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Organizational learning, unlearning and re-internationalization timing: differences between emerging- versus developed-market MNEs

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Organizational learning, unlearning and *re*-internationalization timing: Differences between emerging- versus developed-market MNEs

ABSTRACT

Not all firms are successful in internationalising their operations; many withdraw, and some make a second attempt (after an appropriate 'time-out'). We compare the re-internationalisation of emerging market multinationals (EMNEs) with developed market multinationals (DMNEs) to investigate key differences. Although DMNEs may have greater experience in internationalization, with supposedly superior market-specific knowledge based on experience, this does not always have positive effects and may be a disadvantage for re-entry. We find that not all types of market-specific experience are beneficial for re-entry. Being able to *unlearn* past experience associated with the initial entry may be just as valuable an FSA for re-entrants. EMNEs are not necessarily at a disadvantage when re-internationalizing because, compared to their developed market counterparts, they have less to 'unlearn' as they often lack deeply embedded routines associated with international heritage. We also find EMNEs are less deterred by under-performance from the initial entry, and are likely to re-internationalize more quickly than DMNEs. EMNEs, given their newness and absence of deeply embedded routines, are less likely to be victims of inertia.

Keywords:

Re-internationalization timing

EMNEs

Organizational learning and unlearning

Market-specific experience

Foreign market exit

1. Introduction

It is by now axiomatic that the international business (IB) strategies of MNEs are path-dependent, and that the success or failure of firm internationalization efforts rests largely on its existing firm-specific advantages (FSAs). Although there is a tendency to focus on FSAs associated with technological assets, a key set of FSAs are less tangible knowledge sets such as knowledge of institutions, organizational capabilities, the capacity to organize efficient intra-firm (cross-border) hierarchies, as well as knowledge of host markets (Chetty, Johanson and Martín Martín, 2014; Cuervo-Cazurra, 2012; Santangelo and Meyer, 2011; Narula, 2014, Narula, Asmussen, Chi and Kundu, 2019). Firms with greater experience in international operations are generally expected to be better at absorbing new knowledge into their organisational routines, which may prove relevant to new contexts and activities (Brouthers et al., 2008; Cuervo-Cazurra and Rui, 2017; Johanson and Vahlne, 2009). Subsequent expansion into a new market or further expanding into existing markets are expected to be less costly and less risky for the experienced MNE (Casillas and Moreno-Menendez, 2014; García-García, García-Canal and Guillén, 2017; Tan and Mathews, 2015).

In reality, not all MNEs prove able to sustain the momentum of internationalization, despite greater experience. In some cases, MNEs may divest from the particular host markets (Benito and Welch, 1997; Benito, 2005; Javalgi et al., 2011; Yayla et al., 2018). Of these, some MNEs may seek to re-enter previously exited markets following a 'time-out' (Surdu, Mellahi and Glaister, 2019; Welch and Welch, 2009). A time-out period can permit the firm to reconsider the usefulness and applicability of some of its FSAs, which might, in hindsight, have been inappropriate for that market, either because they underestimated the location-boundedness of their FSAs or overestimated their value. On the other hand, depending on the duration of the time-out, the MNE may not benefit from the knowledge and experience acquired during its initial entry, because too much time has elapsed between exit and re-entry.

In this paper, we posit not only that FSAs associated with market-specific knowledge and experience are important, but that some types of market-specific experience are more relevant for *re*-internationalizers. Specifically, we propose that greater experience accumulated over time does not always have positive effects and may, in fact, be a source of firm specific *disadvantage* (Gong et al., 2017; Mariano et al., 2018). Routines are only valuable if they are useful and needed in a market. Re-

internationalization may require old knowledge and practices to be disregarded (Hsu, Chen and D'Arcy, 2017). Re-internationalizers need to consider routines that differ from existing knowledge sets to successfully address the causes for initial under-performance.

Not all firms need to unlearn past behavior, or indeed, are able to. Unlearning is contingent on the ability of a firm to manage the uncertainty associated with acquiring new knowledge, and distinguishing between less relevant knowledge (Hedberg, 1981; Lane, Salk and Lyles, 2001). Further, unlearning is likely to occur when firms have fewer routines to unlearn (Hutzschenreuter, Pedersen and Volberda, 2007). Becoming an adept learner implies considerable effort in setting up and managing international operations over long periods of time, and once organizational routines and institutions have been established to codify experiential knowledge of new markets, they may become difficult to unlearn.

Following this logic, we argue that firms that are relatively new to internationalization (nascent MNEs) are likely to be less entrenched in specific internationalization routines and learning mechanisms, compared to the more mature MNEs. Therefore, we ask: *are nascent MNEs (to which category most EMNEs belong) likely to re-internationalize faster compared to their more mature counterparts (typical of most developed country MNEs)*?

We postulate that for EMNEs, cumulative experiential learning is not considered an important pre-requisite for international expansion (Banerjee et al., 2015). These nascent MNEs are also less likely to suffer from learning myopia (March, 1991/2010) as they tend not to rely on FSAs such as the deep routine-based learning that arises after having been internationalizing for a longer period of time (Hutzschenreuter et al., 2007). EMNEs are more likely to re-enter international markets faster in order to develop FSAs to compete with their more global counterparts, because they have less to unlearn. EMNEs may re-internationalize more rapidly, i.e. without allowing for a long time-out. Indeed, nascent MNEs expect to fail, and are less likely to be deterred from (re)entering foreign markets (Yayla et al., 2018). EMNEs' are also known to have a propensity for "trial and error" behavior (Ramamurti and Singh, 2009), and are also less likely to be deterred by the initial market under-performance.

Building upon an analysis of a sample of 786 EMNE and DMNE re-internationalizers, we examine the relationship between experience-based FSAs and re-internationalization timing. We also distinguish between learning from different types of market-specific experiences, which may constitute a source of

FSAs. In our analysis, we examine the moderating effect of being a DMNE (i.e. a more mature multinational) compared to an EMNE (i.e. a more nascent multinational) on the relationship between different types of market-specific experiences and re-internationalization timing.

The remainder of this paper is structured as follows. First, we briefly discuss experience as a key source of FSAs and introduce the concept of organizational unlearning. We then develop our hypotheses with regards to the factors driving re-internationalization timing, moderated by whether the re-entrant firm is an EMNE or DMNE. Further, we explain the method used to collect our data and report and discuss some of the key results. Lastly, implications for IB theory and practice are discussed.

2. Firm specific advantages: Experience-based FSAs

Past studies have concluded that the success or failure of a firm rests largely on its firm-specific advantages (FSAs), and furthermore, in a dynamic environment, that these FSAs must be continually upgraded (Kogut and Zander 1992, Teece, Pisano, and Shuen, 1997). A firm's advantages are relative to those of its competitors: if FSAs are not upgraded, an advantage can become a *dis*advantage in a dynamic learning environment which characterizes most strategic decisions (Narula, 2012/2014). More so for the MNE, for whom there are additional layers of complexity in the nature of FSAs, given the cross-border nature of inter-firm competition, the location-specific nature of certain FSAs, and the role of local environments in competence creation (Narula and Verbeke, 2015). To become an MNE, a firm should possess significant firm-specific resources and capabilities that can be exploited to offset the disadvantages of being a new entrant (Narula, 2006; Narula and Verbeke, 2015; Verbeke, 2009).

FSAs are traditionally associated with knowledge such as proprietary technologies embedded in products and processes, that may be referred to as asset-type FSAs. Over time, the IB literature has established that such FSAs alone are not sufficient to determine the ability of a firm to successfully and rapidly internationalize (see for instance, Narula, 2014, Narula et al, 2019). Specifically, a second class of assets, referred to as transaction-type FSAs, are essential to this purpose. Also firm-specific, transaction-type FSAs reflect less tangible knowledge sets such as knowledge of institutions, the organizational capabilities and the capacity to organize efficient intra-firm (cross-border) hierarchies, as well as rich knowledge of host country market environments (Cuervo-Cazurra, 2012; Santangelo and

Meyer, 2011; Narula, 2014). Indeed, both sets of FSAs are necessary for a firm to operate successfully as an MNE, and both are firm-specific, and need to be continually upgraded, which, in turn, requires the firm to learn.

While certain classes of technological assets are often available through markets, the knowledge of host markets and organizational capabilities is difficult to acquire through markets and is most often learned from experience. Such learning is a key firm-specific capability (Casillas and Moreno-Menendez, 2014; Chetty and Campbell-Hunt, 2004; Johanson and Vahlne, 1977; March, 1991) and a catalyst for competitive advantage and international growth (Penrose, 1959). The initial steps towards international expansion are characterised by the exploitation of existing knowledge and experience, followed by the acquisition of new knowledge specific to the foreign market, i.e. experiential knowledge. This knowledge is acquired through direct experience with key actors in the host market and is critical in reducing uncertainty and risk associated with international expansion. The greater the knowledge and experience base of a firm, the lower its liability of foreignness (Johanson and Vahlne, 1977), and the greater the ability to recognize, and manage, threats and opportunities in its external environment (Zhou and Guillén, 2015); which makes this cumulative experience a key source of FSAs.

Firms with significant experience-based advantages are therefore expected to bypass the hurdles of being new entrants and manage their international operations more effectively, leading to faster internationalization (e.g., Casillas and Moreno-Menendez, 2014; Clarke, Tamaschke and Liesch, 2013; García-García, García-Canal and Guillén, 2017; Tan and Mathews, 2015; Zhou and Guillén, 2015).

In this paper, we pay particular attention to firm-specific knowledge associated with host markets. We emphasize that MNEs must acquire location-specific, tacit information about informal and formal institutions, as these shape the efficiency with which firms can manage hierarchies and achieve economies of common governance. Experience in one location is likely to be only partially relevant when entering another location. Furthermore, market knowledge acquired at a given point in time may become less relevant over time. Thus, upgrading experience-based FSAs, at least in part, through unlearning past behaviors and assimilating new, potentially more relevant market knowledge, becomes important for re-entrant MNEs.

2.1. Unlearning: A key source of FSAs for re-internationalizers

Implicit in studies linking experience-based FSAs with internationalization decisions is that firms with limited international experience in foreign markets may *under*perform, because they are not able to adapt products or services to local customer needs, or they may be unfamiliar with local institutions (Benito, 2005; Welch and Welch, 2009). In the absence of experience-based FSAs, some firms may persevere, while others may decide to exit the international market. Following an exit, the same firm may decide, at some later stage, to re-enter (Surdu et al., 2018; Choquette, 2019). Re-internationalization is different from *de novo* internationalization because the MNE re-entrant, in principle, should have some prior level of market-specific knowledge acquired from its previous tenure in that market. They should be able exploit some of this experiential knowledge, which might give re-entrants an advantage relative to de novo market entrants (who do not possess market-specific FSAs).

What further distinguishes re-internationalization from *de novo* internationalization is the exit experience itself (Welch and Welch, 2009). The knowledge acquired during the period prior to the exit event may constitute an important source of FSAs. This pre-exit knowledge may have left the firm with an understanding of why it under-performed, such as why customers did not buy their products/services, why competitors captured more market share or why the mode of operation was not appropriate to serve that market at that point in time (Surdu et al., 2019). The pre-exit experience may trigger a re-assessment of the usefulness and applicability of the MNE's previous FSAs.

The effectiveness of this pre-exit experience, in turn, is dependent on the length of the time-out period. Prior experience may be less relevant when the firm has been away for too long, because location-specific characteristics may have altered. As such, a re-entrant's liability of foreignness will become similar to that of a de novo entrant (Welch and Welch, 2009). Not all previous experience is, therefore, relevant. Firms that seek to re-enter previously exited international markets may benefit from 'unlearning' routines that were unsuccessful during their initial foray to be able to re-internationalize.

Hedberg (1981) points to the fact that all knowledge eventually becomes obsolete. Lane et al. (2001) viewed unlearning as "the process of reframing past success programs in order to fit them with changing environmental and situational conditions" (p. 691). Cegarra-Navarro and Moya (2005) argued that unlearning is "the dynamic process that identifies and removes ineffective and obsolete knowledge and

routines which block the collective appropriation of new knowledge and opportunities (p. 162). Since Levitt and March (1988) referred to organisational learning as a process of "encoding inferences from history into routines that guide behavior" (p. 320), unlearning can be defined as partially or entirely renouncing existing routines to make way for new, more relevant knowledge and behaviors. The MNE's knowledge and experience accumulated in the past may remain in organizational memory but may not be drawn upon as a primary source of knowledge to decide about the timing of re-internationalization.

Unlearning may be made easier when there are fewer routines to unlearn. Nascent MNEs therefore may *have less to unlearn*. EMNEs as a type of nascent MNE may not only be faster to disregard past knowledge and rely more significantly on learning from the events leading to the exit, but perhaps also faster to re-internationalize. In the next section we explain why upgrading learning capabilities through unlearning, - which requires exploration of new sources of knowledge and modification of routines upon which initial FSAs are based, - may lead to faster re-internationalization.

3. Theoretical development and research hypotheses

3.1. Market-specific knowledge as a source of FSAs

More mature MNEs with a greater stock of past knowledge and experience have deeply embedded routines that are often codified as well as embedded in their expatriate cadre. Re-entrant DMNEs may be 'locked-in' to particular experience-based FSAs which may not constitute a main source of advantage in that particular host market. Re-internationalizing faster may reflect an attempt to preserve, and make use of, past knowledge which can become outdated after a longer time-out.

Not all MNEs rely on accumulated market-specific knowledge to re-internationalize faster. Older, more mature MNEs (often DMNEs) will have developed some potentially valuable, 'generic' (less location-bound) capabilities in assessing internationalization choices than newer MNEs, although each location has idiosyncratic characteristics that require a certain degree of embeddedness to fully optimize these activities, and consequently highly location-specific capabilities. In turn, EMNEs may not have the option to exploit a rich pool of cumulative market knowledge, leading to them having an exploratory orientation (Gammeltoft, 2008; Yayla et al., 2018).

EMNEs may be expected to rely less on experience (Levitt and March, 1988) and more on "expectations of future outcomes". EMNEs (re)internationalize in order to acquire FSAs that they do not possess and learn about international markets in the process. To catch up with global competitors, nascent MNEs may be open to engaging in a costly process of searching for new information and knowledge (Banerjee et al., 2015; Luo and Tung, 2007). Therefore, we propose that experience-based FSAs are not necessarily a pre-requisite for re-internationalization for EMNEs. Firms which are less bound by routines and pre-existing FSAs, have a more diverse portfolio of strategic options available to them and thus become more flexible (Grewal and Tansuhaj, 2001; Yayla et al., 2018). This flexibility enables EMNEs to reshape their organizational practices and strategies and speed up the pace of re-internationalization in order to enrich their knowledge base, catch up with competitors and regain access to international markets. We propose the following:

Hypothesis 1: Market-specific experience accumulated during initial entry matters less for EMNEs than DMNEs, and are likely to re-internationalise faster.

3.2. Negative experiences as a source of new FSAs

There are multiple types of market-specific experiences that become important sources of FSAs. Positive experiences reinforce the status quo, whereas negative experiences may call into question the effectiveness of current strategies, routines and cognitions (Lant and Mezias, 1992). Market exit - as a type of market-specific experience – carries important lessons to be learned and integrated into new routines necessary for a faster re-internationalization. The experience associated with under-performing may be more recent in the minds of decision makers and more impactful due to the financial and reputational damage that may have followed the exit decision (Welch and Welch, 2009). Exit may signal that management did not possess the sufficient knowledge and capabilities to choose the right strategies or products (Benito, 2005; Tan and Sousa, 2017). Re-internationalizers may reconsider routines based on their interpretations of the exit experience, rather than based on interpretations of past experiential knowledge. This may then lead to the recognition of new ways to assemble resources, price products and services and respond to these stimuli by weaving new knowledge into existing

organizational constructs and routines (Hedberg, 1981; Levitt and March, 1988); for re-internationalizers, this is knowledge around the under-performance motives. Early re-entry becomes important to ensure that the lessons learned from the pre-exit experience are still applicable upon the firm's return (Surdu et al., 2018). Overall, firms which have under-performed may choose not to wait long following the exit to make use of the pre-exit experience and attempt new strategies upon re-entry.

Further, we expect that the knowledge acquired through the exit experience will more quickly become a source of new FSAs for EMNEs. How MNEs draw on the pre-exit experience to re-enter faster will depend on the manner in which firms frame the failed experience and how comfortable they are to learn from failure. Large, established firms such as DMNEs, have been found to carry stereotypical notions of success as being "good" and failure as being "bad" (Edmundson, 2011; Storey and Barnett, 2000). EMNEs, in turn, come from contexts where organizations have had to develop cultures where the expectation of failure co-exists with goals of high international growth and performance. There is significant empirical evidence suggesting that failure to succeed internationally has not deterred EMNEs' international growth attempts (e.g., Aybar and Ficici, 2009; Yayla et al., 2018). In fact, the failure experienced may be viewed as a form of "survival-enhanced-learning" for EMNEs (Thomas, Eden, Hitt and Miller, 2007; see also Baum and Ingram, 1998). The stigma associated with initial failure is therefore reduced for EMNEs and often part of their way of doing business.

One of the many examples of this is China's TechFaith, which re-entered Japan in 2011 and, while the company had initially targeted a mass market with their handsets, upon re-internationalization, they decided to switch their target market and completely re-organize to focus on offering enterprise solutions with tailored software for specific industries. Given this aforementioned situational context, EMNE re-internationalizers are more likely to alter their strategic responses to previous under-performance and re-internationalize faster. We propose that:

Hypothesis 2: Under-performance during the initial entry is not as significant a restraint to re-internationalisation for EMNEs compared to DMNEs, and they are likely to re-internationalise quicker.

3.3. Mode-specific experience as a source of FSAs

A firm's use of a particular mode of operation not only reflects that firm's depth of market-specific experience but it results in FSAs specific to that given mode (Barkema and Drogendijk, 2007; Clarke et al., 2013; Kale and Singh, 2007). Kale and Singh (2007) explain how firms codify their experiences with alliances and acquisitions into "best practices" and "decision-making templates" that are relied upon and exploited in subsequent investments. When firms change their modes of operation (Benito, Dovgan, Petersen and Welch, 2013: Pedersen, Petersen and Benito, 2002), new FSAs are often required. Re-internationalization may also result in the use of a different mode of operation than the one in use prior to the firm exiting the market (Surdu et al., 2019).

Experience specific to a mode of operation may not be easily relevant to another mode. Prior research (Nadolska and Barkema, 2007) has warned against simply assuming that experience with for instance, international joint ventures would be useful to draw on when making other modes of operation such as cross-border acquisitions. The same knowledge and routines that have been assumed to be a source of FSA and efficiency in the marketplace (Nadolska and Barkema, 2007; Pedersen et al., 2002) can suppress attention span and only enable search for knowledge and information that is consistent with what the firm already knows. Repetition of past behaviors (Gao and Pan, 2010), such as choosing the same re-entry mode strategy as the one implemented prior to the exit, may reduce the uncertainty associated with learning about a new operation mode upon re-entry, particularly close to the time of the exit. In turn, altering the mode of operation upon re-internationalization requires a longer time-out, for firms to unlearn past market-specific behaviors before learning new routines.

In the case of EMNE re-entrants, we propose that new modes may be implemented in the short term as the development of new FSAs will supersede old FSAs. EMNE decision-makers are less likely to become attached to certain modes of operating in the market and develop cognitive styles and pre-disposed behaviors around those modes[1]. This is because EMNEs, like most nascent firms, learn not only through repetition of a given activity but also through trial-and-error (Rui et al., 2016). Trial-and-

[1] We also note here that EMNEs use different of re-entry modes. Such considerations led Russian telecom operator, MTS, to re-enter Uzbekistan via a joint venture, after having divested their own subsidiary in the country and exited the market. Similarly, Prakit Holdings (Thailand) re-entered Myanmar with their business support services, by decreasing commitment from a wholly owned mode of operation at the time of exit to a joint venture at the time of re-internationalization. This goes against the often taken-for-granted rationale that EMNEs are merely driven by the need to internalize asset-based FSAs without strategically (re)designing market strategies.

error learning (Rerup and Feldman, 2011) – whereby the firm attempts a new strategy until it is successful at it – is specific to nascent firms which do not have significant market experience and relatively limited access to superior knowledge FSAs. The predisposition towards trial-and-error learning has been linked to the context in which the firm develops, in that "[o]perating in emerging markets, in which there is more exclusion of foreign knowledge in part because of the higher degree of government intervention in the economy, strengthens the positive impact of trial and error on capability upgrading" due to the fact that "companies have less exposure to ready-made solutions developed elsewhere that could be applied to the challenge" (Rui et al., 2016: 10). Limiting the exposure of domestic companies to new knowledge, ideas and technologies, stimulates them to develop organizational structures and cultures that are more flexible. Change – such as switching from a wholly owned subsidiary to a joint venture or from an exporting mode to a greenfield investment – becomes viewed as part of the cost of doing business internationally for EMNEs. Hence, we propose that:

Hypothesis 3: there is a negative relationship between changes in operation mode and faster re-internationalization, and this will be weaker for EMNE than DMNEs.

3.4. The effect of host institutional environments on experience-based FSAs

Learning about the ways of doing business in a market (Eriksson, Johanson, Majkgard and Sharma, 2000) is made easier when the institutional environment is stable and the information codified. A higher level of institutional development equals less ambiguity, and firms are able to acquire more accurate information about actors such as customers and competitors; intellectual property laws are enforced to protect against loss of know-how and changes in the environment are likely to be positive and predictable (Brouthers et al., 2008). The extent of FSA upgrading would be governed by how well MNEs make sense of their market knowledge and use it upon re-internationalization.

Hence, we posit that the utility of a firm's FSAs will also depend on the host market context in which FSAs are acquired (Clarke et al., 2013; Forsgren, 2002; Lampel, Shamsie and Shapira, 2009). When firms exit from relatively underdeveloped institutional environments, learning is made difficult even when the firm has spent a number of years operating there. Ambiguity, which often characterizes

underdeveloped institutional environments (Townsend and Hart, 2008), means that information about the host market may be rich, but also informal and ambiguous. A high level of ambiguity could mean that constraints on the acquisition of knowledge impede firms to make sense of their past mistakes. For instance, in the absence of highly skilled market intermediaries, firms need to find other ways to acquire information about customer preferences or market demand. Market-specific knowledge then becomes less relevant. Developing re-internationalization FSAs in ambiguous host countries, takes time.

We recognize that EMNEs and DMNEs have different patterns of responses to conditions in their external (institutional) environments (Cuervo-Cazurra, 2012; Lant and Mezias, 1992). Firms focus their attention on different types of information, with some making decisions by focusing on exploring new sources of FSAs in host markets (i.e. EMNEs) and others (such as DMNEs) being more receptive to conditions in their institutional environments (Cuervo-Cazurra, 2012). Since EMNEs often emerge from home locations with imperfect markets and unstable institutions, they tend to possess *adversity capabilities* (Gammeltoft, 2008; Gammeltoft, Pradhan and Goldstein, 2010; Gammeltoft, Filatotchev and Hobdari, 2012). These experiences will not slow down their (re)internationalization into underdeveloped institutional environments. We thus propose that a higher level of institutional quality is not a pre-requisite for early EMNE re-internationalization. Our final hypothesis states the following:

Hypothesis 4: The positive relationship between host institutional development and faster re-internationalization will be weaker for EMNEs than DMNEs.

4. Methodology

4.1. Sample

We use an original dataset of foreign market re-internationalizers. This initial dataset contained over 1,000 events of re-internationalization which have occurred between 1980 and 2016. The data on each re-internationalization event was collected from Factiva (Dow Jones) and LexisNexis (Reed Elsevier). The initial data on when and how re-internationalization occurred was collected by searching Factiva and LexisNexis through the use of key words, namely: ‘re-entry’/ ‘re-enter’ / ‘return to’ / ‘back in’ / 're-internat*' AND ‘market’. This helped us identify instances of re-internationalization. Given our

interest in re-internationalization and the current scarcity of empirical research, the search was not restricted based on home (host) country or industry. This resulted in over 172,000 business news articles which were accessed and scanned to identify the events that are in line with our definition of re-internationalization. After eliminating duplicates and articles that did not refer to re-internationalization into a previously exited market, we were left with 2,280 articles corresponding to 1020 events.

We started the coding process to develop a coding pro-forma and identify the following information from the business reports: (1) the name of the MNE; (2) industry; (3) MNE home country; (4) host country re-entered; (5) year of initial entry; (6) year of exit/de-internationalization; (7) re-internationalization year; (8) mode of operation prior to exit; (9) mode of operation at re-entry; (10) exit motives. The final re-internationalization dataset was created from multiple sources of information: (1) news articles containing interviews with key decision makers and industry analysts reporting around the re-internationalization event, all collected from reliable business press outlets such as WSJ, Reuters, FT or Nikkei; (2) firm profiles, management composition and company data included in MarketWatch, Bloomberg and Annual Reports; (3) Economic Freedom of the World Index which we used to measure institutional development in the re-entered host country; and (4) World Bank which was used to collect data on other host country-related (control) variables. Given that the firms in the dataset are large, often well-known MNEs, information on their international activities is widely available through the aforementioned sources. Further searches in the databases were conducted to confirm that the re-internationalization event had, indeed, occurred as the information provided by the media may be speculative. The information regarding the institutional development of the host country was also supplemented with data from sources UNCTAD and the World Bank to ensure robustness.

We applied further filters to the dataset. We identified firms which had stopped manufacturing and production in the host market and decide to re-start after a period of time-out; these cases were eliminated given that efficiency seeking MNEs have different drivers for decision making compared to market seeking MNEs (Cuervo-Cazurra and Narula, 2015). Javalgi et al. (2011) stated that partial exit also has different motivations and strategic implications compared to actual de-internationalization; likewise, we only included cases of total market exit. Our sample consists only of market-seeking MNEs which have withdrawn from selling their products and/or services into the host market and re-

internationalized after spending at least one year out of the market. Finally, we restrict the time frame of re-internationalization events to those since 2000. Since the observation period starts in 2000 and ends in 2016, the final sample includes a total of 786 re-internationalization events.

The distribution of the data across industry sectors is similar for EMNE and DMNE re-internationalizers, with around 19% of operations being in the automotive sector, 16% in travel and leisure, 15% in financial services, and 13% in the retail sector. Of the firms in our sample, 211 are EMNEs and 575 are DMNEs. The period of time-out between exit and re-internationalization ranges between one and twenty years with a mean of 6.93 for EMNEs and 7.16 for DMNEs. Other characteristics of the sample vis-à-vis key dimensions of the data are shown in Table 1 below.

--- Table 1 ---

4.2. Modelling procedure and dependent variable

Our dependent variable is the period of time-out between de-internationalization and re-internationalization. We examine what drives some firms to re-internationalize faster (i.e. experience a shorter period of time-out) versus slower (i.e. experience a longer period of time-out). Given the focus of the study, i.e. the timing of re-internationalization, we used the Cox proportional hazards regression model (Cox, 1972) to test our hypotheses. Previous studies have all employed hazards models to examine survival data (e.g., Casillas and Moreno-Menendez, 2014; Gaba et al., 2002; Meschi, Ricard and Moore, 2017; Nadolska and Barkema, 2007; Song, 2014). In this study, the hazard function calculates the probability of a re-internationalization event occurring at a given *t* point in time, i.e. the probability of a firm re-internationalizing within two (seven) years versus delaying their re-internationalization beyond each of these time frames. In a Cox regression hazards model, the independent variables can be both continuous (experiential knowledge, institutional development) and binary (exit due to under-performance, changes in operation mode). The effect of one unit increase in the independent variable is multiplicative with regards to the hazard rate that the event has occurred at a given time *t*. The Cox regression model seeks to explain the probability that an event (i.e. faster re-internationalization) will occur as a function of a series of explanatory variables calculated as follows $h(t) = h_0(t) \exp(\beta_1 x_1 \beta_2 x_2 + \ldots + \beta_k x_k)$ where $h_0(t)$ is the baseline hazard function, β are the regression

coefficients and *x* are the explanatory (independent) variables. E.g. exiting a market that is characterized by relatively better developed institutions may mean that MNEs decide to re-internationalize faster.

Given that the focus of this study is the timing of re-internationalization, we calculated the time-out period between re-internationalization and de-internationalization in terms of the number of years lapsed between the year of re-internationalization and the year of de-internationalization (cf. Casillas and Moreno-Menendez, 2014; Surdu et al., 2018). Additionally, we address some of the previous concerns around what constitutes "fast" versus "slow" timing frames (notably, Gaba et al., 2002) and used actual periods of re-internationalization. We divided the dependent variable into re-internationalization within two years after exit ("1") or later ("0") and within seven years after exit ("1") or later ("0"). In doing so, we were able to identify whether there is a threshold of what may constitute fast re-internationalization. We can examine whether the factors which explain re-internationalization within two years (considered as very fast re-internationalization) are the same with those that firms consider when deciding to go back to the market seven years after having exited (which is, on average, the time it takes firms to re-internationalize). Each censored subject is considered as one whose event (later re-internationalization) takes the value of "0". The model remains fixed within the two selected time intervals, and the estimation takes place through the maximum likelihood technique.

4.3. Independent variables

The model proposed in this study rests on four predictors of the timing of re-internationalization, namely: (1) a combination of two dimensions of learning and potential FSAs related to market-specific experience accumulated over time and (2) learning from the exit experience; (3) a key market activity (operation mode choices); (4) and a dimension related to quality of the host institutional environment.

Market-specific cumulative experience. The length of market-specific experience accumulated by the firm in the period between initial internationalization and de-internationalization constitutes its market-specific experience or experiential knowledge. The variable is measured in the number of years (Brouthers et al., 2008; Surdu et al., 2018) in which the firm operated in the host market before exiting.

Exit due to market under-performance. The pre-exit experience is an important antecedent of re-internationalization strategies (Surdu et al., 2019; Welch and Welch, 2009). In turn, firms may have a series of motivations for wanting to divest their operations. We coded this variable following the process recommended by Gaur and Kumar (2018) in order to overcome the challenges traditionally associated with extracting replicable inferences from a significant body of text. We used inter-coder reliability through developing a systematic and replicable process of coding exit motives. First, extant literature categorizes exit into two main categories: voluntary de-internationalization (associated with exit due to under-performance) and involuntary de-internationalization (associated with the firm being pushed out of the market by institutional actors, i.e. local governments) (e.g., Benito, 2005; Song, 2014; Tan and Sousa, 2017; Welch and Welch, 2009). Hence, we selected a pilot test sample (50 media articles each corresponding to a re-internationalization event), where each of the two coders used these codes to classify motives for exit in 25 instances of re-internationalization. Within the category of voluntary de-internationalization, both coders identified that this may refer to at least three main types of under-performance: (1) misfit of product/service to market, (2) intense local competition, and (3) inappropriate marketing (often pricing) strategies. Both coders also found that these motives tend to be highly correlated, i.e. firms which use inappropriate market strategies upon initial entry, are likely to face increased competition, particularly from local players who understand the market better. Following this coding process, both coders also agreed that the broad de-internationalization categories, namely "voluntary" and "involuntary" tend to be mutually exclusive as firms quoted either host government efforts to push the firm out of the market or under-performance in the market leading to less efforts to resist the exit. We therefore categorized the exit experience variable into two dichotomous categorical values namely: exit experience motivated by market under-performance ("1") compared to involuntary exit ("0"). In the regression models, the variable "Exit experience: Market under-performance" compares voluntary exit due to host market under-performance with what we refer to as involuntary market exit or de-internationalization.

Changes in mode of operation. The conventional 95% cut-off criterion between joint ventures and wholly owned subsidiaries was used to transform the commitment modes into dichotomous variables (Surdu et al., 2019). Four different categories of modes of operation (commitment) are considered:

exporting, non-equity alliances (licensing, franchising), joint ventures and wholly owned subsidiaries. Changes in commitment measures an increase (decrease) in market commitment, i.e. the mode of operation at the point of re-internationalization is different from the mode of operation at the point of de-internationalization (Surdu et al., 2019). Hence, changes in commitment ("1") is compared in the regression model to the alternative "No changes in commitment" ("0").

Institutional development at exit. Host institutional development is measured on five key indicators developed by the Economic Freedom of the World Index which have been used in previous studies as a measure of the quality of a country's institutional and policy environments (Surdu et al., 2019). The index is composed of: (i) size of government (expenditure, taxes and enterprises); (ii) legal system and security of property rights; (iii) sound money; (iv) freedom to trade with foreigners and (v) regulation of credit, labour and business. The index ranks countries on a continuum between high economic freedom and low state intervention ("10") and low economic freedom and high state intervention ("0"). Other sources of data measuring institutional development do exist (e.g. World Bank indications of country freedom), but previous studies have already elaborated on how these are highly correlated to the EFW index measurements (c.f. Meyer et al., 2009). With regards to critiques around whether the different indicators should be weighed equally, Gwartney and Lawson (2003) explained in depth that the rankings of these indicators are not sensitive to variations in how each of the five components is weighed and that the components themselves are highly correlated. The advantages of using the composite scores in this study are twofold: first, because some of the components are based on survey data, using a larger number of components can help minimise potential bias from measurement error; and second, since not all five components may be available for all countries in our dataset (given that we have over 100 host countries), incorporation of all five, makes it possible to acquire country scores with a high degree of confidence for a larger number of countries. The EFW index remains the most comprehensive and transparent source of data on institutional development[2].

[2] For more details on the robustness of these measures in related to other data sources see Gwartney and Lawton (2003): http://myweb.fsu.edu/jdgwartney/Documents/Gwartney%20Lawson%20EJPE%20article.pdf.

4.4. Moderating variable

For each of the explanatory variables, we test their independent effect as well as the moderating effect of the firm being a nascent MNE, i.e. EMNE or a mature MNE, i.e. DMNE. The effect of the moderating variable is characterized statistically as an interaction effect; that is the categorical variable EMNE (1;0) that affects the direction and/or strength of the relationship between the explanatory variables (market-specific knowledge; market under-performance, changes in operation mode, institutional development effects) and the outcome variable (timing of re-internationalization).

4.5. Control variables

Firm size is widely used as a proxy for the resource capabilities of a firm, with larger firms being able to commit more resources to international activities; firm size measures the total number of assets at the time of the exit with a ln transformation (see also Gao and Pan, 2010). Firm age measures the number of years between when the firm was founded and the year in which it exited; in previous studies, young age has been associated with a greater likelihood of international exposure and less inertia (Kumar et al., 2019). Generic, non-location bound international experience types were also included in our control set. A firm with more diversity of experience, i.e. which operates in a larger number of countries may have more knowledge (Brouthers et al., 2008) and thus, (re)internationalize faster. Experience diversity is measured on two indicators previously used by Brouthers et al. (2008) and Surdu et al. (2018/2019), namely: general experience diversity (total number of international countries in which the firm operated) and host experience diversity (total number of international countries in the host region in which the firm operated). These variables are highly correlated (Brouthers et al., 2008) reflected in the above threshold factor loading (alpha = .78). Similarly, experience intensity is measured as general experience intensity (number of years since the firm internationalized for the first time) and host experience intensity (number of years since the first internationalized for the first time in the host region). Here also, the high level of correlation led to these two experience intensity variables loading onto one factor (alpha = .71). These variables are also measured at the time of exit. Further, the prior mode of commitment may also influence how quickly firms re-internationalize as higher levels of investment tend to involve higher costs upon exit making the event even more impactful; in our

measurement of prior mode we distinguish between firms which were previously operating in the market through exporting, non-equity alliance (licensing, franchising), international joint venture (IJV) or wholly owned subsidiary (WOS). We have industry dummies controlling for the top industries in our sample (automotive, travel, financial and retail). Finally, we control for host market characteristics. Host market attractiveness is a continuous variable that measures changes in the attractiveness of the host market up to three years prior to exit, namely changes in FDI inflows (World Bank Indicators) at time t-3, t-2, t-1 to exit. Host market size measures changes in the size of the host market, i.e. changes in GDP per capita (Purchasing Power Parity, World Bank Indicators) also at time t-3, t-2, t-1 to exit.

Table 2 illustrates the descriptive statistics and correlations for the explanatory and control variables (excluding industry controls). Possible collinearity between variables was tested using variance inflation factor scores (VIFs); all values were below 3 (recommended cut-off value is 10).

--- Table 2 ---

5. Hypothesis test results

The coefficients in Tables 3 and 4 should be interpreted as follows: each coefficient represents an increase or decrease in the expected log of the re-internationalization rate with each one unit of the explanatory variable. In the case of the interaction between explanatory variables and the variable EMNE, the relationship between the explanatory variable and re-internationalization rate may become weaker, stronger, or change sign. For each of the tables, the first model represents the baseline model (Model 1 and 6), followed by the explanatory and moderation variables: experience (Models 2, 3, 7 and 8), changes in mode (Models 4 and 9) and finally, host institutional development (Models 5 and 10). We test for the effects of the explanatory variables with and without the moderating variable.

We have some mixed results for Hypothesis 1. Indeed, we found that prior market-specific experience is not positively related to fast re-internationalization; this type of experience has a negative effect on EMNE re-internationalization within two years after exit (β=-0.031, sig=0.081). This result is consistent with March (2010) and Zollo (2009) who also concluded that that higher levels of experiential knowledge accumulated in time make firms myopic and are often a source of firm-specific

*dis*advantage. In turn, this result becomes positive within 7 years after exit (β=0.015, sig=0.072). Our interpretation of this result is that it may take time to make sense of the usefulness of past market-specific experience for new decisions. Our findings contradict previous studies (Casillas and Moreno-Menendez, 2014; Johanson and Vahlne, 1977).

As per Hypothesis 2, the coefficient associated with initial entry under-performance is linked with very early re-internationalization, i.e. within two years after exit for all firms (β=0.823, sig=0.000). Re-internationalization for firms which have underperformed before exiting may also be more likely within 7 years of exit (β=1.254, sig=0.001) if the firm is an EMNE. We emphasize here that the exit experience has a more significant relationship with re-internationalization timing compared to market-specific experience accumulated over time; this means that MNEs tend to learn through negative experiences more than they learn from positive cumulative experiences (Surdu et al., 2019). In the case of EMNEs, this exit experience remains prominent after 7 years of exiting the market.

Hypothesis 3, which predicted a negative relationship between changes in operation mode and faster re-internationalization, is only partly confirmed for re-internationalization within 7 years (β=-0.551, sig=0.077). We did find that the negative effect of changes in mode on faster EMNE re-internationalization weakens and becomes a positive one (although this relationship is not significant). Finally, as per Hypothesis 4, we found a significant and positive relationship between institutional development and very early re-internationalization within 2 years (β=0.203, sig=0.003) and within 7 years (β=0.193, sig=0.000). As expected, this positive effect becomes weaker if the firm is an EMNE. It may be that, EMNEs, with their adversity capabilities, do not necessarily wait for institutions to develop and become unambiguous to update their experience-based FSAs and re-internationalize.

Our control variables also showed some interesting results. Host market size has a consistently significant and positive effect on early re-internationalization. One explanation for this result is that larger and potentially more profitable markets tend to attract re-internationalizers due to the fear of increased competition in the long term, as the overall buying power of consumers increases. This is particularly the case for market-seeking MNEs such as the ones in our sample. In turn, host market attractiveness has a negative effect on re-internationalization within 7 years after exit, potentially

explained by the fact that, unless re-entry takes place immediately after exit, more investment into the market, may act as a deterrent and create competition there, further enhancing the uncertainty associated with re-internationalization. This is the case for automotive companies also, which tend to (re)internationalize through resource intensive modes such as WOSs (Surdu et al., 2019). Experience intensity is positively related to early re-internationalization in the presence of host institutional development, potentially meaning that firms which have accumulated non-location bound experiential knowledge may be able to mainly exploit these FSAs in developed institutional environments.

--- Tables 3 and 4 ---

5.1. Robustness checks

We conducted a series of further analyses with a view to checking the robustness of our results. First of all, we note that the literature on de-internationalization recognized strategic exit (Tan and Sousa, 2017) as another motivation to abandon foreign markets; this refers to firms exiting foreign markets due to organizational restructuring, reallocation of resources to more important strategic activities, new management and so on – all these apparently unrelated to the host market and its environment. We looked out for these in our coding process and identified 32 events where firms, in addition to market under-performance, quoted strategic motivations to exit. We did not find a significant relationship between re-internationalization timing and strategic exit for any time frame; these results are robust with and without the EMNE interaction effect (e.g. the strongest effect we found was at sig=0.401). Second, given the somewhat counterintuitive results regarding the relatively non-significant relationships between changes in operation mode and re-internationalization timing, we unpacked the variable into commitment escalation (1;0) and commitment de-escalation (1;0) and tested for the independent as well as interaction effects with EMNE. We found that de-escalation does not have a significant relationship with re-internationalization timing. Yet, we found a marginally significant and positive effect of commitment escalation on re-internationalization within 2 years and a negative effect of commitment escalation on re-entry within 7 years. It may be that, when too much time has passed after exit, the effect of learning-by-doing starts to decrease. The negative effect of escalating commitment on re-internationalization within 7 years becomes positive and significant for EMNEs.

This further contributes to our argument that EMNEs engage in a strategic process of altering operation modes rather than using a default strategy to commitment modes as previously assumed.

Third, we used the discriminant analysis technique to further test the results of the Cox regression model. The results of these procedures are similar; particularly, the explanatory variables that most discriminate between slower and faster re-internationalizers are market under-performance and institutional development in both time frames. Relatedly, with regards to our chosen time frames to define "faster" re-internationalization, we ran some additional hazards models to examine re-internationalization within 5 years or later and 10 years or later. Our results stand. In fact, we identified the 7-year period as a good threshold after which the effects of firm variables such as commitment mode decisions start to decrease, and the influence of institutional development becomes even greater.

Finally, we recognize that EMNEs as a category of firms may vary in their levels of FSA development and upgrading, something which has been attributed to the institutional heterogeneity observed between some emerging economies (Gammeltoft, 2008). We ran some further robustness analyses to identify the differences, if any, between EMNEs. For instance, we conducted independent-samples t-test to compare the firm characteristics and re-internationalization patterns of different types of EMNE re-internationalizers. We compared EMNEs from home countries most represented in the EMNE sample (Table 1 - EMNEs from South Korea and India) with the remaining sample of EMNEs. We only found some marginal differences in the market-specific experience of Indian EMNEs compared to the other EMNE re-internationalizers ($t=-1.66$, $p=0.098$). Overall, our results hold.

6. Discussion

Contrary to previous studies, market-specific knowledge acquired over time does not always constitute an important source of learning, and therefore may not always aid MNEs in improving their FSAs. Indeed, accumulated knowledge may slow down re-internationalization. We found that the ability of firms to upgrade their FSAs through learning from negative experiences is more closely linked to how fast firms re-internationalize. Both EMNEs and DMNEs re-internationalize more quickly after having previously underperformed in the market, irrespective of duration of their initial foray.

EMNE re-internationalizers were found to be better equipped to make sense of knowledge acquired through experience in institutionally unstable host environments. DMNEs may wait longer to re-internationalize into these environments; this may be due to ambiguity associated with how the knowledge acquired there can be transformed into a source of re-entry FSAs.

We conclude that EMNEs and DMNEs share similarities as well as differences in their *re*-internationalization. Similarities originate from the fact that, if firms are relying less on FSAs such as experience accumulated over time, then EMNEs are not necessarily at a disadvantage. The differences, in turn, may be attributed to the newness of these firms in the international arena.

An important contribution of our study is around how we conceptualize international experience as a source of FSAs. We find that not all market-specific experiences are a source of FSAs. When firms decide to re-internationalise, the firm's international market-specific experience will strongly determine the limits of its applicability upon re-entry. Market-specific experience does not come only from the experience accumulated over time. This is because the value of experiential knowledge decreases once there are gaps between initial- and re-internationalization. We agree with past studies (Lampel et al., 2009) that some types of experience have disproportionate influences on learning. Over-reliance on experiential knowledge accumulated in time can have a negative effect on subsequent decision-making (March, 2010; Zollo, 2009) particularly when conditions have changed in the time-out period. Organizational routines developed around operating in a given market are unable to help the firm adapt to changes in consumer needs and wants or changes in the quality of the institutional environment. Firms which are newer to the (re)internationalization process and have less embedded organisational routines, such as EMNEs, may rely more on other sources of market-specific knowledge to improve their FSAs. ~~This explains why the exit due to under-performance had the most significant relationship with early re-entry for EMNEs even after 7 years have passed following exit.~~

With regards to key differences between EMNEs and DMNEs, we found some support that the effectiveness of knowledge and experience depends on the context in which these FSAs are acquired, but this is less so for EMNEs. From a normative perspective, the implication of this particular finding is that managers should be aware that operating in market for a given period of time, on its own, does

not necessarily lead to superior learning, particularly when the rules of the game in the host environment are ambiguous. Effectively codifying knowledge in such environments becomes more important.

Second, we emphasize that generic, non-location-bound international experience from operating in multiple foreign markets (Brouthers et al., 2008; Casillas and Moreno-Menendez, 2014) are associated with the internationalization strategies of DMNEs. The extent to which such generic international experience can be applied in different markets is open to question. We believe the usefulness of market-specific knowledge acquired reduces over time. EMNE (re)internationalizers may have less generic knowledge and thus, weaker non-location bound FSAs, but we posit that generic knowledge is less useful when firms modify operations to adapt to the specific requirements of a given host market.

Third, to learn about exit, firms need to be able to unlearn past behaviors and make room for new, more relevant knowledge related to changing their strategy to serve the market or their modus operandi. Learning and unlearning are therefore two faces of the same coin. Once MNEs exit due to under-performance, firms work on addressing the causes for their under-performance in order to avoid late re-internationalization. New learning that may occur in the time-out period does not necessarily override old learning, although new learning may be prioritised in decision making. Unlearning and new learning may occur faster when firms have fewer routines to unlearn. The context in which international experience is acquired and turned into relevant FSAs matters.

To re-internationalize, it is important to make sense of the potentially negative exit experience and unlearn past behaviors in order to perform better the second time around. The ability to upgrade these learning capabilities, irrespective of the host institutional context is highly valuable for competitive advantage. Relying on organizational experience and routines can be beneficial when repeating successful behaviors, but less so when repeating unsuccessful behaviors. EMNEs, given their newness and likely absence of deeply embedded routines, are unlikely to become victims of inertia.

7. Limitations and future research directions

We have only been able to account for a selection of factors that may constitute a direct source of knowledge and learning for the firm. We know that there are other indirect sources of learning such as network experiential knowledge (Blomstermo, Eriksson, Lindstrand and Sharma, 2004). Little is known

about how the value of experience decays over time. In addition, it is worth noting that experience and learning are not always linear, but a punctuated stream of events.

We have not adequately considered the role of the state and state ownership. Ownership structures play an important role in the behavior of these firms internationally, and it is well-known that when the state has a controlling interest, they can influence the strategic actions of firms (Kalasin, Cuervo-Cazurra and Ramamurti, 2019). This is especially relevant for EMNEs.

There are also obvious biases in our data collection. The information collected about re-internationalization events comes from the media outlets. Implicitly, these resources are biased towards larger firms. Although this bias applies primarily to the size and prominence of the MNE, we acknowledge that we have fewer EMNEs than DMNEs in our sample, which may, in part, be attributed to our research design.

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Table 1
Sample characteristics

Top Home countries				**Top Host countries**			
Developed countries		**Emerging countries**		**Emerging countries**		**Developed countries**	
U.S. (197)		South Korea (23)		India (130)		U.S. (52)	
UK (84)		India (22)		China (58)		UK (43)	
Japan (76)		China (17)		Brazil (30)		Japan (33)	
Italy (44)		South Africa (12)		Myanmar (22)		Australia (29)	
Germany (38)		Taiwan (11)		South Africa (21)		Germany (13)	
France (33)		Malaysia (8)		Thailand (19)		Singapore (12)	
Switzerland (29)		Iran (6)		Russia (19)		New Zealand (11)	
Modes used at exit				**Modes used at re-internationalization**			
DMNEs (Total = 575)		**EMNEs (Total = 211)**		**DMNEs (Total = 575)**		**EMNEs (Total = 211)**	
EXPORT	198	EXPORT	74	EXPORT	214	EXPORT	71
NON-EQUITY ALLIANCE	107	NON-EQUITY ALLIANCE	41	NON-EQUITY ALLIANCE	118	NON-EQUITY ALLIANCE	42
IJV	124	IJV	44	IJV	109	IJV	42
WOS	146	WOS	52	WOS	134	WOS	56
		EMNEs		**DMNEs**			
FIRM SIZE (mean)		50 million Euros		50 million Euros			
FIRM AGE (mean)		43 years		73 years			
Market-specific knowledge (mean)		12 years		17 years			

Table 2
Descriptive statistics and correlations (***p<0.001; **p<0.01; *p<0.05)

	Variables	Std. Dev.	Mean	N	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Market-specific knowledge	21.04	16.54	753	1															
2	Exit experience	0.43	0.24	786	-.11**	1														
3	Changes in mode	0.46	0.30	757	-.03	.28**	1													
4	Institutional development	1.25	6.73	728	-.02	.01	-.05	1												
5	Ln FIRM SIZE	1.47	3.58	782	.23**	-.04	.08*	-.12**	1											
6	FIRM AGE	53.33	68.28	759	.41**	-.02	.03	-.18**	.35**	1										
7	EXPERIENCE DIVERSITY general	36.67	51.71	765	.48**	-.08*	.05	-.22**	.40**	.59**	1									
8	EXPERIENCE DIVERSITY host	32.24	39.37	743	.04	.01	.05	-.12**	.24**	.08*	.24**	1								
9	EXPERIENCE INTENSITY general	36.34	43.36	743	.47**	-.04	.06	-.14**	.39**	.61**	.96**	.24**	1							
10	EXPERIENCE INTENSITY host	30.05	31.34	736	.52**	-.05	.04	-.07	.34**	.50**	.77**	.23**	.79**	1						
11	PRIOR MODE EXPORT	0.48	0.39	757	.02	-.09**	-.22**	.02	.02	-.07	.09*	.07	.09*	.04	1					
12	PRIOR MODE NON-EQUITY	0.37	0.17	757	-.10**	.07*	-.11**	.10**	-.15**	-.12**	-.19**	-.01	-.21**	-.15**	-.36**	1				
13	PRIOR MODE IJV	0.39	0.20	757	-.07*	.27**	.29**	-.08*	.03	.05	-.05	-.01	-.01	.01	-.39**	-.22**	1			
14	PRIOR MODE WOS	0.43	0.25	757	.14**	-.19**	.08*	-.03	.08*	.3**	.11**	-.08*	.09*	.08*	-.46**	-.26**	-.29**	1		
15	HOST ATTRACTIVENESS	0.42	0.32	782	.03	-.06	-.07	.09*	-.12**	.02	-.04	-.03	-.04	-.01	-.01	-.02	.03	-.11**	1	
16	HOST SIZE	1.45	9.03	754	-.04	-.02	-.07	.82**	-.12**	-.13**	-.27**	-.20**	-.15**	-.10**	.01	.08	-.05	-.04	.09*	1

Table 3
Cox hazard regression model: Re-internationalization within 2 years versus later

Variable	Model 1		Model 2		Model 3		Model 4		Model 5	
	β (sig.)	S.E.	β (sig.)	S.E.	β (sig.)	S.E.	β (sig.)	S.E.	β (sig.)	S.E.
Market-specific knowledge			**-0.007 (0.092)**	0.004	**-0.003 (0.493)**	0.004	**-0.004 (0.437)**	0.005		
Market-specific knowledge x EMNE			**-0.031 (0.081)**	0.018						
Exit experience: Market under-performance					**0.823 (0.000)**	0.181				
Exit experience: Market under-performance x EMNE					**-0.237 (0.519)**	0.367				
Changes in mode							**-0.028 (0.881)**	0.184		
Changes in mode x EMNE							**0.295 (0.411)**	0.358		
Institutional development									**0.203 (0.003)**	0.069
Institutional development x EMNE									**-0.026 (0.426)**	0.032
Controls										
Ln FIRM SIZE	0.057 (0.368)	0.064	0.060 (0.345)	0.063	0.084 (0.184)	0.063	0.076 (0.232)	0.063	0.040 (0.530)	0.063
FIRM AGE	0.002 (0.378)	0.002	0.002 (0.415)	0.002	0.001 (0.534)	0.002	0.002 (0.409)	0.002	0.002 (0.388)	0.002
EXPERIENCE DIVERSITY	-0.005 (0.604)	0.010	-0.006 (0.538)	0.010	-0.007 (0.538)	0.011	-0.006 (0.580)	0.010	-0.006 (0.528)	0.010
EXPERIENCE INTENSITY	-0.111 (0.286)	0.105	-0.068 (0.541)	0.112	-0.057 (0.609)	0.111	-0.064 (0.568)	0.112	-0.041 (0.708)	0.110
PRIOR MODE EXPORT	0.099 (0.643)	0.214	0.136 (0.525)	0.214	0.035 (0.869)	0.213	0.086 (0.690)	0.217	0.147 (0.495)	0.215
PRIOR MODE NON-EQUITY	-0.296 (0.268)	0.267	-0.273 (0.306)	0.267	-0.500 (0.068)	0.275	-0.284 (0.291)	0.269	-0.301 (0.256)	0.265
PRIOR MODE IJV	0.370 (0.094)	0.221	0.372 (0.095)	0.223	0.050 (0.830)	0.234	0.358 (0.113)	0.225	0.395 (0.072)	0.219
AUTOMOTIVE	-0.083 (0.716)	0.229	-0.054 (0.807)	0.221	-0.198 (0.383)	0.227	-0.032 (0.885)	0.221	-0.090 (0.685)	0.221
TRAVEL & LEISURE	-0.373 (0.086)	0.217	-0.417 (0.056)	0.218	-0.431 (0.048)	0.218	-0.466 (0.034)	0.220	-0.524 (0.017)	0.220
FINANCIAL	-0.320 (0.226)	0.265	-0.358 (0.171)	0.262	-0.276 (0.295)	0.264	-0.328 (0.212)	0.263	-0.255 (0.325)	0.259
RETAIL	-0.089 (0.704)	0.235	-0.112 (0.632)	0.233	-0.184 (0.427)	0.232	-0.102 (0.663)	0.234	-0.070 (0.762)	0.230
HOST ATTRACTIVENESS	0.147 (0.405)	0.177	0.159 (0.368)	0.176	0.193 (0.281)	0.179	0.146 (0.414)	0.178	0.154 (0.386)	0.178
HOST SIZE	0.181 (0.009)	0.069	0.182 (0.009)	0.070	0.207 (0.004)	0.072	0.185 (0.008)	0.070	0.183 (0.009)	0.070
N	736		736		736		736		728	
-2 Log Likelihood	2269.1		2277.9		2257.9		2279.5		2248.4	
Chi-square	17.371 (0.165)		20.288 (0.014)		47.785 (0.000)		19.845 (0.227)		20.350 (0.017)	

Table 4
Cox hazard regression model: Re-internationalization within 7 years versus later

Variable	Model 6		Model 7		Model 8		Model 9		Model 10	
	β (sig.)	S.E.	β (sig.)	S.E.	β (sig.)	S.E.	β (sig.)	S.E.	β (sig.)	S.E.
Market-specific knowledge			**-0.001 (0.741)**	0.005	**0.003 (0.499)**	0.005	**0.001 (0.829)**	0.007	**-0.001 (0.761)**	0.005
Market-specific knowledge x EMNE			**0.015 (0.072)**	0.010						
Exit experience: Market under-performance					**0.014 (0.945)**	0.200				
Exit experience: Market under-performance x EMNE					**1.254 (0.001)**	0.383				
Changes in mode							**-0.551 (0.077)**	0.312		
Changes in mode x EMNE							**0.964 (0.122)**	0.624		
Institutional development									**0.193 (0.000)**	0.050
Institutional development x EMNE									**0.061 (0.032)**	0.029
Controls										
Ln FIRM SIZE	-0.065 (0.409)	0.079	-0.048 (0.546)	0.079	-0.044 (0.588)	0.080	-0.140 (0.182)	0.105	-0.116 (0.127)	0.076
FIRM AGE	0.001 (0.723)	0.002	0.001 (0.751)	0.002	0.001 (0.906)	0.002	0.001 (0.883)	0.003	0.001 (0.747)	0.002
EXPERIENCE DIVERSITY	-0.005 (0.680)	0.013	-0.004 (0.774)	0.013	-0.004 (0.755)	0.013	0.009 (0.558)	0.016	-0.008 (0.502)	0.012
EXPERIENCE INTENSITY	0.183 (0.120)	0.118	0.163 (0.190)	0.124	0.186 (0.143)	0.127	0.103 (0.538)	0.167	0.260 (0.027)	0.117
PRIOR MODE EXPORT	0.202 (0.384)	0.233	0.180 (0.449)	0.237	0.226 (0.333)	0.234	-0.159 (0.551)	0.266	0.238 (0.309)	0.234
PRIOR MODE NON-EQUITY	-0.067 (0.802)	0.269	-0.045 (0.867)	0.271	-0.003 (0.991)	0.272	-0.419 (0.187)	0.317	-0.162 (0.554)	0.273
PRIOR MODE IJV	0.262 (0.351)	0.281	0.274 (0.338)	0.286	0.282 (0.344)	0.299	-0.355 (0.221)	0.290	0.338 (0.223)	0.277
AUTOMOTIVE	-0.428 (0.103)	0.262	-0.441 (0.094)	0.263	-0.479 (0.072)	0.267	-0.459 (0.133)	0.305	-0.483 (0.054)	0.251
TRAVEL	-0.354 (0.090)	0.208	-0.366 (0.084)	0.211	-0.356 (0.093)	0.212	-0.484 (0.031)	0.224	-0.550 (0.015)	0.227
FINANCIAL	-0.097 (0.760)	0.319	-0.099 (0.763)	0.326	-0.111 (0.736)	0.329	-0.020 (0.963)	0.437	-0.256 (0.439)	0.330
RETAIL	-0.410 (0.146)	0.282	-0.405 (0.153)	0.283	-0.388 (0.170)	0.283	-0.222 (0.549)	0.371	-0.393 (0.165)	0.283
HOST ATTRACTIVENESS	-0.415 (0.034)	0.196	-0.469 (0.019)	0.200	-0.440 (0.027)	0.199	-0.390 (0.093)	0.232	-0.431 (0.029)	0.197
HOST SIZE	0.191 (0.004)	0.066	0.177 (0.008)	0.067	0.182 (0.007)	0.068	0.237 (0.004)	0.082	0.182 (0.007)	0.067
N	736		736		736		736		728	
-2 Log Likelihood	1477.2		1474.2		1472.5		231.4		1587.9	
Chi-square	21.153 (0.065)		26.016 (0.021)		27.222 (0.000)		20.817 (0.053)		33.390 (0.000)	