

# BUSINESS RESEARCH PROPOSAL SAMPLE

Factors Influencing Internationalization  
of Businesses in Developing Countries  
and Its Impact on Their Economies

## Chapter 1: Introduction

### 1.1 Background

Internationalization refers to the strategy or rather approach that organization undertakes in designing goods and services that are simply adaptable to different cultures and people in different countries (Asika, 2006). This paper will focus on discussing the factors that affect internationalization of businesses in developing countries. According to a research done by the Oluwami (2013), there is a widespread interest in the internationalization of businesses by firms so as to achieve the concept of multinational organization. However, any firm that is seen as a multinational organizational started off as a small firm often called a small and medium sized enterprise (SME). The SME gradually develops their operations and businesses to other regions and countries, which bears significant economic impacts.

#### 1.1 Problem statement:

Developing countries have different businesses internationalizing their operations so as to achieve certain objectives such as high sales, customer satisfaction, etc. But even as these businesses seek to achieve these objectives, certain factors influence them and cause different economic impacts. This research will work towards understanding the factors influencing internationalisation of businesses and the economic impacts of internationalisation.

### 1.2 Research objectives

The key objectives of conducting this research are as follows:

Identification of factors affecting internationalization of businesses in developing countries

Identification of the economic impacts of internationalize of businesses in developing countries.

## Chapter 2: Literature Review

Many theories have been used to explicate international entry assessment of businesses. Amongst these theories, four of them are commonly applied which are; resource based view, Dunning electric structure, Institutional theory and lastly the transaction cost analysis (Brouthers & Nakos, 2004). However there is no existing literature that shows conformity in regards to the theoretical framework and constructs that would be used to understand a firm's internationalization. Research has ruled out Dunning's electric structure and thus the three remaining theories will be used to explain the concept of business internationalization (Brouthers & Brouthers , 2003).

According to Asika (2006), the resource based theory views aspects affecting internal business as the determinants of international business tactic and performance. This theory also proposes that organization develop exceptional resource that they can utilize in foreign markets as a basis for developing fresh resource based benefits (Luo, 2002). Through this theory, firms use these unique products to penetrate new markets and thus create an easy way to internationalize their businesses. Until recently, scholars had seldom looked past the task setting to discover the interaction among organizations, institutions and strategic choices. According to Brouthers and Hennart (2007), Institutional theory implies that the institutional setting of a country influences the organizations entry decisions; this is due to the fact that the environment replicates the "rules of the game" by which organization partakes in a given market.

## Chapter 3: Methodology

### 3.1 Research Methods

The collection of data for this research will be done through a survey. This is because; a survey allows the researcher to generalize a population from a given sample and therefore allowing one to establish a conclusion over the whole population. The survey will be conducted in different developing countries with a key focus on manufacturing companies, which are the main businesses involved in internationalization. The survey will involve collection of samples from a population or a data set given and the process of hypothesis testing will be conducted to evaluate the data.

### 3.2 Participants

Using random sampling, an approximate of 500 management employees of 14 international manufacturing companies will be selected from a database maintained by a national company provider. The companies will be selected under various categories that include agriculture, medicine, construction and engineering, Energy production and food products. The selected employees will be selected based on the fact that they are the most knowledgeable informants on internationalization decisions and have ensured global success in their relevant organizations. Each participant represents a multinational organization and a specific industry.

### 3.2 Data Analysis

The collected data will be analysed using statistical features in Microsoft Excel 2010 since this application will be capable of computing desired outputs like the mean, median, standard deviation, etc. The results will be presented in the form of tables, graphs, charts and other formats to make it easier to communicate.

## Bibliography

- Asika, N. 2006. Introduction to International Business, Lagos: Rothmed International Ltd.
- Brouthers, K. D., & Nakos, G. 2004. SME international entry mode choice and performance: A transaction cost perspective, *Entrepreneurship Theory & Practice*, 28(3): 229-247.
- Brouthers, K. D., & Brouthers, L. E. 2003. Why service and manufacturing entry mode choices differ: The influence of transaction cost factors, risk and trust. *Journal of Management Studies*, 40(5):1179-1204.
- Brouthers, K.D. and Hennart, J. (2007). Boundaries of the Firm: Insights From International Entry Mode Research, *Journal of Management*, 33 (3), 395-425
- Luo, Y. (2001). Determinants of entry in an emerging economy: a multilevel approach. *Journal of Management Studies*, 38(3): 443-472.
- Oluwami. D 2013. Factors influencing internationalization of Nigerian manufacturing firms. *International business and management review journal* . Vol 1, pp14-34