform. Thus, important questions that the entrepreneur might ask include: which friction would it try to solve, how much could it reduces that friction, how much value could it create, and if the friction is significant enough to start a business on it. A good example of solved friction was given by Silva (2017) that showed how Alibaba dealt with communications and trust frictions in the B2B wholesale industry in China (see appendix 3)

5.1. Chicken-or-egg problem

As multisided platforms have different types of customers, they deal with an extra challenge that does not exist in the traditional business. Indeed, the value of one side is related to the value of the other side because of the network effects. In other words, one group will only join the platform if the group they are interested in having access to join as well. While some authors (cited by Solheim & Tovsen, 2017) call this problem "*catch-22*", others call it *"the chicken-or-the-egg problem".* (Evans & Schmalensee, 2016, Parker et al. 2016).

The moment when the matchmaker achieves the critical mass and start a self-sustaining growth process is called "*ignition*"(Evans & Schmalensee, 2016). If a firm fails to achieve this point, the platform would not only stop to attract new customers, but current users would leave.
Evans (2009) highlighted that matchmakers "*must attain critical mass to ignite a catalytic reaction that leads to organic growth. Platforms that do not reach this critical mass implode*.". Thus, when a platform attains a critical mass of customers, the network effects would help the platform advance and ensure continuous growth.

Because of the indirect network effects, the critical mass of matchmakers contains two dimensions. Also, If a platform does not reach the critical mass fast enough, early adopters will leave, the interest of potential adopters would decrease, and the word-of-mouth would be detrimental. (Evans, 2009).

Evans and Schmalensee (2016) illustrated an economic model that suggests how a matchmaker could attain the critical mass. (see Figure 1)

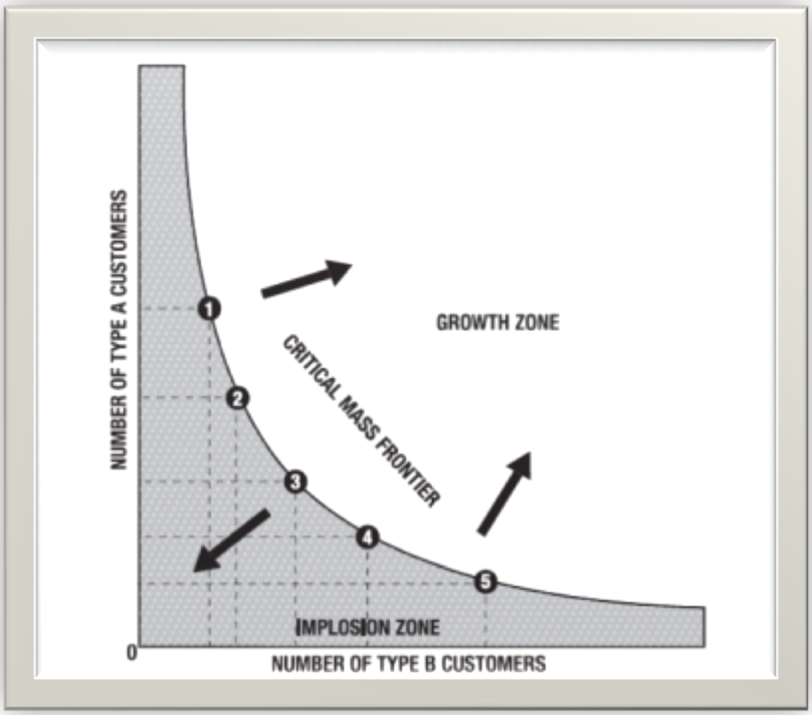

Figure 1- Critical mass of a matchmaker (Evans and Schmalensee, 2016)

The crucial feature of this model is the critical mass frontier, that is related to the number of customers needed on each side in order to reach the mass. The model shows that having relatively a lot of customers from one side or the other, will lead the matchmaker to the implosion zone. Furthermore, once the platform attains the critical mass, they would enter into the growth zone, where growth is sustainable. However, in practice, there is not a magical number where the platform is balanced, and the firm reaches the critical mass (Parker et al., 2016). Hence, the model shows as an example five different points where it is possible to reach the critical mass. Nonetheless, Evans (2009) highlighted that a balanced growth against the critical mass frontier is fundamental. Indeed, he emphasized that in the long-term the equilibrium is far from both axes.

6. Strategies

There are different strategies that firms could implement to successfully attract early adopters to their platform, for the sake to develop sufficient network effects to overpower the chicken-or-egg problem. Past studies (cited by Solheim & Tovsen, 2017) reported that users arrive simultaneously, while most recent authors (Evans & Schmalensee, 2016, Parker et al. 2016) shown that it is possible to both sides to enter at the same time.

6.1. Sequential entry approach

The idea of a sequential entry is to start as a traditional business in order to avoid the chicken-or-egg problem. Once the firms have the confidence of their users by reaching the critical mass in one side, they might open to the other side and give them access to their database already built. Evans & Schmalensee (2016) pointed out that it is easier to reach the critical mass with one side and then target the others. Some studies, (Evans, 2009, Evans & Schmalensee, 2016) called this the two-step strategy and stressed that it works when one side does not value the access to the other, while Parker et al. (2016a) named it the follow-the-rabbit strategy. In general, researchers have suggested three different forms to have a sequential entry; the merchant to two-sided platform strategy, the vendor to two-sided platform strategy and the single side strategy.

In the merchant to two-sided platform strategy, the venture operates as a one-sided merchant and resells products and services from external suppliers (Hagiu & Wright, 2013 and 2015). Afterwards, when the firm has developed a stable relationship with a significant customer base, the venture gives back the risk to several suppliers.

The vendor to two-sided platform strategy follows the same logic than the first one, the firm begins as a vendor but sells its products or services to customers on just one side. Then, it allows access to external producers to its platform, facilitating transactions between users on both sides.

Parker et al. (2016) added an alternative referred to as a single-side strategy. The base of this strategy are the two named before, but instead of proposing a one-sided model at the beginning, the venture proposes a tool that could be useful for one side to attire the other. Evans & Schmalensee (2016) shown the successful example of how OpenTable, a restaurant reservation platform, that started proposing a reservation management software to restaurants before becoming the successful multisided business that it is today.

6.2. Simultaneous entry approach

It refers to the fact of targeting all the sides at the same time and dealing with the chicken-or-egg problem from the beginning. Literature has developed a significant number of strategies within this approach. Parker et al. (2016a) divided the approach into two different techniques that could be used together or separately. They explained that it consists in the creation of conditions by the firm in order to create appropriate value to the users of the platform, even if there are a small number of customers. After that, the venture ensures to get enough action in their platform while attracting the different sides to join it. When more customers arrive, more unit values will emerge, and more successful transactions will occur (Parker et al., 2016a). Among the numerous existent strategies inside this technique, the most relevant will be presented.

6.2.1. Staging value creation

Parker et al. (2016a) explained that a firm could generate a positive loop that would lead it to sustained growth by creating many value units, such as sales post or rental requests. It would show potential users the profit they could get by using the platform (Gawer & Henderson, cited by Solheim & Tovsen, 2017).

6.2.2.The micromarketing strategy

The study of Parker and Van Alstyne (cited by Solheim & Tovsen, 2017) explained that a firm follows a micro-marketing strategy when it focuses on a small community first, in order to cut back their critical mass frontier. Facebook, per instance, focused only on Harvard students and overcame the chicken-or-egg dilemma before expanding to other communities (Evans & Schmalensee, 2016).

6.2.3. The piggybacking strategy

Parker et al. (2016) defined it as "*connecting with an existing user base from a different platform and stage the creation of value units in order to recruit those users to participate in your platform*." The most famous example of this strategy is PayPal when they used the database of eBay.

6.2.4. The self-supply strategy

Evans and Schmalensee, (2016) showed that in order to reach the critical mass, a firm could focus on giving the most value to one side of the platform by providing content by itself. Evans (2009) explained that firms must be able to provide their platforms, at least at its earliest stage. Indeed in its early days, YouTube founders used to post videos themselves in order to attract viewers.

6.2.5. The subsidizing strategy: pricing a matchmaker

Besides networks effects, pricing is one of the most significant peculiarities of multisided platforms. Contrary to traditional businesses, multisided platforms could ask a different price to each side (Evans & Schmalensee, 2016, Parker et al., 2016, Silva, 2017). Evans and Somalense (2016) highlighted that, in some cases, it makes sense to charge more one side of the platform than the other, in order to attract more users and reach the critical mass. The charged side is called "money" side, and the side that is less charged, or not charged at all is called the "subsidy side."

To efficiently get both sides on board, the firm needs to find which side they are going to charge. (Hagiu, 2014, Evans & Schmalensee, 2016, Parker et al., 2016, Silva, 2017). If network effects are significantly asymmetrical, meaning that one side of the platform has more impact in attracting users from the other side, the firm might subsidize that side (Hagiu, 2014, Evans & Schmalensee, 2016, Parker et al., 2016, Silva, 2017). In other words, matchmakers need to find who needs whom and subsidize the needed part. Per instance, Evans & Schmalensee (2016) noted the example of a nightclub, which is a physical platform where women and men meet, women joining the nightclub have a bigger positive indirect network effect than the other way round. For this reason, it is logical for a nightclub to subsidize the entrance for women and charge men.

Past research has pointed out that the most interesting part of subsidizing is that sometimes pricing could be negative for a side of the platform. (Evans & Schmalensee, 2016, Parker et al., 2016). Per instance, after a certain number of reservations in the OpenTable platform, the customer could get a free dinner. Therefore, the service is not only free for the customer but the company also "pays" them to use the platform.(Evans & Schmalensee, 2016)

Silva (2017) compared the pricing strategy of a traditional business with the one of a multisided platform in Figure 2 below, explaining the mathematical formula to make negative pricing possible for one side of the platform.

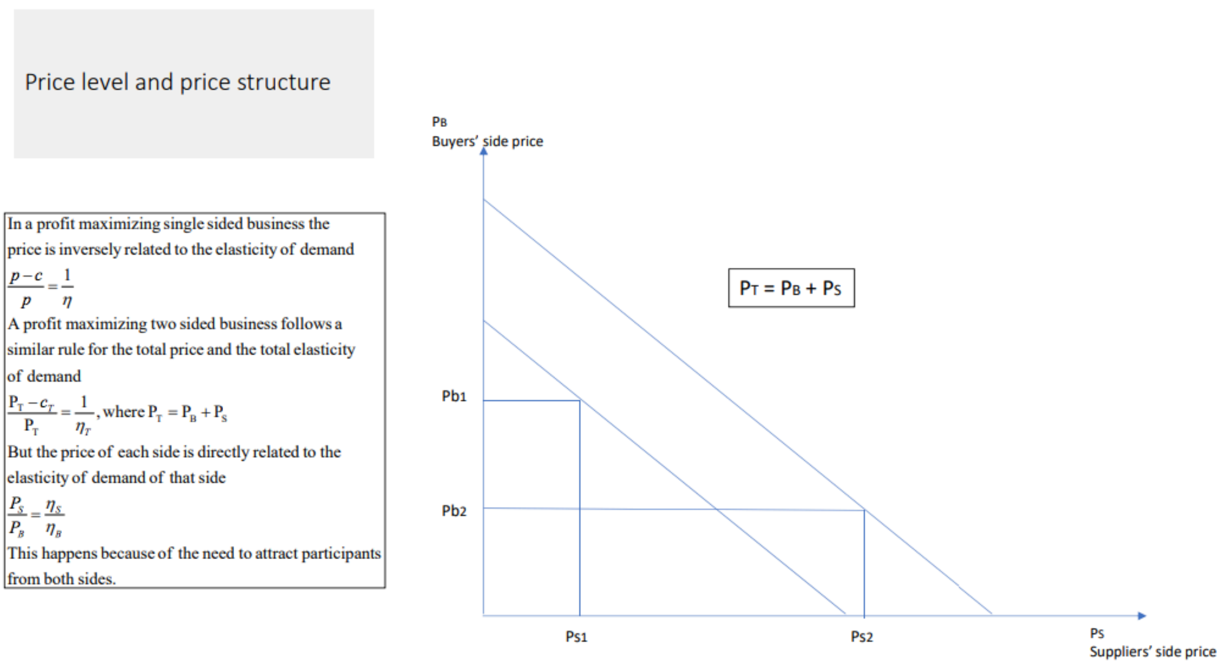

Figure 2 - Pricing strategy of a multisided platform (Silva, 2017)

It is important to note that the profit-maximizing formulas are similar, with the difference that in multisided platforms, the total price is equal to the addition of the price of the seller and the price of the buyer, and these prices are related to their respective elasticity, allowing to have one of the sides with negative pricing, would still allow the firm to have a favorable total price .

Past research (cited by Solheim & Tovsen, 2017) referred to the subsidizing strategy as "*divide and conquer*," and emphasized how this approach could be helpful to overpower the chicken-or-egg problem. The work of Eisenmann et al., (cited by Solheim & Tovsen, 2017) stressed the significance of ensuring that the matchmaker could internalize the networks effects generated by the subsidy side. This, because if that side starts multi-homing, the subsidy side could become a waste (Eisenmann et al. cited by Solheim & Tovsen, 2017). Besides, when the indirect network effects are symmetrical, Evans & Schmalensee (2010) explained that both sides should be charged equally.

6.2.6. The marquee user strategy

Evans and Schmalensee mentioned another type of strategy, commonly used by malls. The marquee user strategy refers to choosing some perceived valuable marquee users by the other side, and focus on getting them into the platform. This way, the other side will be attired to join, and then the latest would attire more users on the marquee side.

Evans (2009) demonstrated that sometimes a double marquee strategy could be useful. His idea is that by acquiring exclusive customers for both sides, more customers of each one of them would like to join.

6.2.7. The big adoption strategy

Parker et al. (2016) explained that it could be useful for a platform to use traditional push marketing strategies in some cases, for the sake of appealing a significant amount of attention. Per instance, Tinder was launched at a college party, making it easy for both sides to match with each other (Parker et al., 2016).

6.3. The viral growth strategy

Parker et al. (2016) referred to this as the process on where existents users promote the platform to other potential users, in order to have them joining the mentioned platform. The viral growth strategy is different from word-of-mouth growth. Indeed, users do not promote the platform because they like it, but because they get the benefit for themselves from it (Parker et al., 2016).

There are four stakeholders in this growth strategy: the sender, the value unit, the external network and the recipients. Instagram is the most notorious example. Users upload a picture in the platform, then share it with all their friends on Facebook to have them joining the platform and liking its pictures. Parker et al. (2016) stressed that in order to make this strategy work, it is fundamental that the value units are made to be spreadable.

6.4. Success of multisided platforms

Following what has been discussed in this paper, Evans and Schmalensee (2016) prepared a list of questions that a multisided platform must be able to answer in order to forecast if the firm would be successful as a matchmaker:

a. *"What is the friction, how big it is and who benefits from solving it?*
b. *Does the platform design solve it better than other entrants?*
c. *How has it solved the ignition problem?*
d. *Does the price allow the firm to make money?*
e. *How is the platform going to work with the ecosystem?*
f. *Is the firm ready to react to market reactions?"*

7. Disruption and regulation

Costa (2016) affirmed that what is revolutionary about turbocharged matchmakers, is how they are powerful and widespread thanks to digital technologies, affecting the way we live and interact and disrupting different sectors. In some cases, they could create value without hurting existent companies in the market. Nevertheless, in the last decade, turbocharged matchmakers have found more efficient ways of doing things. In some cases, turbocharged multisided platforms even threat non-technological matchmakers (Evans & Schmalensee, 2016). Per instance, the newspaper market has completely changed since the arrival of turbocharged matchmakers. As people are using more social media than reading traditional newspapers, advertisers are spending less on the latest, conducting them to a death spiral. With fewer resources, the newspapers produce less content, that attracts even fewer readers, that result in even fewer advertisers.

There are always winners and losers in the market, the real threat for traditional businesses appears when they are dealing with the subsidy side of a multisided platform. (Costa, 2016; Evans & Schmalensee, 2016; Parker et al., 2016). Further, if they could not compete against the new matchmakers in the market, they might try to do it in a regulatory way. *"According to the economic theory regulation, government intervention can be understood as the supply of rules according to public demand"* (Costa, 2016, p. 386). In other words, as they cannot win on the business ground, they invest resources in legal action in order to have the governance legislate in a way that they could to keep their own interest.

Parker et al. (2016) agreed that regulatory capture is an alarming consequence of rising regulation over disrupted sectors. Nevertheless, the authors highlighted that for areas as data privacy and security, labor protection and market manipulation, the public concern must exist over platforms unconstrained by government policies.

CHAPTER 2: Born Global

1. Definition

Several studies (McDougall, Shane & Oviatt 1994; Moen & Servais 2002; Oviatt & McDougall 1995; Rennie 1993) have shown that companies are internationalizing faster than before and that some of them do it at such as early stage, that literature started referring to them as "born globals", as showed by Chetty and Campbell-Hunt (2004).

Literature does not agree in a single definition of born globals. Indeed, Oviatt and McDougall (1994, p. 49) defined a born global as "*a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries.*" On the other hand, Knight and Cavusgil (1996, p. 11) defined born globals as "*small, technology-oriented companies that operate in international markets from the earliest days of their establishment.*"

As there is not a precise definition for born globals, some authors (Crick 2009; Kuivalainen Saarenketo & Puumalainen 2007) have tried to separate the definition of born global and born international or international new venture. Knight and Cavusgil (2004, p. 124) defined the born globals as ‘‘*entrepreneurial start-ups that, from or near their founding, seek to derive a substantial proportion of their revenue from the sale of products in international markets*.’’ While Oviatt and McDougall (1994, p. 49) defined the international new ventures (INVs) as ‘‘*business organizations that, from inception, seek to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries*.’’ Consequently, Crick (2009) questioned this definition by arguing that “multiple countries” does not exclude regional firms. Proposing that these should not be included as born globals because of the leak of geographic diversity. However, his research failed to show enough quantitative difference between the two terms in order to consider them as unequal. By contrast, several studies (Oviatt & McDougall, 1994; McDougall & Oviatt, 2000) considered both terms as remarkably similar.

Crick (2009) also noted an important issue that has not yet been clarified in previous studies, categorizing both born globals and international new ventures by the number of markets served and more specifically their geographic diversification and commitment to these markets. Rennie (1993) highlighted a study done by McKinsey Company, where they proposed born globals as "*small and medium-sized companies that successfully compete virtually from inception against large established players in the global arena.*" By contrast, Crick (2009) reported that the size of the enterprise is not automatically a barrier to selling internationally and businesses do not have to compete against large established players if they operate in small niche markets.

In the aim of this paper, we will also take into account the quantitative definition given by Kudina (2008) that described born globals as firms who have reached a share of foreign sales of around 25 percent within two to three years from their establishment. Also, we will consider the research by Kudina (2008) that illustrated born global and international new ventures as one single concept. Further, we will focus on high-technology firms.

Oviatt and McDougall (1994) have concluded that few BGs are actually ''born'' global, but they start the internationalization soon after forming and often within three years of foundation. Besides, Ciravegna, Lopez & Kundu (2009) noted that most born globals are regional in their internationalization, especially in the early years. Furthermore, Cavusgil and Knight (2009) revealed that the born globals are not a new kind of venture, but that they have been present for more than a millennia, particularly in countries with small domestic markets. However, studies such as Business Week, Eurofound, Gupta, McKinsey & Company (cited by Crick, 2009) have shown that in the last few decades they have emerged in considerable numbers around the globe. Besides, Knight and Cavusgil (2004) reported that globalization, the internet, and other innovative communication platforms are positively influencing the trend by reducing the cost of internationalization. Also, many studies (Cavusgil and Knight, 2009; Oviatt and McDougall, 1994; Eurofound, 2012) showed that globalization helps to foster the foreign expansion of smaller, resource-poor companies. While Knight and Liesh (2015) commented that early internationalization might be more likeable in countries with small domestic markets, born globals are now increasingly common in large internal markets economies, such as the United States and the EU.

Knight and Liesh (2015), added that born globals typically are young SMEs with limited resources, that generate considerable trade flows around the world despite the mentioned constraint. Further, previous research (Eurofound, 2012; Knight & Cavusgil, 2004; OECD cited by Knight & Liesh, 2015) claimed that the BGs are widely recognized as necessary, distinctive organizations in the international commerce.

Several studies (Knight and Cavusgil, Jantunen, Nummela, Puumalainen and Saarenketo, cited by Knight & Liesch, 2015) have noted that born globals are characterized to have distinguishing and intangible resources and competencies. Moreover, Knight and Liesch (2016) considered that the early and hasty internationalization of BGs nowadays serve as a form of international expansion with no precedents. Numerous studies (Zander, McDougall-Covin, & Rose, 2015) discussed that the emergence of born global ventures might mean a shift from a focus on the large, well-established multinational enterprises.

2. Characteristics

Size, turnover, and technology are significant characteristics of born globals. Indeed, Chetty and Campbell-Hunt (2004) pointed out that a born global should be a small firm with no more than 500 employees and its turnover might not exceed 100 million USD. Also, it might focus on high technology products, specifically in niche markets (Knight & Cavusgil, 1996). Madsen and Servais (1997) added that these firms are generally entrepreneurial from the beginning and do not associate with a single country, associating the international market with opportunities and not to obstacles. Therefore, another critical factor is that they grow by international sales (Chetty & Campbell-Hunt, 2004).

Hence, Tanev (2012) pointed out nine general characteristics of born global:

2.1. High activity in international markets from or near the founding

A study from Rasmussen (cited by Tanev, 2012) showed that even though born globals are highly entrepreneurial, internationalization may not be intended since foundation. Indeed, it depends on the nature of the venture, the resources and technology they possess and the industry they are present in (Jones et al., 2011; cited by Tanev 2012). On the contrary, Moen (2002) expressed that even if the market where the firm is present is important, what differs between a born global, a born local and a late global firm are the early decisions of this one.

2.2. Limited financial and tangible resources

"*Born-global firms tend to be relatively small and have far fewer financial, human, and tangible resources as compared to large multinational enterprises that have been considered as dominant in global trade and investment*" (Tanev, 2012, p. 6)

2.3. Present across industries

Past research (Rennie, 1993; Servais 2002) concluded that born globals are not only widely spread around the technology industry but that they are present in many of them. Per instance, Madsen and Servais (1997) showed born global firms in industries such as furniture, processed food, and consumer products.

2.4. Managers have a strong international outlook and international entrepreneurial orientation

Managers of born global firms are highly entrepreneurial and risk lovers, they start looking to expand to different markets from the beginning. Findings from the United States, the United Kingdom, Australia, Canada, Ireland, and New Zealand (cited by Tanev, 2012) highlighted that resources, creativity, and knowledge are a key in the characteristic of a born global.

2.5. Differentiation strategy

As mentioned before, born global firms are present in niche markets that are less interesting for big companies. Thus, they need to implement a differentiation strategy and be highly customer focus.

2.6. Emphasis on superior quality product

Born global firms usually use the leading technology in their industries, in order to differentiate and earn a competitive advantage over their competitors. Furthermore, they might be highly innovative for the sake of improving and developing new products with those technologies.

2.7. Leveraging advanced information and communications technology (ICT)

Several born globals use ICT in order to segment potential clients in narrow niches in the global market, and so serve highly specialized customer needs. ICT grants them to costless process information and communicate worldwide with both buyers and partners. (Cavusgil & Knight, 2009).

Kudina (2008) stressed that there are specificities for technology born globals firms:

a. The market in their home country is not sufficiently big for the sake of their scale needs.
b. A substantial number of their clients are from foreign markets.
c. Many of the firm's potential customers have overseas operations where they will use the firm's products or services.
d. The venture is present in a profoundly technological industry.
e. They have the leading technology in order to create competitive advantage.
f. There are minor entry barriers, or there are not existent.
g. Their products or services are greatly treasured regarding the transportation cost.
h. Clients tastes are highly similar across the different markets.
i. Their product or service benefit of first-mover advantage.
j. Competitors have or are thinking about internationalizing.
k. They have managers with previous experience in International Business.

3. Internationalization Theories

In this part of the paper, we will focus our interest in how the born global firms grow internationally so fast. The traditional approach such as the Uppsala model, that we will develop further argued that a firm should first establish itself in its home market before start international expansion. As the company's experience and familiarity with foreign markets grow, it subsequently ventures farther overseas.

Previous literature has stated that internationalization depends on size, letting by the side the SME that have few market power to internationalize (Knight & Liesch, 2016). Furthermore, Brouthers and Nakos (2005) added that the venture's international experience depends on the age of the latest, influencing their commitment to foreign countries and which one to enter. Besides, Past research has found that a lack of international experience from managers might conduct to internationalization failure. (Autio et al., 2000 cited by Knight & Liesh, 2016). However, SMEs are not a smaller version of big multinational firms (Brouthers & Nakos, 2004). Indeed, they are different in organization and behavior. (Liesch et al., 2011).

At some point, the born global theory contradicts the traditional theory (Pla-Barber and Escriba´-Esteve, 2006 cited by Lee, Gongming & Zhengming, 2012). One key factor of internationalization is the political, economic and cultural difference between the home and the foreign market. (Kuivalainen et al., 2007). Brouthers and Nakos (2005) pointed out that these born global firms deal with few resources to cover additional costs. Also, Stuart (2000) illustrated that this lack of resources is more dangerous for technology-based ventures, as they require extra financial and technology investment in order to disrupt small niche markets.

Due to this phenomenon, the approach of international new ventures emerged recently (Jones & Coviello, 2005; Moen & Servais, 2002). This new approach highlights the driving forces of new ventures creativity and organizational proficiency for their early internationalization (Oviatt and McDougall, 1994). However, it persists ambiguous how these forces overcome the size and age constraint of small firms.

For the aim of this paper, we will address three theories of internationalization process; the stage model, the network model, and the international new venture model explained by Lee et al. (2012).

3.1. Stage model

There exist two traditional approaches considered as stage model: the Uppsala internationalization model (Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, cited by Chetty & Campbell-Hunt 2004) and the innovation model (Cavusgil 1980 cited by Chetty & Campbell-Hunt, 2004). This, because both approaches agree that the internationalization happens in an increasing pathway. According to Rogers (1962), the internationalization of a firm happens in the same way as the innovation of a product. However, the most frequently used model in the internationalization literature is the Uppsala model.

Johanson and Wiedersheim-Paul (1975) (cited by Chetty & Campbell-Hunt, 2004) proposed the following path of internationalization: companies would first start exporting in an irregular basis, they would then regularize the exports to foreign markets, start a marketing subsidiary and finally start the overseas production. Johanson and Vahlne's (1977) expressed that as a result of exporting, a firm that wants to become international could create ties with a foreign economy. As ties become more in-depth, more resources would be invested in that market. Also, several studies cited by Chetty & Campbell-Hunt (2014) revealed that American companies prefer to enter the subsidiary phase by creating firm-owned subsidiaries, whereas European firms would prefer to create a joint venture in order to enter the market.

The underlying assumption of the Uppsala model is that companies will start learning about a foreign market once they are well established in their home country, start relations with that market and then establish themselves in it. Following this logic, they will only start importing once after they are consolidated in their home market, at this point deciding first where to import, the firm would more likely take into account physic distance, starting to import to neighbor economies and just then the farther destinations. This phenomenon could be explained by the closeness concerning language, culture, business practice, and education system, adding lack of experience and risk adversity as reasons (Johanson & Vahlne, 1977).

The internationalization of small firms has commonly been explained by the Uppsala model, because of their lack of resources and experience they are more likely to start internationalization following an increasing path (Mathews & Zander, 2007). A progressive internationalization starting to close countries will help companies to earn experience and be able to successfully enter more distant markets (Pla-Barber and Escriba´-Esteve, 2006 cited by Lee et al., 2012). Also, Johanson & Vahlne (1977) noted that managers' international experience grows with firm age. The older the firm gets, the more managers it will have and the most experience they will earn. (Ogbuehi and Longfellow, 1994 cited by Lee et al., 2012).

Even though the Uppsala Model considers firm size as a critical factor of internationalization (Buckley, 1997), existing empirical studies have ambiguous conclusions in their correlation (Coviello & McAuley, 1999). Verbeke and Kenworthy (2008) made an association of size and resources, concluding that larger firms would have more resources, hence an easier internationalization. On the other hand, other studies such as the one of Calof (1994) (cited by Lee et al., 2012) did not find such a relation. Thus, their relationship might not be linear and straightforward. However, a significant limitation of this model for the mentioned study is that it does not consider the specificity of the technology industries, where product life cycles are short, and smaller ventures may have an advantage because of their nimbleness and flexibility (Lee et al., 2001). As highlighted by Kuivalainen et al. (2004), technology industries are related to higher risk and early product obsolescence. Early internationalization could be a mean for small size firms to fight against the short life cycle of their products and reduce their risk. Jones and Coviello (2005) agreed with Rogers (1962) by illustrating that internationalization is a dynamic process of innovation, where ventures have to take care of new opportunities, in new markets and deal with new challenges.

Other aspects of the stages model have also been criticized; several studies cited by Chetty and Campbell-Hunt (2004) stressed that the model is too deterministic, the model does not take into account ventures that skip stages, ignores the acquisition strategy, and tries to oversimplify a complicated process.

3.2. Network

This approach suggests that the internationalization of a company relies on their relations with customers, suppliers, and partners, being their network more critical than their inherent advantages. (Johanson & Mattsson, 1988).

For this paper, we will define alliances as structured agreements that creates relationships allowing exchanges between cooperating firms. (Lee et al., 2012). Several authors considered that with these alliances, SMEs access resources such as country-specific knowledge, extra capital, equipment, and human knowledge, that they did not count on with before, due to their size constraint (Oviatt & McDougall, 1994, Mort & Weerawardena, 2006). These resources are crucial for the small technology firm overseas. Indeed, the entry barriers usually require assets that exceed the ones they posed by their own (Lu & Beamish, 2004).

Because of their size restraint, these companies could not enter new markets on their own and might do it by part (Zhang et al., 2008 cited by Lee et al., 2012). It would be arduous for an STE to go international on their own, without any international distribution competence and reputation in the specific country. Internationalization could be instant if the firm’s partners are located in foreign countries.

Moreover, the partnerships could allow the STEs to handle the uncertainty that results from early internationalization (Coviello and Munro, 1997 cited by Lee et al., 2012), such as exchange rate fluctuations, demand and competitive uncertainties (Root, 1994 cited by Lee et al., 2012). These uncertainties are more likely to be more prominent in high technology industries. Because of disruption, the customers of these industries could quickly change their consumption partners. Indeed, in highly innovative industries, the decisions made by one firm might affect the whole ecosystem (Rivera-Santos & Rufin, 2010). By making alliances, companies would have access to more resources that may reduce the uncertainty due to a change in the ecosystem. However, Lee et al. (2012) emphasized that some studies have shown that strategic alliances are not highly related to early internationalization.

3.3. International New Venture

The born-global view of internationalization shows a contrast to the stage model. This approach suggests that firms do not internationalize by steps, but they do it as soon as they are created. Some studies affirm that in some occasions, it is possible that the firm still does not have sales in their home market before going international (Knight & Cavusgil 1996; McKinsey and Co. 1993 cited by Chetty and Campbell-Hunt; Oviatt & McDougall 1994). The international new venture approach also agrees with the network approach, in the fact that many born globals make alliances to compensate the lack of power (Jones et al., 2011; Oviatt & McDougall, 1994). In other words, they follow an exploration strategy (March, 1991 cited by Kaur and Singh, 2013).

This approach also expresses that the possession of unique assets, the standardization of market, and a well manage communication system, are crucial for an early internationalization process (Oviatt & McDougall, 1994). Quantitative research has proven that "*born-globalness*" is a function of the unique internal assets of the firm (Knight & Cavusgil, 2004). Indeed, these assets are the value a born global could bring in international exchange. Actually, without a unique asset, a firm might not go overseas, because not only they will not have an advantage, but they would be in disadvantage vis-à-vis local competitors, resulting from entry barriers, language, and culture. (McDougall & Oviatt, 2000).

Foreign direct investment theory explains the importance of the unique assets. Indeed, it affirms that companies choose organizational strategy and locations where the costs are optimized.

Existent studies cited by Lee et al. (2014) have proven that firms competing in foreign markets might have resources that the local-based companies do not have.

"*New technologies, generated via R&D and promoted by promotional advantages, are the key firm-specific intangible assets in technology industrie*s" (Karlsson & Honig, 2009). Kocak and Abimbola (2009) showed that this technological capacity is a function of the firm's marketing and innovation orientation. The standardization of communications across the different markets benefits the firms to earn reputation internationally. Fan and Phan (2007) explained that If they want to maximize their value, companies must internationalize as soon as they develop their intangible, unique asset, preferably from or near the date of foundation. Several researchers highlighted that some remarkable factors of early internationalization are their competences to learn about marketing and innovation (Filatotchev and Piesse, 2009; Knight and Cavusgil, 2004; McDougall and Oviatt, 2000).

Innovation is a crucial factor in technology industries, where companies are not able to create economies of scale because of the short cycle of their products. (Zou and Ghauri, 2010). Furthermore, innovation is crucial to keep ventures in the market within a highly competitive industry. Porter (1985) pointed out that because of their size, STEs could not earn market share against large firms because it would mean an essential investment in marketing and resources that the small firms do not possess.

Early internationalization allows STEs to weight their technological capabilities in order to benefit from opportunities in new countries and recover the costs due to R&D by increasing unit sales and create sufficient returns to re-invest in those markets. Especially, if their unique asset is in a niche market, they have an interest to enter more than one foreign market to spread costs and reduce risks. Porter (1985) added that first-movers often success more internationalizing comparing to their marker followers. They are usually the only suppliers in international markets before competitors imitate their innovation. As governments have an interest in having the newest technology, pioneers have fewer entry barriers to the foreign markets than their followers (Qian et al., 2008).

Past research indicated that the best way to understand small firms internationalization is by taking into account these three dominant theoretical framework, because they complement each other by arguing factors that the others ignore (Coviello and McAuley, 1999; Jones et al., 2011, Kuivalainen et al., 2012; Oviatt and McDougall, 1994; Pla-Barber and Escriba´-Esteve, 2006).

4. Internationalization competencies of Born Globals

Several authors have proposed models to explain the internationalization process of born global firms, in the aim of this paper we will study the model proposed by Weerawardena, Mort, Liesch and Knight (2007) as well as Kaur and Singh (2013) and Hager and Zuccharella (2014).

Weerawardena et al. (2007) illustrated their model (see Figure 3) using the manager's profile and its decisions as the base of the internationalization process of a firm. Hence, their market and internal learning capabilities and their network competences would be the second branch of their map, resulting from there the marketing capability and the knowledge-intensive products, to finally arrive at the accelerated internationalization. For the aim of this paper, we will focus on the view of Weeradewardena et al. (2007) and would add the timeline model of Hagen and Zucchella and their vision in external factors.

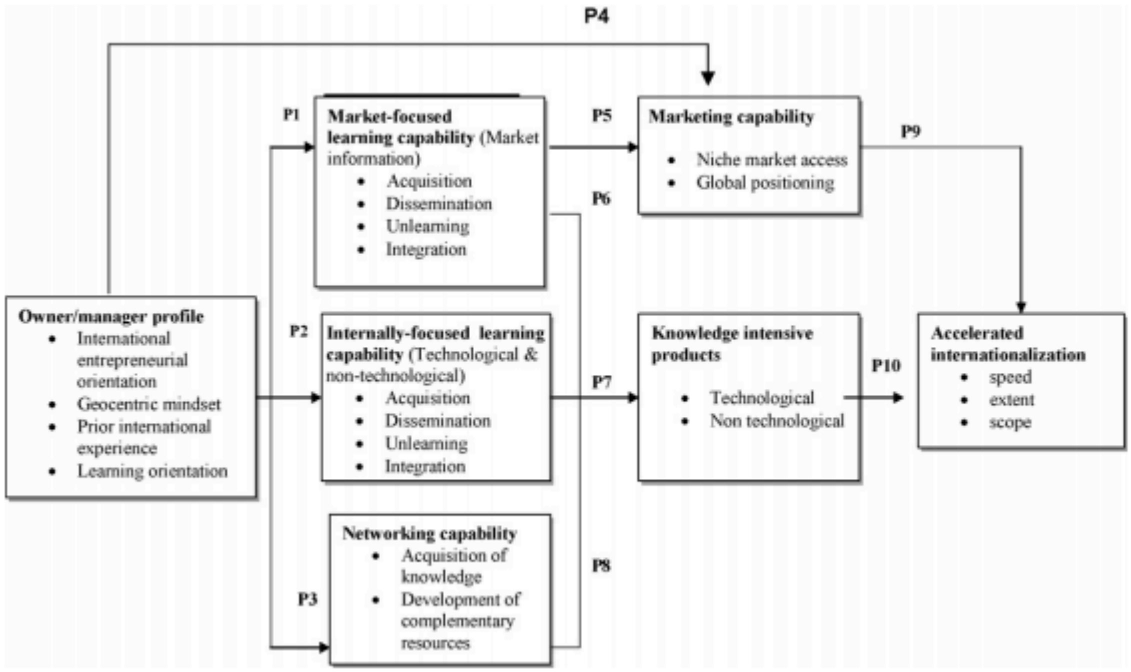

Figure 3 - Born global internationalization model (Weerawardena et al., 2007)

4.1. Owner/manager profile

For born global firms, a manager must be highly entrepreneurial, risk lover, learning focus and having significant international experience. International entrepreneurship is defined as a *‘‘combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations’’* (McDougall & Oviatt 2000, p. 903). Zahra and George (cited by Weeradena et al., 2007) noted that entrepreneurial actions are crucial in order to achieve early internationalization. Weeradena et al. (2007) used the mentioned framework of international entrepreneurship and argued that international entrepreneurship could be made increasingly depending on the venture’s ambition. McDougall and Oviatt (1997) highlighted the experience of the manager as a significant factor in a firm internationalization success. As Madsen and Servais (1997) added up, the previous international experience of managers is mandatory in order to become international, but it also grows the ambition to become a born global.

Furthermore, the essential characteristic of the manager is their learning focus. Indeed, Weerawardena et al. (2007) identified three significant things that a manager should focus on:

market-focused learning capability, internally focused learning capability, and networking capability.

4.2. Market-focused learning capability

Day (cited by Weeradena et al., 2007) highlighted that the principal characteristic is the inquisition and diffusion of market-related information. It also includes unlearning, which is the revision of failed knowledge, replacing them with the new successful knowledge in order to improve the company. Knight and Liesch (2002) added that this knowledge helps the ventures to transform the theoretical knowledge into actionable practices that might be beneficial for early internationalization. Johanson and Vahlne (1977) deducted that intensive knowledge of markets is mandatory in order to succeed in internationalization. The paper from Nonaka and Takeuchi (cited by Weeradena et al., 2007) added that this knowledge is directly associated with the manager's values, knowledge, and experience.

One of the most significant challenges of born globals is not only to create a product with a unique advantage against the competitors but also to create recognition of their products as they focus mostly in niche markets. Hence, Weerawardena et al. (2007) agreed with Weerawardena (2003a) by arguing that market focus learning is decisive for the formation of born globals.

4.3. Internally focused learning capability

The existent research defined it as the competence to acquire and diffuse technological and not technological knowledge developed by the own company (Weerawardena et al., 2007). It also includes an unlearning phase and the need to develop new knowledge in order to succeed in the internationalization process. Furthermore, technological born globals must be highly creative in all the stages of the value creation. Some studies emphasized that for this, they need to develop profoundly distinctive internal knowledge (Weerawardena, 2003a, 2003b). The research from Cohen and Levinthal (cited by Weerawardena et al., 2007) noted that the capacity of a venture to inquire new know-how is positively associated with their internally focus actions. Autio et al. (2000) added it could increase performance by firstly by helping the company to adapt to and grow in new markets

4.4. Network capability

As it has been shown before in the paper, small firms are more susceptible to fail the internationalization that multinational companies because of the lack of financial and other resources (Weerawardena et al., 2007). Oviatt and McDougall (1994) pointed out that most of the born global firms focus in selling one niche product in one single market regardless of their geographical position before to internationalize. In order to expand, these firms would find a partner that would complement the knowledge of the firm in that market. The study of Aldrich and Zimmer (cited by Weerawardena et al., 2007) reflected that networks are a vital factor to discover new opportunities and to launch new ideas, it also helps to develop new organizational structures. Several studies (cited by Weeradena et al., 2007) stressed that the crucial advantage of networks is decreasing risk and uncertainty.

4.5. Marketing capability

Marketing capability "*is the result of an integrative process designed to apply the collective knowledge, skills, and resources of the firm to the market-related needs of the business. Marketing capability captures the firm's capacity to formulate effective marketing mix strategies"* (Weerawardena et al. 2007, pp. 301). The position of products in leading niche markets is crucial for the firm's internationalization (Madsen & Servais, 1997). Indeed, it is necessary to create credibility and reputation, to find the proper position of the product in the niche market and to adapt its price and distribution. The study from Cavusgil & Zou (cited by Weeradena et al., 2007) stated that the more customized are their products and the more closely they are to their customer, the higher the marketing capabilities of the company. Past research (cited by Weeradena et al., 2007) showed that these competencies might be mature by learning when the company staff applies their knowledge continuously in order to solve the marketing problems of the venture.

4.6. Knowledge-intensive products

It is based on innovation and company's creativeness in product design, technological knowledge and deep understanding of markets (Van de Ven, 2004). Present studies pointed out that If a venture wants to succeed in becoming a born global, it needs to be in the top of technological development and knowledge of their niche market (Madsen & Servais, 1997;

Zahra et al., 2000). As expressed by Weerawardena (2003a) these impressively innovative knowledge-intensive products, allows developing a placement advantage in the global market. The research of Von Hippel (cited by Weeradena et al., 2007) noted that as a result, it is argued that born globals develop highly innovative knowledge-intensive products and services that are characterized by tastiness, complexity, and specificity.

The close 'learning from' the market allows the development of knowledge-intensive products capable of satisfying customer needs in a niche market, and avoiding head to head competition with large multinational enterprises (Knight, Madsen & Servais, 2004). Born global firms create superior routines to assimilate knowledge that has a direct influence on the venture's capability to develop knowledge-intensive products. Networking capability allows the firm to develop a set of complementary knowledge bases from partners such as universities, other firms, industry associations and a broader community of experts.

4.7. Accelerated Internationalization

As changes in the business ecosystem increase the chances of a venture to have an early internationalization, high performance in all firms are based on the capacity of management to align strategies within its control, with factors that are not in their hands in unique ways. Cavusgil & Zou (cited by Weeradena et al., 2007) in their research added expectations about achievement to the performance classical economic definition that includes profitability, sales growth, and return on investment. However, because of early internationalization, born globals would not have the time to focus on these common performance expectations as they would have had limited opportunity to realize on their unique attributes to generate continued revenue flow. Hence, traditional measures of performance would not be taken into account for these ventures. Their short-term goal is to establish their self in different international markets.

4.8. Contributions from Hagen and Zucchella

Hagen and Zucchella (2014) grouped the drivers of internationalization into two main categories, entrepreneur- and firm-specific (endogenous) and environmental- industry-specific (exogenous) factors. They proposed a framework (see Figure 4) that includes a set of variables, the entrepreneur's competences; the internal venture strategy; the company's external environment; and finally, the firm internationalization behavior, resulting from the three first variables. The latest is related to the results of the global growth, while the three firsts are the causing factors. It is important to note that the firm could not control the external factors. Their model also showed timeline overtime, take into account the internal factors from the beginning, the profile of the manager and the international behavior over time, and the external environment continually changing.

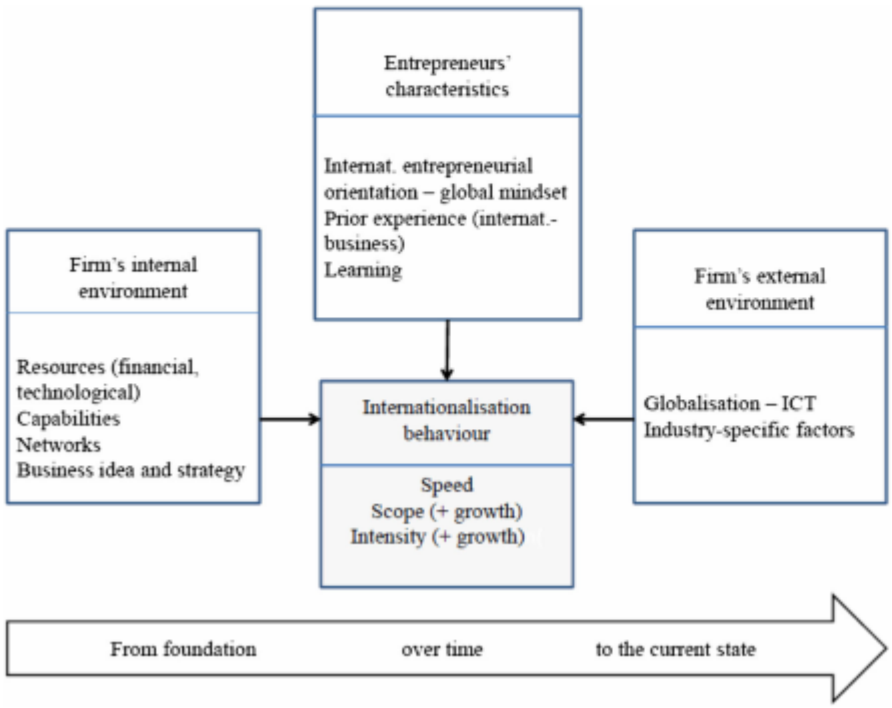

Figure 4 - Drivers of Born-globals (Hagen and Zucchella, 2014)

A study of North (cited by Hagen & Zucchella, 2014) expressed that the external factors of the firm are viewed based on the institutional theory that affirms external factors are based on interactions and constraints. The study from Bruton and Ahlstrom (cited by Hagen & Zucchella, 2014) highlighted that those factors include rules, norms, and values. The institutional infrastructures and social, economic and political system are key components of the external factors, which include market liberalization forces and governmental policies. Axinn and Matthyssens 2001 (cited by Hagen & Zucchella, 2014) pointed out that globalization has been the most relevant change in the last decades regarding the external factors. Indeed, it has boosted global interdependence; it has also created new ways for companies to develop and share value. Firstly, making easier the transfer of knowledge, products and human resources between markets by removing barriers. Hence, the number of people with international experience has increased in the last years (Saarenketo et al. 2004, cited by Hagen & Zucchella, 2014). Secondly, the rapid and highly increase in the technology sector is helping firms to deal with the challenge of becoming global (Oviatt & McDougall 1995). Resulting in a world where fewer resources are needed in order to internationalize. Past research (cited by Hagen & Zucchella, 2014) added that government has been implementing subsidy programs in order to incentive internationalization, the programs generally include financing, tax incentives, counselling to trade shows and sales leads. Such help benefits mostly SMEs. Studies have proven that governmental help increases ventures' international competences and hence incentivize international expansion (Francis and Collins-Dodd 2004; Zou and Stan 1998, cited by Hagen & Zucchella, 2014).

4.9. Successful internationalization

Past research (cited by Crick, 2009) have tried to list the characteristics of successful firms that operate abroad, but the authors failed to separate the BG from the rest of the firms. Manolova and Manev (cited by Crick, 2009) noted that the key characteristic is the performance. But in this paper, we are interested in naming the principal actions, resources, and strategies that a born-global firm should take in order to succeed in its internationalization process. A recent study by Knight and Liesch (2016) created a list (see Figure 5) composed of 3 main characteristics: resources, capabilities, and strategies. This list summarized what we have discussed previously in this chapter.

Figure 5 - Resources, capabilities, and strategies of Born global firms (Liesch,2016)

5. Limitations of the born global theory

Several studies (cited by Knight & Liesch, 2016) emphasized that the primary limitation on the born global theory is that it remains underdeveloped and fragmented. Just a small number of authors (cited by Knight & Liesch, 2016) have tried to improve the theoretical approach of born globals. Another critical issue is that conclusions relating to early internationalization and international performance remain ambiguous.

Moreover, the definition that involves time and sales, of three years and twenty-five percent of sales abroad is relatively arbitrary. Firstly, it fails to take into account the real foundation of the venture. When is a firm founded – at the moment of their registration, at the moment that sales start, or at the moment that the first discussions to funding it begin. Secondly, this twenty-five percent does not take into account the market context, such as economic scenario, cultural, economic and political environment, that might influence the internationalization putting in disadvantage firms presents in smaller nations markets, such as Australia and Denmark. Indeed, the definition of internationalization itself is even less concrete for nations that belong to an integration block of companies, such as Belgium and Germany (Hewerdine & Welch, 2013).

PART II - EMPIRICAL ANALYSIS

The second part of this paper, the empirical analysis, will be divided into four chapters. Firstly, chapter 3 will explain the problematic, the research question and the theoretical findings in order to answer the question. In essence, this chapter is a summary of the literature review and will help us to structure the analysis of the empirical study. Second, chapter 4 will explain the methodology used to assemble and analyze the data. The research is based on a qualitative method which leads to two case studies. In this chapter, we will stress the process of interviewing. Third, chapter 5 will summarize the data collected. This chapter ails to present the data objectively, it will be limited to present facts retrieved from the interviews, among other sources. The last chapter will be the conclusion of this work. We will analyze the case studies from a critical point of view. After, lessons learned will be drawn using the theory as the structure. Moreover, the limitations of this work and questions for future researches will be disclosed.

CHAPTER 3: Problematic research question and theoretical findings

Through the first part of this paper, we developed the theoretical concepts. In chapter 3, we will summarize the theoretical findings, and we will highlight the problematic, the research question and, eventually, the theoretical findings used in this work.

1. Problematic

With the rapid surge of multisided platforms such as Uber, Amazon, Apple or Facebook worldwide, several authors have affirmed that internationalization is easier for multisided platforms (Evans & Schmalensee, 2016; Parker et al. 2016). Also, as shown in the theoretical framework, matchmakers could reach larger markets because of the digital technologies and the support of other multisided platforms. However, literature has shown that digital technology is also helping small technology-based enterprises (STEs) to expand overseas (Chetty & Campbell-Hunt, 2004, Jones & Coviello, 2005; Moen & Servais, 2002, Oviatt and McDougall, 1994).

Even though past research has shown interest in how technology is helping high tech SMEs to become a born global firm, and how it is helping matchmakers to become international. There is a lack in research about "born-globalness" of matchmakers and its comparison with traditional businesses.

2. Research question

As the theoretical part demonstrated that the business model a company follows is crucial in its internationalization process, the following question has been chosen:

Are turbocharged multisided platforms more likely to become born-global compared to traditional SMEs?

In order to avoid misunderstandings, we might define the words in this question. First of all, a *multisided platform* is a business that operates in a physical or virtual place that incentivizes two or more group of customers to engage into a mutually beneficial interaction; each group is a side of the platform (Evans & Schmalensee 2016, p. 210). Also, a *turbocharged multisided platform is a* matchmaker that benefits from the information and communication technologies that have lowered the cost and increased the reach of connecting platforms sides. In other words, they are those matchmakers that are impulsed by technology. Secondly, *likeability* is defined as "*possessing or displaying the qualities or characteristics that make something probable*" (American Heritage Dictionary). Thirdly, *born-global* has been defined in the first part of this paper as "*companies who have reached a share of foreign sales of at least 25 percent within a timeframe of two to three years after their establishment*" (Kudina, 2008). Fourthly, there is not a homogenous and universal definition of SMEs, but according to the OECD a "Small and medium-sized enterprises (SMEs) are non-subsidiary, independent firms which employ fewer than a given number of employees." It adds that the most common upper limit of employees of an SME is 250, (e.g., the European Union). It is important to note that financial assets could make part of the definition but it varies from one country to another. Hence, we will take it into account on a case-by-case basis. Finally, a *traditional firm* has been defined earlier in this paper as a firm that follows a "*pipeline*" business model, by selling products or services produced by their own or resell them from external suppliers.

3. Summary of theoretical findings

The theoretical findings will serve as an overall structure for the next chapters. Therefore, it is essential to give a short and concise summary of them.

Two main parts have been discussed in this paper. In the first part, we explained what a multisided platform is, how the information and communication technologies have impulsed them to become influential and international. Also, we have shown how network effects play a crucial role in this business model. Besides, we have reported that significant friction is necessary for a multisided platform to appear. Plus, we showed the different strategies a firm could take in order to deal with the chicken-or-egg problem, reach its critical mass and eventually disrupt a market.

In the second part of the paper, we described born global firms. Firstly, we discussed the different definitions and named the characteristics, highlighting network, differentiation of their products and lead in technology. Further, we compared the internationalization theories, and an internationalization process model was proposed based on the profile of the manager and early decisions.

After analyzing the different concepts, we could assume that those two terms are not mutually exclusive. On the contrary, they could be complementary and this is what we will discuss in the next chapters.

In order to avoid confusion and summarize what has been said in a clearer and visual way, Figure 6 illustrates the theoretical findings.

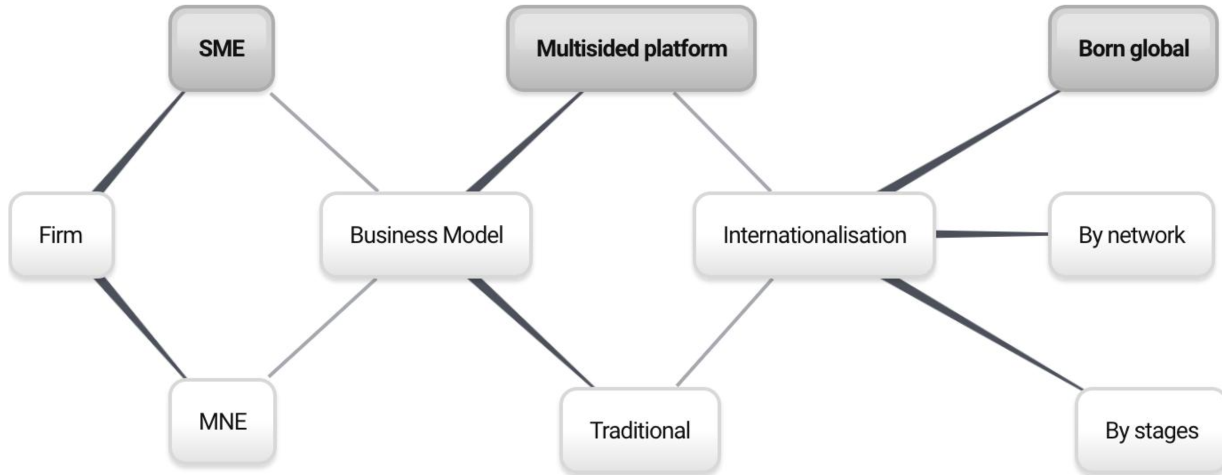

Figure 6 - Type of business and internationalization strategy

In this chapter, the problematic, the research question and the theoretical findings have been presented. In the next chapters, the research question will be questioned empirically. Then, the empirical findings will be compared with the theoretical ones for the sake of drawing the fundamental lessons learned from this paper.

CHAPTER 4: Methodology

Starting from the theoretical framework that we have presented in the first part of this paper, we applied a research methodology to support the practical analysis. For this, we had to choose the correct research strategy, in order to confirm or challenge the scope of the theoretical analysis and determine the appropriate case studies. Afterwards, we chose the research method to apply a structured approach to the data collection and our analysis. Once the information had been collected, we reviewed the key concepts of the paper, for the sake of concluding both the literature review and the case studies.

1. Research strategy

The research strategy started with an analysis of the theoretical review of the significant concepts named in the research question: multisided platform and born global. Secondly, we had to find case studies in order to apply the theoretical findings in the field.

According to us, the study case seemed to be the most appropriate tool. As Yin (cited by Evrard, p. 50) stated, case studies "*are the preferred strategy when 'how' or 'why' questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context*" which is the case in our global research question.

From a practical point of view, case studies perfectly fit with the leak of time and resources of a master student doing an internship abroad. Furthermore, there is a limited amount of data available for both major topics. Hence, the decision made was to limit the research to two different case studies that would help us to find an answer to the research question.

The cases studies used in this paper have been selected for two main reasons. First of all, it is a convenience sampling. It means that these case studies have been selected due to their convenient accessibility (Emond, 2017). Secondly, these two cases have been selected because they are opposites and it is relevant to know if we could link the multisided platform with "born-globalness.

2. Research Method

Marais (2010) defined quantitative research as

"*Research that approaches phenomena from an outsider's perspective to explain and predict the phenomenon under study in isolation; this approach uses numerical indicators of abstract concepts; its methodology is normally relatively formalized, rigid, cross-referenced and explicated, but more parsimoniously recorded by means of statistics*." (Marais, 2010, p.238).

On the other hand, the same author defined qualitative research as

"*Research that approaches phenomena from the insider's or subject's perspective to understand it in its natural context; this approach uses qualitative indicators such as words, stories, pictures and other communicative representations as non-numerical symbolic information on phenomena; its methodologies are normally less formalized, rigid, specific and explicated, but more comprehensively recorded.*"(Marais, 2010, p.240).

The goal of qualitative studies is to develop a theory and analyze unexplored territories (Lejeune, 2014). The idea is to have pertinent conclusions even though they are hard to prove and not possible to generalize. Plus, they are subjective because of the inevitable interpretation of the researchers (Explorable, cited by Emon 2017). The sources of data in this analysis are mainly words but could also be pictures and observations. They could be collected through interviews, documents or observation.

As the goal of this thesis is to understand the impact of the multisided platform business model in the "born-globalness" of a firm, and both significant concepts are relatively new in literature, it seems clear that qualitative research is adequate in this case. Hence, we would try to help to understand the concepts, and we will support the interviews with quantitative facts when it is required.

3. Data collection and method of analysis

According to De Ketele & Roegiers (cited by Lejeune, 2014), there exist four principal types of data collection.

The first way is by analyzing documents. This method is based on documents, which makes it indirect and it does not include interaction with people (Lejeune, 2014). As an indirect way of data collection, it is appropriate to collect past data.

Second, physical or online questionnaires could be sent in order to collect data. They are also an indirect way of data collection as questionnaires serve as an intermediary between the researcher and the interviewee (Lejeune, 2014).

A third way to collect data is the observation. It counts two drawbacks. Firstly, it is required to note, meaning that it is not only about the observation, but also about codification (Lejeune, 2014). Secondly, the physical presence of the researches is needed. Thus, it could be challenging for topics that take years to finish.

The last type of data collection is the interviews. It is a direct and the most interactive type of collection because it requires the researcher to communicate with the interviewee. In term of limitations, interviews are made in a specific moment, with a specific person in a specific location. (Lejeune, 2014).

In the aim of this thesis, we will focus on interviews and documentation. Indeed, observations are not possible because of the time that the internationalization of a firm takes, even in the born global case. Furthermore, interviews were chosen over questionnaires to have direct contact with the interviewee and more freedom of communication.

Hence, the interviews will be the primary tool, because they offer a mon open, depth and interactive way to collect the data. Also, public and internal documents from the firms would complement the information given in the interviews. The objective of the documentation is to compensate for the subjectivity of the interviews, by analyzing more precise and objective facts. Nonetheless, documents could also be biased because they are created internally and with a purpose. It is especially the case for public documents.

3.1. Interviews

The semi-structured interview has been the chosen method because it consists on prepared questioning guided by identified consistently and systematically interposed with intentions designed to incentivize more elaborate responses (Qu & Dumay, 2011). Moreover, It gives flexibility and opportunity for the interviewer to adapt the guide previously prepared according to the answers of the interviewee in the form of conversation. With this method, it is possible to acknowledge essential and mostly hidden aspects of human and organizational behavior. Nevertheless, the preparation of the interview guide is essential in order to correctly lead the interview towards the issues and topics for the interest of the researcher while allowing the interviewee to talk freely (Quivy & Van Campenhoudt, cited by Evrard 2016). The semi-structured interview guide used for this thesis could be found in Appendix 5. Two versions have been created, depending on the case, if the company is a multisided platform or follows a traditional model.

3.2. Interview analysis

After the realization of the interviews that have been recorded, the interviewer transcribed the conversations for additional analysis. Afterwards, we shortened the data to expose it in a most understandable way to the reader. Then, we compared, the points of view of the interviewees using the reduced data. Finally, the interviewer interpreted the results and created the case studies.

Methodology has been explained in this chapter. This paper is a qualitative research based on two case studies. We made the collection of data through interviews and analysis of pertinent documentation. Therefore, we implemented a coding system and summarized the data to expose it eventually. The aim of collecting that information was to compare the early internationalization of a company following the multisided platform model and a traditional technological SME. The presentation of the case studies the topic of the following chapter.

CHAPTER 5: Case studies

This chapter is descriptive and will not include any judgment or assessment (it will be discussed in chapter 6). The case studies are based on interviews with managers of the firms. Besides, internal and public documentation will complement the information. The first case will be the internationalization of Port Cities International that started in Indonesia and went to Malaysia. After, the internationalization of Listminut, which started in Belgium and went to France.

Case 1: Port Cities Indonesia to Malaysia

1.1. Description of the company

The goal of this paragraph to contextualize the case by presenting the firms and interviewees, to the reader. For this case, all the interviews were made in French. It is important to note that quotes are translations of was have been said by the interviewee.

Its internationalization began in 2017 to Malaysia, only two years after its foundation. Today it counts with a commercial representation in Shanghai and an office of Port Cities in Vietnam will start operations in August 2018.

In order to have a good understanding of the internationalization, two people have been interviewed.

Firstly, Gaspard Dessy, CEO, and founder of Port Cities. He graduated as a business engineer in Belgium in 2012 and started working as an employee in Indonesia for three years. Afterwards, with the help of his employer, in association with a colleague, he founded Port Cities in 2015.
The second interviewee is Ludovic Vankerkoven, branch manager Malaysia of Port Cities. He graduated in 2013 as a translator of international relations and joined Port Cities in 2016 to be in charge of the expansion to Malaysia.

1.2. Characteristics

Port Cities counts with 110 employees and a yearly turnover of about one million USD. Its headquarters are in Indonesia. It strategy consist in target middle to large companies which have between two and two hundred million of turnover, mainly part of a more prominent mother company in need to install a new ERP system, they offer the license of the product and their service for the implementation of the latest. The idea is to afterward expand to the mother companies of their clients. , The company has a yearly turnover of around one million euros.

Port Cities differentiate from their competitor because of its product-focus. The company focuses mainly on Odoo, and their employees are specialists in this ERP. Besides, they believe in the Open ERP idea of their partner, meaning that the firm would not charge extra to a client if they can use a module that was developed before for a previous client. Also, they have a significant number of employees which they believe is important to attract big companies. Furthermore, the firm does all the operations internally; they do not outsource comparing to competitors.

1.3. Pre- internationalization

Port Cities had plans to go international since the day one, Mr. Dessy stated: "*the goal of Port Cities is to become the reference in ERP implementation in Southeast Asia as soon as possible.".* The first step of the internationalization was in 2016 when Mr. Vankerkoven joined the firm. Coming from a position in Malaysia, he directly proposed to the direction a concrete plan to internationalize. "*As soon as I joined Port Cities I knew that we could do the same thing in Malaysia, I had been working there for a time, so I talked with Gaspard (Dessy) and created a concrete plan in order to start operations in Kuala Lumpur."* It took around eight months from the first conversation to the first day of operations in Malaysia in February 2017, two years after the foundation of Port Cities in Indonesia.

1.4. Owner/manager profile

Both the CEO and the country manager have previous international experience as they both studied and worked in Europe and Southeast Asia before taking the roles they have today. Further, both agree in the CEO's risk lover profile.

1.5. Characteristics of their competitors

According to their CEO, Port Cities has two types of competitors: direct and indirect. Moreover, these depend on the decision stage of the potential customer. Indirect competitors are all the firms that propose an ERP system or its equivalent; these competitors appear at the moment when a customer decides that it want an ERP, but they do not know which one. The direct competitors are the other IT consultancy firms that propose Odoo as ERP, at this point the potential customer already know that it wants to implement Odoo (or any other of the proposed software by Port Cities). Their competitors are mostly local Indonesian companies that do not seek to internationalize. Mr. Dessy added that "*Indonesia is a big country and with manyf barriers to multinational to enter(...) They like to have Indonesian companies leading the industries, so companies focus in Indonesia and rarely go abroad".*

They count about 100 to 200 direct competitors, but they consider themselves leaders as they are the only gold partner of Odoo in Indonesia. Also, Mr. Vankerkoven ensured that all the major competitors follow a similar business model.

1.6. Host country

As said before, Port Cities started their operations in Malaysia at the beginning of 2017. The principal motivation was to improve their reputation. As the firm wanted to attract more prominent companies, the management believed that going abroad would give them more credibility in the eyes of their customers as an international player. "*Indonesia is a big market and for a starter, going international is not necessary, but for us, it was an opportunity to differentiate"* stated Mr. Dessy.

Port Cities chose Malaysia as the first host country, for the firm, and for their CEO, it was a human resource decision. Mr. Vankerkoven proposed to internationalize, and Mr. Dessy considered that the moment was adequate and that the previous was the right person to do it. For the management, the human resources are the key driver to the internationalization, once they choose the right person they decide the legal procedure and the business development strategy. For this case, the offices in Kuala Lumpur opened as filial of the Indonesian ones. Mr. Dessy explained that:

"*Malaysia is a big market; they are more than 30 million people (...), the IT consultancy in the country is growing, not like in Belgium or France where the industry is more saturated. Today it is interesting to start an IT services company almost everywhere in the world.*"

Mr. Vankerkoven added that "*An important thing in Malaysia on the contrary of Indonesia, is the demand for international companies (...) Indonesia is a local market even our biggest client that is the most important player in the beauty retail industry is only present in Indonesia.*"

1.7. Internationalization process and challenge

Before expanding to Malaysia, Port Cities had only Indonesian clients, some of them with activities in the region. The first contact Port Cities had with the country was an outsourcing project from another ERP company that contacted them to develop modules for a client in Malaysia. "*We did not have any direct client in Kuala Lumpur; we went directly to the country. Working with a local partner is also a similar strategy, but in our case, we decided to start by ourselves because we were still young" said Mr. Dessy.*

The offices in Kuala Lumpur started with one director that had to be very flexible in its work. Indeed, the first month Mr. Vankerkoven played the role of business developer, account manager, and project manager, while a team made the development phase in Semarang, Indonesia.

Besides the challenges of opening a new company in a new country, something that Mr. Dessy had made just two years before, this time there were two main challenges that according to him are linked: communication and location. Regarding the communication, Mr. Dessy explained that the growth influences the communication system because informal communication is not possible when the number of employees starts to grow. So the existent communication channels must be replaced by new processes. For the location, he explained that they experimented a "*multi-location problem,*" something that they also experimented locally because since the beginning Port Cities opened two offices in Indonesia. *"Communication is difficult when people are not in the same place, they do not meet often, and the communication channels become very formal (...), and in management, everything is about communication."*.

1.8. Market-focused learning capability

Mr. Vankerkoven reported that even if Malaysia and Indonesia are border countries, there are important adaptations they had to implement. Firstly, concerning the product, Port Cities had to offer modules that fit the Malaysian tax system per instance, "*In Malaysia, there is a social* *security contribution, and we had to include this kind of modules in our service to become competitive. We adapted a lot regarding the product".*

Secondly, Mr. Dessy stressed out that the clients' tastes are not notably different, but that prioritization is something that as a company they had to adapt:

"*At the end of the day, they want an ERP that works well and operationally speaking the kind of companies are not that different. The important thing here is the local priority when a client buys what do they consider important? It depends in facts such as the culture, the economic growth of the country, the education system (...), Per instance for a Malaysian client to have an attiring proposal is way more interesting than for an Indonesian one."*

1.9. Internally-focused learning capability

According to both interviewees, the operational approach of Port Cities in Malaysia stays the same. They start with a Business analysis and then work with a traditional method of four OKR. The changes are in the presentations and prioritization, but the approach stays mostly the same.

1.10. Network capability

The network used in the internationalization process of Port Cities is separated into three pillars: suppliers, partners, and clients. The first one is the most important. Indeed, the ERP system Odoo does not realize implementations to companies by itself, so they continuously give leads to their official partners in their respective countries, before installing themselves in Malaysia, once the decision of going abroad was taken, Port Cities arranged a deal with Odoo in order to also receive leads from the neighbor country as an operating partner.

The second pillar was almost insignificant for Port Cities according to Mr. Vankerkoven. "*We did not create partnerships with other companies to go to Malaysia, the only contact we had, was for a specific project and it was before the decision to internationalize was taken(...) I think it helped us to see the way a Malaysian client interact".*

The last pillar is their clients. Indeed, some of the big customers of Port Cities are present in the Malaysian market, and they used this connection to work with the Malaysian brand of these companies and to use the word-to-mouth to attract other deals.

1.11. Marketing capability

The internationalization itself is considered as a marketing strategy by the Port Cities team because they consider that it gives them a competitive advantage and positively influences in their reputation in both countries. Besides, they follow the position of their product (Odoo), but they try to be a more corporate, meaning that they try to attract bigger companies than Odoo that focalizes in small to medium size firms.

1.12. Knowledge-intensive products

Port Cities considers that an IT services firm, their product is and must be on the top of the technology. An important topic came when Mr. Dessy was asked about the multisided platforms. He stated:

" *We want actually to start a multisided platform, for several reasons. Firstly, because in that model you put the technology in the heart of your work and we believe this would make our service more competitive (...), it is not only because we could offer prices lower, become more rentable and more accessible but because the service is also better for the consumer (...), if we do this we will offer a better service to our clients.*"

He also pointed out that, in the IT services industry, it is impossible nowadays to become a big company and offer the services exclusively to the small ones, he believes that a multisided platform would disrupt the industry if it is capable of solving the chicken-or-egg dilemma.

1.13. External factors

The growth in the ASEAN area is the critical external factor that interests the company the most. The demand for ERP systems is growing in the region, so Port Cities prepare the strategy to expand everywhere around the region and become the leader.

1.14. Results of the internationalization

Nowadays, one year and a half after the start of the operations in Malaysia, the team is integrated by a national branch manager, a project manager, an account manager, a business developer and a lead engineer. Because of cost optimization, the rest of the development team is based in Semarang, Indonesia. The current turnover of Malaysia represents between twenty and twenty-five percent of the total sales of Port Cities. Nevertheless, Mr. Vankerkoven explained that in Malaysia they still rely too much on their clients. "*In Malaysia with have biggest clients than in Indonesia, the problem is that they are still a few, so we rely too much on keeping them because if we lose one of them, it could bring important consequences."* Indeed, Mr. Dessy explained that the business in Malaysia begun with this new strategy of targeting big companies, while in Indonesia it is still in implementation. He also added that the turnover in Malaysia six months ago was about six percent, in order to illustrate at which point is bringing or losing a big client influences their young company.

Meanwhile, Mr. Dessy admitted that if they had focused only in Indonesia, they would have a more significant market share in that country. "*I do not know if going abroad at such an early stage was a mistake, but right now is too late to think about it (...) We could also have concentrated on growing more in Indonesia, and we would be bigger here"*.

1.15. Next steps

The next steps of Port Cities regarding internationalization are to continue growing in Malaysia; the mid-term goal is to double the turnover. Also, during the period of this interviews, Port Cities was about to open the new filial in Vietnam that would be operating in August 2018. This time, they would internationalize with a joint venture because of investment matters, but the approach would be the same. Regarding Indonesia, growing is not the main focus but the improvement of procedures.

1.16. Conclusion of the Port Cities: from Indonesia to Malaysia case

In summary, Port Cities planned from the beginning to be an international company. As soon as they had the opportunity to go abroad thanks to the integration of a manager with experience in the foreign market, they took it. Further, they did not adapt the approach but instead did small changes to the offer in order to be more competitive. Hence, Port Cities is nowadays developing further internationalization through the region.

It is important to note that Port Cities is also reviewing its offer, and its planning to become a multisided platform.

Case 2: Listminut from Belgium to France

2.1. Description of the company

The goal of this paragraph to contextualize the case by presenting the firms and interviewees, to the reader. For this case, all the interviews were made in French. It is important to note that quotes are translations of was have been said by the interviewee.

Listminut was born as a university project in the frame of the master in entrepreneurship in the Louvain School of Management of their co-founders. The idea is based in the American project “TaskRabbit”, they want to connect people for “*small everyday tasks”* by having a digital platform that allows people that need to do a small work and people that are willing to do small works for the others.

The company started operations in 2013 and today counts with around 6500 service providers, particulars or independents, that are willing to help others in everyday tasks. The firm is present in the whole Belgian territory with a focus in “big” cities such as Brussels, Antwerp, and Ghent. Its internationalization began in early 2016, three years after foundation and today they focus only on their local market.

In order to have a better understanding of their internationalization, we interviewed Mr. Jonathan Schockaert, Co-founder, and CEO of the firm. He graduated as a business engineer from the Louvain School of Management in 2012 and started working in the launching of Listminut immediately after his graduation; he was also in charge of the internationalization of the company.

2.2. Friction and approach strategy

Mr. Schockaert stated that:

> *"The original pain was the difficulty to find a trusty person to do small works, before, in order to get this kind of work done, people had to go to the black market, without knowing the person. It made it very difficult to find someone that people could trust (...), our job is to find someone to do that small work to help people do not have the time, the skills or the desire to do it".*

To solve this problem, Listminut created a two-sided platform composed of people that require help in small tasks and on the other side people that are willing to do small tasks to earn extra money. They focus their platform in big cities because of the population density, "*it is easier for a customer to find someone that have the skills and the time to do their small tasks that in a small village in the Belgian countryside,*" nevertheless the platform is available in the whole kingdom.

To attract costumers the platform focused on attracting the task providers, Mr. Schockaert stressed that:

> "*someone that wants to do babysitting is ready to do it now, tomorrow or the day after, but someone that looks for a babysitter, once he or she does not have an answer, it becomes a lost client (...) we cannot come two weeks after and say 'we found a babysitter' while we could find in two weeks some babysitting work for a service provider".*

As the service providers are easy to reactivate, they focused their efforts on attracting and creating a database of service providers.

The service providers are particulars, students or independents, they can be one or the other, but the relationship they have with their clients is the same relationship the independents have, except that until a certain amount they do not need to register themselves as one.

The service provider defines the price paid by the service seekers. Indeed, if a service seeker needs a provider for a certain task, the latest make themselves available for a specific amount, then the seeker may choose which one it takes. Once the work is done, the service providers put in the platform how many hours he or she worked to finally get paid. Furthermore, Listminut takes 20 percent of commission, while the service is free of charge for the service seeker. Nevertheless, Listminut is currently testing a "subscription system" for the service seekers in order to stop asking a commission to the service providers.

2.3. Ecosystem

Listminut wants to create a community of trustworthy people, they interact with them and have online and offline events. Indeed, they have two full-time workers that are in charge of helping the service providers. Regarding the service seekers, they are way less frequent in the platform "*no one is going to call to have a service every day, while a service provider is willing to work every day, so we are closer to the last ones.*"

Mr. Schockaert stressed out that the venture do not have direct competition since independents could also join the platform in the service provider side. He added that the only kind of competition is specialized platforms that propose only one kind of task, per instance Bsit for babysitting. He also explained that they interact with several sharing-economy platforms in order to have a stronger lobby against the governance.

2.4. Disruption

Mr. Schockaert ensures that Listminut and sharing economy will and it is already disrupting the market by helping people using skills that they did not think were useful enough to make a living of it. For the service seekers, it is also way more reliable to use a platform and enroll someone that has a verified account, verified ID and comments that just someone from the black market.

2.5. Governance

In the beginning, Listminut had many governance troubles "*two months after our launching a TV emission made a reportage about us and the next day we had the institution of social right calling us and asking us to close up the platform.*" They had problems not only with that institution but with several others as well. To avoid more problems, they approached the minister of digital and explained to him the challenges and the potential of collaborative economies. Thus, last week a new law has passed in which service providers are exempt of all taxes if they earn less than 6130 euros per year, once this amount is passed, they need to register as independent and pay taxes.

2.6. Owner/manager profile

Listminut was the first job of Mr. Schockaert. He did not have an international background besides an exchange abroad during his studies.

2.7. Internationalization process

Mr. Schockaert explained that "*We thought that we were ready to go abroad and we raised our capital of 300,000 euros in order to develop ourselves in Paris and to prove that we were capable of maintaining the growth we were having at that time and proving also that we could also succeed in an external market"*. The principal reason to internationalize was that they wanted to convince the investment funds their capabilities to develop themselves in a big market such as France. After making their analysis, it was decided that Paris would be more comfortable because of language, an essential density of population which was vital for them. Also, it was decided to start by proposing services only for do-it-yourself tasks.

In order to establish themselves in Paris, they first went there to meet a potential service provider and then started operations. With the time, they realized that the market was way more competitive than the Belgian one, and the acquisition cost was also higher. Indeed, their turnover was getting more significant, and the number of service seekers was increasing, but the business was not rentable. Thence, the firm was losing money per customer. "It is like *we were investing $100 in extracting oil that we would sell for less than $80"* pointed out Mr. Schockaert.

2.8. Host country and competitors

According to Mr. Schockaert, in Paris exists a high-tech ecosystem that makes it easier for startups to evolve than in Belgium. Also, they noted that scams in the DIY tasks were often a pain for Parisians. Another important point is that both the service providers and service seekers were familiar with this kind of platform, they knew what it was, which is not the case in Belgium.

Regarding the competition, mostly online stores that proposed their services as a platform to find providers were present. Further, Mr. Schockaert stressed out that an important difference in the consumer tastes is the fact of being a French firm, in France according to him, being a national company would give a competitive advantage for both sides of the platform. He also stressed out the leak of resources compared to the competition and how it would make it even harder to acquire customers, and those service providers were registered in several platforms, which was not the case in Belgium.

2.9. Market-focused learning capability

Listminut adapted to its host country by focusing on one category, the do-it-yourself, because the pain was more important in this specific category than in the others. Concerning governance, it was also different. Moreover, service providers were exempt from taxes, which was not the case in Belgium at that time.

2.10. Internally-focused learning capability

The adaption of internal processes begun with the modification of the whole platform in the French branch, as to accept only DIY services. The pricing strategy also changed, indeed at that moment in Belgium, the service seeker was the one who chose the price they were willing to pay, while in France, they started the system in which the service provider establishes the price of its work. Also, the internal process was less strict and less practical since they did not have fixed offices nor fixed employees there.

2.11. Network capability

Listminut has a small network of Belgian companies that were present in Paris. They were using the office of one of those startups. However, according to the CEO, their network in France was not like the network they have in Belgium.

2.12. Marketing capability

In France, Listminut did not have the time to position the product seriously, but their position it in general as "*the best solution to find someone reliable.*" The marketing strategy in France, included, as in Belgium, Google AdWords, Facebook ads, and marketing by bloggers in addition. This because the of the density of the population and the influence this type of marketing have.

2.13. Knowledge-intensive products

Listminut differentiates itself by focusing on the service providers. Indeed, they believe that a service seeker would principally take into account if the work were well done if the service provider was nice and on time. The design of the platform and other things are not a priority, so time and money are invested in helping and being by the side of the service providers.

2.14. External factors

The main external factor the company takes into account is the rise in demand for sharing-economy in the European continent and the adaptation of governance in the different countries.

2.15. Results of internationalization

After nine months of operations in Paris, Listminut decided to review their internationalization path and focus on the Belgian market. However, Mr. Schockaert stated that they came back with some important thing learned. Firstly, they learned that they were not ready yet to go international. Further, the pricing strategy used in France was tested and implemented in Belgium. Also, they proved that they knew how their business works, were able to do in two months what took two years to do in Belgium, by the time they left France, the sales represented around 10 percent of the total sales.

2.16. Next steps

By the moment this interview was made, Listminut had no plans of internationalization in the short term, for the moment they are focusing on reviewing the business model and make the platform rentable. Once the platform becomes rentable, they plan to try it again with a lesson learned. "*Our ambitions are too big for the Belgian market"* with this phrase finished Mr. Schockaert.

2.17. Conclusion of the Listminut: from Belgium to France case

In summary, Listminut is a multisided platform that tried the early internationalization in order to convince investment funds. They chose France and more specifically Paris, because of the number of inhabitants and the lack of entry barriers. They adapted their product for the sake of being more competitive. Even though they thought that the firm was ready to go international, after nine months the management decided to take a step down and focus on the local market.

Conclusion of chapter 5

In this chapter, the data have been presented in two case studies. The first case investigated, Port Cities: from Indonesia to Malaysia, showed how a Southeast-Asian firm with European management started its expansion through the region during its first years of foundation. On the contrary, in the second case, Listminut: from Belgium to France, showed how a firm could go international during its first years and then come back and review its strategy.

After explaining the reasons for internationalization and in the case of the last one, its specificities as a multisided platform. This chapter exposed facts as they were collected through interviews and documentation available for the research. In the next chapter, the cases will be discussed and confronted with the theory.

CHAPTER 6: Discussion, conclusion, and limitations

In the last chapter of this paper, the case studies will be discussed with the theoretical findings used as the structure. Afterwards, managerial implications will be defined. Then, the limitations of the research will be pointed out. Eventually, directions for future researches will be proposed.

1. Analysis and discussion

The empirical findings will be discussed with the theoretical ones for the sake of eventually give some answer to the research question (*Are turbocharged multisided platforms more likely to become born-global compared to traditional SMEs?)*

1.1. Multisided platform?

Evans (2016) stressed six characteristics to recognize a multisided platform. Fist, The multisided platforms might identify the frictions that do not allow two or more groups of participants to interact with each other. Second, These need to reach the critical mass frontier, by resolving the chicken-or-egg dilemma. Third, They need to get an optimal pricing strategy, which could include subsidizing one of the sides. Fourth, They are located between broader ecosystems, governments, regulations and other institutions. Fifth, They manage physical or virtual places where the different sides meet. Finally, They need to decide how many groups of participants they want to interact with each other.

In the next sub-paragraphs, each one of these characteristics will be discussed

1.1.1. Frictions

Evans and Schmalensee defined frictions as the cost or other factors that do not allow two or more groups to interact appropriately. Plus, the market must be big enough, meaning that there should be enough people willing to meet from one group to another.

In the Port Cities case, we found a company that is selling an ERP system to customers that are in need of installing one, this firm does not solve any friction, as it is re-selling a product and is not connecting different groups of customer. Hence, Port Cities is not a multisided platform according to the theory.

In the case of Listminut, the firm has identified an obvious pain, the lack of reliability to find small "everyday task" service providers. Before Listminut appeared, customers had to go and find by themselves providers that would most likely be paid in cash on the black market, letting the customer without any guarantee for the service. On the other side, for a service provider it was difficult to find small jobs as they could only be promoted by word-to-mouth and to do it legally they should have had an "independent" status. Also, some people with skills and passion for doing small tasks did not have the opportunity to prove it, as they would not have any alternative of making a living from their hobby. By creating the platform, Listminut reduces this friction and allow these groups of customers to communicate with each other.

The market size would be every person that does not have the time, desire or skills to do a small task and is willing to pay someone else to do it. On the other side of the platform, it extends to every person that is willing to do a small work for someone else in order to have some extra earning.

1.1.2. Chicken or egg dilemma

Literature (Evans & Schmalensee, 2016, Parker et al. 2016) explained that this dilemma consists in the fact that one group will only join the platform if the group they are interested in having access to join as well. As explained before, in order to solve this dilemma, there exist different strategies that a firm could use, and there are separated into two main groups. First, the sequential entry approach that consists of starting as a traditional business to develop one side, then opening a new side and give them access to the built one. It would be the case of Port Cities that is currently a traditional business but is trying to implement a multisided platform, in their case, the venture already has a robust database of customers that require ERP implementation. In order to become a multisided platform, they would open a new side for developers and give them access to the enterprises' group. This way, the would avoid the chicken-or-egg dilemma.

The other group of strategies is the simultaneous entry approach, in which a firm target all the different sides at the same time and deal with the dilemma. This group includes strategies such as self-supply, taking users from existent platforms, and have a marquee user. In the case of Listminut they decided to target both sides at the same time, focusing efforts on enrolling service providers following a micro-marketing strategy at the beginning. Indeed, as the project was born as a university project, Listminut focused at first in attracting the student community to provide services. In order to attract service seekers, they used a traditional marketing strategy.

Listminut trusted that having enough service providers would generate a positive indirect network effect. These networks effects are externalities generated by one user that affect other users, in this case as the effect is from the user of one side to users of the other side, it is considered as indirect. Plus, it is positive because if one service provider joins, it will attire service seekers. Network effects are essential to reach the critical mass.

Thence, Listminut approach is in order with theory and follows the same logic as the OpenTable example illustrated before.

1.1.3. Pricing strategy

One of the most significant challenges of a multisided platform is to decide which side they would charge (Hagiu, 2014, Evans & Schmalensee, 2016, Parker et al., 2016, Silva, 2017). For this, they need to find who needs who. In the Listminut case, they realized that if there are not enough service providers, service seekers will not stay in the platform as they would look for a specific thing in a specific time and if they do not find a provider, they will become a lost customer, while providers could join and wait for the seekers. However, Listminut decided to charge the service providers by charging a commission of twenty percent; this contradicts the theory. Indeed Evans & Schmalensee (2016) explained that the needed part should be a subsidized one because this one generates more positive network effects. In this case, the service seekers should be the ones paying a fee.

This lesson would be the first learned of the case. Indeed, nowadays Listminut is reviewing its business model and is considering to change the pricing strategy to a fee paid by the service seekers which would be more accurate according to the theoretical findings.

1.1.4. Ecosystem, governance, and regulations

Comparing the two cases, we could directly stress out the importance of the ecosystem for Listminut. As explained before, an ecosystem is a term used to refer to the group of stakeholders inside a market, users, businesses, institutions and any other participant that would interact with each other. (Evans & Schmalensee, 2016). Also, Parker et al. (2016) expressed that the ecosystems of multisided platforms are more significant than the traditional businesses' and the value exchanged has better quality, while Port Cities did not interact much with its ecosystem besides Odoo. Listminut is creating a community with their service providers, have weekly meetings with other sharing-economy platforms and discuss with the competition and partners. It could also be explained because of the governance and regulations. Indeed, part of the interaction that Listminut has with other platforms is in order to discuss and try to find solutions to the regulatory obstacles that all these firms need to deal with. Furthermore, multisided platforms depend on having a thick market, meaning enough customer of both sides, for this reason, Listminut is also obligated to develop a community with the side that has more positive network effects. On the other hand, Port Cities is a traditional business selling a technological product; it does not need to have such kind of interactions with its ecosystem.

1.1.5. Place and sides

It has been explained before that a platform is where the different sides interact; could be physical or online. In the case of Listminut, it is an online platform, meaning according to the theory that it is a "turbocharged multisided platform". Furthermore, Listminut counts with two sides so far, the service providers and the service seekers.

In this part, the characteristics of multisided platforms have been discussed with the two cases. From that, it has been confirmed that Listminut is indeed a turbocharged multisided platform and Port Cities a traditional SME. It allows us to compare the internationalization of both firms in order to try to give answers to the research question.

1.2. Internationalization

As shown in the theoretical part of this paper, the internationalization could be made in three different ways. The stage model that proposes the internationalization in an increasing pathway (Mathews & Zander, 2007, first exporting, then with a sales subsidiary to eventually establish in a foreign market. The network approach suggests that the internationalization relies on their relations with customers, suppliers, and partners, being their network more critical than their inherent advantages (Johanson & Mattsson, 1988). Literature that has defined the international new venture approach suggests that firms do not internationalize by steps but do it as soon as they are created. (Knight & Cavusgil 1996; McKinsey and Co. 1993 cited by Chetty and Campbell-Hunt; Oviatt & McDougall 1994).

The case of Port Cities fits the international new venture approach. It is a firm that wanted to go international since the beginning, that targets a niche market (small and medium companies in need of ERP systems). They got a "unique asset", as they work with the only ERP system that is affordable for small and medium enterprises, and it is barely not proposed in their host country. Also, Malaysia and Indonesia are countries with similar cultures, Bahasa Malay and Bahasa Indonesia are languages in which their speakers could understand each other, reducing the language barriers.

By its side, Listminut used more its network to internationalize, using a partner's office in Paris. As stated in the theoretical part, the network approach and the international new venture approach are complementary. Moreover, Listminut did not plan to internationalize since its foundation, but when they realized that their home market was not big enough for their ambitions. Indeed McKinsey and Co. (1993) explained that the importance of a robust host market was paramount in the stage model but irrelevant for the international new venture. Other studies have proven that firms from small markers are more likely to experience an early internationalization.

Even though the offer of Listminut was unique in Belgium, it was not the case in France, because several firms were proposing the same service that they do, increasing entry barriers. Listminut chose France because it is a neighbor country with a similar culture, same language and with an important number of big cities. Listminut knew that their offer was not unique in France and tried to specialize in one of their segments, but it was not a unique offer yet.

1.2.1. Manager profile

A manager of a born global is expected to be highly entrepreneurial, risk lover, learning focus and having significant international experience. International entrepreneurship is defined as a *''combination of innovative, proactive, and risk-seeking behavior that crosses national borders and is intended to create value in organizations''* (McDougall & Oviatt 2000, p. 903). We consider that both managers from Port Cities and Listminut are highly entrepreneurial, as they both founded their firms from scratch and they both consider themselves as risk lovers. Regarding the international experience, Mr. Dessy has it in both academical and professional way, while Mr. Schokaerts lacks it.

1.2.2. Market-focused learning capability

Market-focused learning capability includes unlearning, which is the revision of failed knowledge, replacing them with the new successful knowledge in order to improve the company. In this sense, Listminut followed the theory by replacing the pricing strategy and by specializing themselves in the daily tasks. Indeed, as the competition was intense in the host country, the company adapted itself to the market in order to differentiate at a maximum. However, they considered that the tastes of locals were "*Franco-French,*" with a preference for French companies.

Besides, Listminut encountered users of both sides doing multi-homing. It occurs when users of a market use more than one platform. On the contrary, if users use only one platform, it is called "single-homing" (Tirole cited by Solheim & Tovsen, 2017). Users of Listminut in Belgium were in a single-homing situation, while in their host country it was not the case, at least in the service provider side. It could be explained by the fact that they were not the only company offering this kind of service.

Port Cities did not follow the unlearning process as they considered that the taste of the Malays was similar to the Indonesians. They focused on adapting their deliverables considering the prioritization of their hosts.

1.2.3. Internally-focused learning capability

It is the competence to acquire and diffuse technological and not technological knowledge developed by the own company (Weerawardena et al., 2007). It also includes an unlearning phase and the need to develop new knowledge in order to succeed in the internationalization process. Listminut developed by themselves the platform in their home country and then adapted it to their host market while Port Cities resells an existent product and barely adapted it when they went abroad. However, Port Cities developed knowledge of a product that was unique in their host country while Listminut did not have this competitive advantage.

1.2.4. Marketing capability

"... Marketing capability captures the firm's capacity to formulate effective marketing mix strategies" (Weerawardena et al. 2007, pp. 301). We consider that both firms underestimated this critical factor of the internationalization process. Indeed, the main reason of Port Cities to internationalize was its reputation. As explained before, it is necessary to create credibility and reputation, to find the proper position of the product in the niche market and to adapt its price and distribution. However, the company did not adapt its marketing strategy to the host country.

Listminut adapted its product and pricing but failed in positioning their product in the host country. Both companies focused on market adaptation without looking at their marketing capability.

1.2.5. Knowledge-intensive products

Literature has shown that if a firm wants to become a born global, it needs to be in the top of technological development and knowledge of their niche market (Madsen & Servais, 1997; Zahra et al., 2000). In our cases, both firms are highly technological. The difference between the two cases is that the technology of Listminut depends on itself, and they indeed readapted their whole platform in order to be in point for the French market, while Port Cities depends on the technology of its supplier and have less freedom in adapting the offer. For this reason, they are planning to create a multisided platform, in order to be in point of the technology and innovation.

2. Conclusion

Technology and globalization are topics that everyone is involved nowadays in a way or another. Thus, we interested ourselves in turbocharged multisided platforms and born globals firms. Hence, we arrived at the research question: *Are turbocharged multisided platforms more likely to become born globals compared to traditional SMEs?*

In the first part of this thesis, the literature review, several findings have been showed. This part is divided into two main topics. First, the literature explains the multisided platform, exposing the importance for a firm to identify and solve the chicken-or-egg dilemma. Further, strategies to solve the dilemma has been exposed. Also, the paper shows that network effects are a key point in the development of a multisided platform. The born global theory was the second concept developed. The different theories of internationalization have been explained. Moreover, there is an emphasis on the differentiation of the enterprise and the technology it uses as the main drivers of this theory.

In the second part of the thesis, the empirical analysis, two cases have been analyzed. First, the succeed internationalization of Port Cities from Indonesia to Malaysia. Second, The internationalization of Listminut from Belgium to France, that resulted in a cease of operations in the host country.

With its internationalization and according to literature, Port Cities could be considered as a born global or at least in the right way to be considered as one. Indeed in two years, the international sales of the company are up to 20 percent of their total sales, and with the opening of the Vietnamese branch, this number is likely to grow. On the other hand, Listminut failed its early internationalization.

Some results are important to be highlighted:

First, the internationalization challenges of a multisided platform and a traditional business differ. Indeed, because of having multiple groups of customers with different tastes, the multisided platform needs to adapt more than a traditional firm. However, a multisided platform that develops its own product has more freedom to adapt than a company that is reselling a product.

Second, because of the complexity and the novelty of this kind of businesses, turbocharged multisided platforms are more likely to develop a strong network.

Third, the internationalization in both cases depends mainly on the differentiation of the offer. Regardless of the type of business, both should offer a differentiated product in order to gain competitive advantages and reduce entry barriers.

Finally, in order to get a more comfortable establishment in a foreign market, companies should not neglect the importance of a marketing strategy. Indeed, making the right positioning of the product could help.

Hence, the research made in this paper does not allow us to conclude that turbocharged multisided platforms are in theory more likely to become born globals than traditional SMEs.

3. Implication for managers

From the conclusion drawn above, we could develop some implication for managers. These implications are recommendations of what managers should (or not) do.

First, it is important for managers of multisided platforms to choose the right pricing strategy. For this, the multisided platform theory could help. Indeed, it is essential to identify which side needs the other and subsidize the side with the more positive network effect.

Second, according to the literature; the origin of the internationalization of a firm relies on the profile of the manager. Hence, we recommend taking into account the international experience of the manager and the knowledge they should have on the potential host countries. If a manager has international experience and knowledge of the host market, priorities and tastes of customers in that country could be anticipated.

Third, managers should be sure that their offer is differentiated enough in their host market. Indeed, even if it is the case in the home market, if a firm wants to succeed in their internationalization, they should have a competitive advantage and a differentiated offer in order to reduce entry barriers.

4. Limitations

Different limitations need to be taken into account in this master thesis. From these limitations, ideas and questions for future research have emerged.

First of all, the limitation of quantitative information. Indeed, qualitative studies could not completely answer a research question, but help to understand how something work (Lejeune, 2014). In this paper, we wanted to show how an early internationalization of a multisided platform is compared to the one of traditional business in the technology industry. Nevertheless, by comparing two cases we could not generalize, because it could not be the truth for other companies in other contexts. Further, qualitative analyses are based on a double interpretation. Firstly, the interpretation of the events by the interviewee. In order to avoid this bias, we tried to interview different people to have different visions, but not all the stakeholders have been interviewed. The second interpretation is the interpretation of the interviewer of the events; those are two biases that should be noted.

Second, the companies and their contexts. As mentioned before, we put much effort into finding the correct companies. In order to have a more realistic comparison, a highly technological SME was proposed as the traditional company. However, the size of both companies vary, and it may affect the internationalization process. Indeed, Port Cities counts with more than 100 collaborators while Listminut counts with less than ten.

Another important point is that even though both companies are highly technological, they are not in the same industry. Furthermore, they operate in very different markets and cultures, and the internationalization is likely to be influenced by the geographical zone of operations. Indeed, Port Cities is an Indonesian company that internationalized to Malaysia; they came from a large emerging market to a smaller one in Southeast Asia. Listminut is a Belgian company that tried to Internationalize in France, both economies considered as developed; the home country is a smaller market than the host one. This choice was due to the specificity of finding two "contrary" examples.

Third and last, is the ambiguity of the concepts. For this paper, an important amount of assumptions had to be done because of the contradictions in previous literature. Per instance, as the internationalization of both companies has been within the same region of their host country, some authors would not consider them as born globals.

5. Remaining questions and future research

After giving a conclusion and recommendation to the managers, potential topics for further research have been found.

First, research with a larger sample would be interesting in order to find a general answer to the question. Indeed, this paper is mostly based in interviews. Hence, interpretations are present, and biases appear. It would be interesting to test different types de scenario different regions and in different industries.

In this paper, we focused on the early internationalization process of a multisided platform and a traditional business; we realized that the challenges are different. However, we stopped the study with the results of the internationalization. It would be then interesting to compare the growth of both types of business once they have succeeded to become born globals.

Finally, quantitative research would be interesting to complement and verify the pertinence of the results given by this paper. Moreover, a study that accompanies the companies over time would give more insight to the researchers. (*e.g,. review the internationalization of both companies in one or two years).*

In conclusion, both topics, born global and multisided platform, are recently getting much attention of researchers, but the attention should be focused in the link between these two terms, as significative amount of the born globals are indeed turbocharged multisided platforms. Furthermore, as expressed in this work, an interesting question on the topic remains, showing a way for researchers to continue investigating about the early internationalization of companies.

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