THE INTERNATIONALISATION PROCESS OF EMERGING MARKET MULTINATIONAL CORPORATIONS: A CASE STUDY OF NIGERIA

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Copyright statement

ABSTRACT

Further studies are required to provide an insight and understanding into the internationalisation process of EMNCs, because the theories of firms' internationalisation were developed from studies in advanced countries. However the behaviour of EMNCs may be different from that of firms from advanced countries. Despite a growing number of studies on the internationalisation process of emerging market multinationals (EMNCs), Latin American and Asian firms have dominated the geographical focus. Studies of the internationalisation process of Sub-Saharan African firms, in particular that of Nigerian firms, are lacking in the international business literature.

This study examines the factors that have impacted on the domestic growth of Nigerian firms, the factors that have motivated their internationalisation and the location patterns of their internationalisation. It draws on four case studies of Nigerian companies from different sectors of the Nigerian economy; namely, manufacturing, banking, insurance and ICT. This study is important because it brings an in-depth understanding to an under explored new phenomenon. Data were drawn from multiple sources of evidence for triangulation and convergence. "Within-case" and "cross-case" data analysis was undertaken. The primary data were analysed thematically and the Nvivo 11 qualitative software package was used for data coding.

It was found that there is no uniform set of factors that have motivated the internationalisation of Nigerian firms. Even though some similarities exist across cases, there are also stark differences. The study shows that Nigerian firms have evolved during a difficult period in Nigeria's economic development. It also reveals that the economics of liberalisation after the democratic transition in 1999 opened new opportunities, which enabled Nigerian firms to accumulate their specific ownership advantages in the domestic market, which then enhanced their competitive advantage in both domestic and international markets. The home country's specific advantages, such as resource endowment, favourable domestic business environment and home market profitability have had a positive impact on firms' ability to develop their specific advantages. The study reveals that institutional and resource based factors drove the domestic growth of the four firms. These included the political environment, social conditions, economic conditions, technological changes, sectorial characteristics, management orientation and the resources and capabilities of the firms.

The internationalisation of Nigerian firms also reflects a Pan-African investment strategy. Regional/host markets factors were key motivations for the firms' internationalisation and their location patterns. Regional markets provided the case firms with opportunities to expand and also served as an international entry point to develop their experiential learning of internationalisation. Home market advantage, network relationships, management orientation, vision, resources and capabilities were found to have impacted positively on the internationalisation process of Nigerian firms. The study indicates that the geographical proximity of the host market, rather than its psychic distance, was a motivation for both Nigerian firms' internationalisation and their location pattern.

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Dedication

To my loving daughter Oluchi Romanus

To my dearest husband Mr Jude Romanus

In memory of my parents Mr and Mrs Thomas Omokaro

To anyone that has a dream no matter how small but perseveres to achieve such dreams

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List of Abbreviations

AFDB	African Development Bank
BIP	Backward Integration Policy
BVD	Bureau van Dijk's
CBN	Central Bank of Nigeria
CMAN	Cement Manufacturing Association of Nigeria
ECOWAS	Economic Community of West African States
EMNCs	Emerging market multinationals
EM	Emerging Market
ERM	Enterprise Risk Management
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GUO	Global Ultimate Owners
IB	International Business
ICT	Information and communication Technology
IFDI	Inward Foreign Direct Investment
IPO	Initial Public Offering
LAFs	Latin American Firms
M&A	Merger and Acquisition
MNCs	Multinational Corporations
N	Naira (Nigerian currency)
NAICOM	National Insurance Commission
NBC	National Broadcasting Commission
NBS	National Bureau of Statistics
NCC	Nigerian Communication Commission
NIPC	Nigerian Enterprises Promotion
NIT	National Information Technology
NITDA	National Information Technology Development Agency
NITEL	Nigerian Telecommunications Limited
NMNCs	Nigerian Multinational Corporations
NSE	Nigerian Stock Exchange
OFDI	Outward Foreign Direct Investment
OPEC	Organization of the Petroleum Exporting Countries
RBV	Resource Based View
REAG	Royal Exchange Assurance Agency
ROI	Returns on Investment
SA	South Africa
SSA	Sub-Sahara Africa
UNCTAD	United Nations Conference on Trade and Development
UNEP FI	United Nations Environment Program Finance Initiative
WAEMU	West African Economic and Monetary Union
WOS	Wholly Owned Subsidiaries
WTA	Wireless Telegraph Act

Academic Biography

Constance Omokaro-Romanus is a PhD student of international business in the Huddersfield Business School, UK. Constance is also a part time lecturer of international business at the Huddersfield Business School. Before entering academia, Constance worked as an IT specialist for several years. Constance obtained a Higher National Diploma in Business Administration and Management from Brighton School of Business, UK and her Bachelor's degree from the University of Huddersfield. Constance's research interests are in strategies of emerging market multinationals; internationalisation strategy processes; and internationalisation strategies in Sub-Saharan Africa. Constance has presented papers at several conferences including the AIB-UKI conference and The Global Strategy and Emerging Market Conference (Northeastern University, Boston, MA, USA). Constance is a member of AIB-UKI Chapter and a journal article based on her doctoral research has been published in Thunderbird International Business Review.

CHAPTER ONE: PURPOSE OF THIS THESIS

1.1 Introduction

The study of the internationalisation process of emerging market multinationals (EMNCs) has gained prominence in the last two decades, as a result of the recent economic growth and transformation witnessed in emerging markets (EM). The internationalisation of EMNCs has attracted particular interest from international business (IB) and strategy scholars (Athreye & Kapur, 2009; Hoskisson, Eden, Lau, & Wright, 2000; Hoskisson, Wright, Filatotchev, & Peng, 2013; Jormanainen & Koveshnikov, 2012). The outward foreign direct investment (OFDI) from emerging markets was $11.9 billion in 1990, which increased to $170 billion on average from 2000 to 2008. By 2013, investment from emerging markets stood at $553 billion, which accounted for 39% of global OFDI compared to 12% in 2000 (UNCTAD, 2014).

The OFDI flows from Africa saw an increase of 71% between 2011 and 2013, due to increased investment from South Africa, Angola and Nigeria (UNCTAD, 2014a). Sub-Saharan African (SSA) firms have also emerged as high profile multinational corporations (MNCs) in different sectors of the economy. Such firms have been increasingly engaged in outward foreign direct investment (OFDI), taking advantage of their home countries' favourable economic policies to internationalise across the SSA region and beyond (Initiative for Global Development and Dalberg Global Development, 2011; William, 2013). Such firms include, for example, MTN, First Bank of Nigeria, Eco Bank of Senegal, Diamond Bank of Nigeria, Continental Reinsurance, Dangote Industries, ShopRite, Equity Group Holdings, GlobalCom, InterSwitch and Computer Warehouse Group.

However, a review of the extant literature shows that Asian and Latin American firms have dominated the study of EMNCs' internationalisation (Child & Rodrigues, 2005; Cyrino, Barcellos, & Tanure, 2010; Eren-Erdogmus, Cobanoglu, Yalcın, & Ghauri, 2010; Fortanier & Tulder, 2009; Olaya, Olaya, & Cuéter, 2012; Sim, 2005; Bianchi, 2014). SSA firms have received less attention; in particular, research on the internationalisation process of Nigerian firms is still lacking (Bolaji & Chris, 2014; Boojihawon & Acholonu, 2013; Ibeh, 2003; Ibeh, Wilson, & Chizema, 2012). A study of the internationalisation process of Nigerian firms is important given the size of the Nigerian economy and its influential position on the continent. Such a study can create a path to understanding the internationalisation process of SSA firms generally (Omokaro-Romanus, Anchor & Konara, 2018). This gap in the literature became the motivation for explaining the emergence and evolution of Nigerian firms in the present thesis. However, scholars have also called for studies which would explicitly address the heterogeneity of EMNCs, their evolution, their internationalisation strategies and the motivations behind their internationalisation patterns (Bianchi, 2014; Bolaji & Chris, 2014; Boojihawon & Acholonu, 2013; Cavusgil, Ghauri, & Akcal, 2013; Cuervo-Cazurra & Ramamurti, 2014; Eren-Erdogmus, Cobanoglu, Yalcın, & Ghauri, 2010; Gammeltoft, Pradhan, & Goldstein, 2010; Khanna, Palepu, & Sinha, 2005; 2013). The study of Sub-Saharan multinationals is at its early stage of development - therefore, further studies are required in order to provide in-depth insight and understanding, with a view to developing a broad and generalisable framework for analysing the internationalisation process (Omokaro-Romanus & Anchor, 2015).

1.2 Research Aim, Objectives and Questions

1.2.1 Research aim and questions

The aim of this thesis is to investigate the internationalisation process of Nigerian firms from different sectors of the Nigerian economy with the context of Nigeria. The thesis is especially concerned with how Nigerian firms have evolved from local firms to multinational firms. A case study methodology is adopted because of its relevance to the research question, research objectives, theoretical proposition and the (small) sample size (Silverman, 2013, Yin, 2014).

This thesis addresses three specific empirical questions: (a) what are the factors that have impacted on the domestic growth of Nigerian firms over time?; (b) what are the factors that have motivated the internationalisation and internationalisation patterns of Nigerian firms?; (c) do Nigerian firms exhibit unique characteristics in their internationalisation processes?

1.2.2 Research objectives

The overarching aim of this thesis was how to explain the emergence and evolution of Nigerian firms. This aim was then sub-divided into four specific objectives.

The first objective of this thesis was to determine the factors that had impacted the domestic growth of the selected Nigerian firms, in terms of how the firms have evolved over time to become multinational firms and the role of their domestic growth in their subsequent internationalisation.

The second objective of this thesis was to examine the factors that have motivated Nigerian firms' internationalisation and their internationalisation location patterns. The general overview of the OFDI position of Nigerian firms is still unclear, although there has been increased foreign investment in the past few years. Nigerian economic growth in the past 15 years is seen to be, to some extent, a consequence of the country's domestic firms growing to large firms which have engaged in internationalisation. However, Nigerian firms are at their early stage of internationalisation, and furthermore, foreign investments are assumed to be mostly concentrated in their immediate region. There is still a lack of knowledge and understanding about the internationalisation process of Nigerian firms and research that will have an impact in policy debate should become the research focus of the Sub-Sahara Africa (SSA) region (Adeleye, White & Boso, 2016).

The third objective of this thesis was to ascertain if Nigerian firms exhibit unique internationalisation behaviours that can help extend internationalisation theory. The context specificity of Nigerian firms, the nature of their firms and the observed internationalisation patterns may well have the potential to adjust traditional theoretical perspectives on internationalisation. The importance of studies in different contexts has been emphasised by different scholars, due to the idiosyncratic characteristics of EMNCs (Bianchi, 2014; Bolaji & Chris, 2014; Boojihawon & Acholonu, 2013; Cavusgil, Ghauri, & Akcal, 2013; Cuervo-Cazurra & Ramamurti, 2014; Eren-Erdogmus, Cobanoglu, Yalcın, & Ghauri, 2010; Gammeltoft, Pradhan, & Goldstein, 2010; Khanna, Palepu, & Sinha, 2005; 2013).

The level of country's economic development and its institutional context will have an impact on the behaviour, value chain and strategies of its international businesses (Luo & Tung, 2007; Wright et al., 2005; UNCTAD, 2006). The Nigerian firms in this study provide an opportunity to ascertain if Nigerian firms exhibit unique characteristics in their internationalisation process that would contribute to the literature on EMNCs.

The fourth objective of the study was to modify the conceptual framework which was initially developed following the literature review in order to reflect the empirical findings of the research.

1.3 Scope of the study and potential contributions to theory

The theory underpinning this study is based on the emerging market literature, but limitations inherent within the literature have led to the integration of two established theoretical perspectives - the Uppsala model and the Dunning OLI eclectic paradigm (see Dunning, 1980, 1988; Johanson & Mattsson, 1988; Johanson & Vahlne, 1977; Jansson, 2009; Meyer and Thaijongrak, 2013; Tan, Brewer, & Liesch, 2007). It has been suggested that researchers should incorporate existing theories by developing multi-level models that account for country, industry and firm specific factors (Jormanainen & Koveshnikov, 2012). By so doing, researchers can start to lay the ground work to better understand the plurality of EMNCs from different geographical regions (Ramamurti, 2009). As a result, a theoretical proposition was developed to explain the internationalisation process of the four selected case companies, as discussed in the literature review (Chapter 2).

The theoretical perspective of the Uppsala model posits that internationalisation is a process that involves a series of incremental steps that firms take to become involved in international activities (Johanson & Vahlne, 1977; 1990). The experiential underpinning of the Uppsala model stipulates that the more knowledge a firm has about a market, the more resources will be committed, and the psychic distance concept of the model ascertains whether or not a firm would invest in a physically proximate market before investing in a psychically distant market. The Uppsala model has been widely adopted to explain the internationalisation process of Latin American emerging market firms (Cyrino et al., 2010; Bianchi, 2014; Goldstein & Pusterla, 2010; Mihailova & Panibratov, 2012; Olaya et al., 2012; Sim, 2005).

This thesis postulates that the growth and evolution of Nigerian firms is realised through a series of incremental steps, with a domestic focus at the early stage and during subsequent internationalisation (Johanson and Vahlne, 1977; 1990). The thesis also suggests that the economic liberalisation policies that followed the democratic transition in Nigeria led to the emergence of large firms in different sectors of the Nigerian economy. The liberalisation policies also strengthened the firms' abilities to expand their operations in the domestic market and beyond the Nigeria border (AFDB, 2013). The assumption is that domestic market factors have played a major role in the rapid domestic growth and internationalisation of Nigerian firms. This study suggests that the changing business strategies of the firms in their pre-internationalisation stage played a large role in their growth process. It also suggests that Nigerian firms may have invested in their region before investing in distant markets.

The other theoretical perspective incorporated in this thesis is the OLI eclectic paradigm, which has been used to explain the internationalisation of both Latin American and Asian EMNCs. The OLI eclectic paradigm asserts that MNCs engage in foreign production to exploit three types of advantages, namely - ownership (O), location (L) and internalisation (I) advantages (Dunning, 1981; 1988). The OLI eclectic paradigm affirms that firms with specific ownership advantages, which may be tangible or intangible, will capitalise on specific ownership advantages to internalise their operations in a foreign market to achieve a location advantage (Dunning, 1988). This thesis suggests that the specific ownership advantages of Nigerian firms, which were accumulated in the home market, motivated their internationalisation. Such advantages include domestic market knowledge, physical and financial resources, network relationships, technological know-how, innovation and management experience. This thesis assumes that Nigerian firms were motivated to internationalise with a view to taking advantage of regional market opportunities and their growth potential. The assumption is that Nigerian firms were motivated to internationalise in order to become regional players. The study finds that network relationships with different partners have enabled both the domestic growth and foreign expansion of the case companies, and that such a network relationship advantage provided the firms with technical-know and capabilities to follow their customers, or be closer to their customers in foreign locations.

1.4 Context of the Study

The case boundary of this study is “the internationalisation process of Nigerian Firms” and Nigeria is defined as the context of the study. Nigeria is an emerging economy that has seen an emergence of large firms and increased internationalisation in the past few years. The growing importance of SSA emerging economies as the frontier for future global economic growth deserves more research attention. In addition, there is a lack of data and research on Nigerian firms’ evolution, growth and internationalisation (Acholonu, Boojihawon, & Hanuman-Oogarah, 2010; Bolaji & Chris, 2014; Boojihawon & Acholonu, 2013; Ibeh, 2003; Ibeh et al., 2012). The study is restricted to the factors that have impacted the four selected case companies’ domestic expansion during their pre-internationalisation stage, their motivation for internationalisation and their internationalisation pattern. This approach is taken to explore and address aspects the international expansion of these firms in areas that have not been sufficiently addressed in the international business literature (Bolaji & Chris, 2014; Boojihawon & Acholonu, 2013; Ibeh, 2003; Ibeh et al., 2012). An investigation of the case firms' entry strategies and international performance is beyond the scope of this study.

This study is one of the first to have attempted to study empirically the internationalisation process of Nigerian firms, using in-depth multiple case study methods. This research strategy allows the thesis to bring insight to the distinctive dynamic domestic growth processes of Nigerian firms. A case study design allows the study to generate insight into Nigerian firms' motivation for internationalisation and their location patterns.

This thesis also strives to uncover whether or not the experience of the four selected Nigerian multinational firms can be sufficiently explained by the existing literature and whether or not what is previously known about Asian and Latin American emerging firms can be extended to those of Nigeria. The thesis seeks replication through analytical generalisation with the defined theoretical proposition, which will be discussed further in the methodology chapter 4. The analytical generalisation will be achieved through individual case analyses, using a "within-case" and "cross-case analysis" technique, as described in chapters 5 and 6. As a result, the case firms will be analysed, compared and contrasted and the findings will be used for theory building.

The four case companies were selected because they have experienced rapid growth in the last few years, and they were all established by private individuals. The firms' positions as large corporations in their domestic sectors have allowed them to become pioneers and to become internationalised in their business sectors. The selected case companies have subsidiaries in at least three countries and have engaged in internationalisation for at least five years. The firms' willingness to be part of a case study and to provide access to their official documents were also reasons why they were chosen. The research data was drawn from multiple sources; namely, semi-structured face-to-face interview, databases, case companies' documentation, and data from both the public domain and various government institutions. The data obtained from multiple sources of evidence should enhance the research reliability and quality. The case study approach of the thesis enables the firms' chronological and evolutionary growth processes to be captured from their establishment, until 2015. Therefore, intensive study of the internationalisation process of Nigerian EMNCs will contribute to the understanding of their domestic expansion process, internationalisation motivations, international location pattern and their internationalisation process.

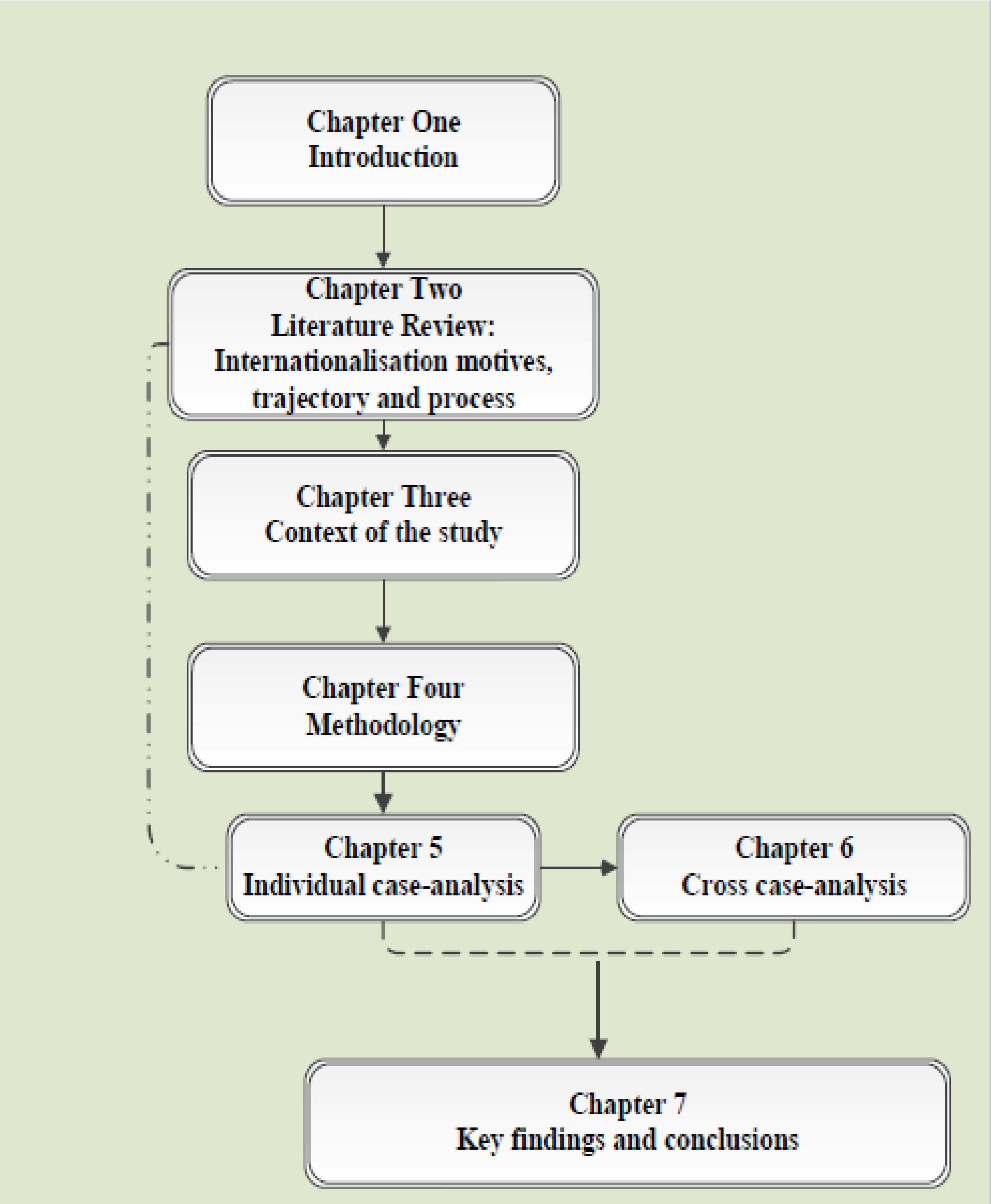
A conceptual framework was developed for this study, as a result of the literature review (Figure 2.3). This provides links between the research questions, objectives and the study context. The framework was also used to construct the interview questions and identify key themes in the data analysis.

The key terms used in this thesis are explained in the next section.

1.5 Thesis Overview and Chapter Conclusion

This thesis is organised into seven chapters (Figure 1.1). Following the introduction, Chapter 2 reviews the general theory of firms' internationalisation and the theoretical perspectives underpinning the present study. The chapter also reviews relevant literature pertaining to the internationalisation process of EMNCs. Chapter 3 presents the study's background, the historic evolution of the Nigerian economy, starting with independence, a sectorial overview, and the position of Nigeria's outward foreign direct investment is also discussed. Chapter 4 presents the research methodology, the rationale behind the case selection and the approach to the data collection and data analysis. The individual cases analysis is presented in chapter 5, following a similar case presentation structure for all the case companies, which are detailed in four main sections. The first part provides a sectorial overview of the firm, the second section examines the background of the case firms, whilst the third part discusses the firms' domestic growth, and part four analyses the internationalisation of the case companies. The findings of the study are cross analysed in chapter 6, within the context of the research objectives. The findings of the cases are then analysed, compared and contrasted, while the findings are presented in the form of tables, figures and matrices. Finally, chapter 7 identifies the overall thesis contribution to the body of existing knowledge, discusses the policy impact of the study, suggests directions for further research, and then draws the thesis to a conclusion.

Figure 1. 1 Thesis overview and structure



CHAPTER TWO: LITERATURE REVIEW: THE INTERNATIONALISATION PROCESS OF EMERGING MARKET MULTINATIONAL FIRMS

2.1 Introduction

This chapter provides a review of the relevant literature relating to the internationalisation process of emerging market multinationals. The chapter start by providing a definition to the key terms used in this thesis followed by discussion on the evolution of FDI theories and the theories of MNCs that support the present study. This is followed by a review of the evolution of the literature of EMNCs. Section 2.5 addresses the literature relating to the domestic expansion of firms, the motivations for their internationalisation, and their location pattern. The internationalisation process of Nigerian firms is then discussed in section 2.6. Section 2.7 offers an analysis of the gap identified in the literature; then the theoretical proposition of the thesis is presented. Sub-section 2.7.2 presents the conceptual framework of the thesis and section 2.8 draws the chapter to a conclusion.

2.1.1 Definition of Key Terms

The study is concerned with the internationalisation process of Nigerian firms. To ensure a clear understanding, it is appropriate to define a few of the primary terms used in this thesis.

Multinational Corporations/Enterprise/Firms (MNCs or MNEs) – Various terms are used to explain the meaning of ‘multinational corporations’. The United Nations see multinational enterprises (MNEs) as "all enterprises which control assets—factories, mines, sales offices and the likes in two or more countries." (UNCTAD 1978:158). Rugman and Collinson (2012) define multinational corporations (MNCs) as firms that are headquartered in one country, but with operations or subsidiaries in one or more other countries. For clarification purposes, MNE and MNC are used interchangeably in this thesis.

Internationalisation is ‘the crossing of national boundaries in the process of growth’ (Buckley & Ghauri, 1999), ‘outward internationalisation’ (Deng, 2012b), and the process of transferring an organisation’s knowledge across borders (Aulakh, 2007). The internationalisation process is one which involves a series of incremental steps in firms’ evolutionary “stages”, whereby organisations gradually become involved in internationalisation activities (Johanson & Vahlne, 1977; 1990). The internationalisation process is how a business spreads locally and between countries both regionally and globally (Jansson, 2009:48).

Emerging markets (EM) – There is no single accepted definition of the term “emerging market” However, “emerging market” is generally defined as low income, rapid growth countries, using economic liberalisation as their primary engine of growth (Hoskisson et al., 2000). The International Finance Corporation identified 51 growing emerging markets in Asia, Latin America, Africa and the Middle East, followed by the European Bank for Reconstruction and Development classification of a transition economy (EBRD, 1998; Hoskisson et al., 2000; UNCTAD, 2006). Additionally, the World Bank has used countries’ Gross National Income (GNI) index as the classification of an emerging market, whereby low income countries are countries where GNI is less than $1045 and lower middle countries $1046 - $4126 (World Bank, 2017).

Emerging market multinationals (EMNCs) - EMNCs are any enterprises with headquarters in developing countries, controlling assets and influencing the decision making process of one or more cross-border subsidiaries or affiliates (Yeung, 1994). Sub-Saharan African multinationals are defined as domestically grown firms within the private sector, with headquarters in Sub-Sahara Africa (Initiative for Global Development & Development, 2011).

2.2 Evolution of Foreign Direct Investment Theory

The theories that explain the foreign direct investment of EMNCs grow out of the traditional theories of MNCs from developed countries. Therefore, it is important to discuss these theories, because they have shaped the thinking of the evolution of EMNCs, as well as contributed to the understanding of the growth of EMNCs. The next section discusses the evolution of FDI theories

2.2.1 The evolution of international trade and internationalisation theory

FDI theories prior to 1960 were rooted in international trade theory literature, such as Adam Smith's 'absolute advantage theory' (1796), David Ricardo's 'Comparative advantage theory' (1817), and Heckscher and Ohlin's 'factor proportion/endowment theory' (H-O 2x2x2 model) from 1929. The earlier theories focused on explaining trade between countries with distinct factor endowments, such as capital, labour, land and natural endowment. The basic assumptions of classical/neo-classical trade theories were that trade was restricted between two countries, local availability of production factors are immobile across countries, and that product and production processes are similar across nations. It was also an assumption that consumers' preferences were the same across competitive markets, with no transport costs in trade and no trade barriers between countries. As international trade evolved, the classical/neo-classical theories were insufficient to explain international trade.

A systematic study in the 1950s and 1960s found that international investment by MNCs required firm-based explanations, as opposed to the macro-level of conventional trade theories (Hymer, 1976). A new strand of FDI theories started to emerge to address the limitations of the international trade theories. These included Edith Penrose's 1959 Resource Based Theory (RBT), best known as "The Theory of the Growth of the Firm" and Stephen Hymer's 1961 competitive theory, in which the modern FDI theories are rooted. Penrose realised that the neo-classical trade theory was unable to explain MNCs expansion, innovation and multi-product organisation, because there was a distinction between the firm and the market. Penrose's (1959) RBT described firms as a unique bundle of resources in which a growth strategy leads to change in an organisation, and further, such change will later facilitate further growth. She wrote that firm growth can be studied as a dynamic process of management interacting with firm resources and a described how a firm's overall business strategic approach changes during their expansion process. Penrose asserts that there is link between various kinds of resources in which a firm works. Such resources are managerial, entrepreneurial and innovative. Penrose's theory serves as a link to the economic and organisation theory of firms, institutions and strategy. Penrose's theory provides a new perspective on the study of MNCs, because her study accounts for the growth of firms as evolutionary. Both the manager's and government's role were taken into account in the growth process. Penrose's work was the basis from which the Resource Based View (RBV) of firms was developed.

2.2.2 Industrial organisation theory: Stephen Hymer

Stephen Hymer's doctoral dissertation in 1960 was a precedent for the development of the modern FDI theory of MNCs, based on industrial organisation theory (Dunning and Rugman, 1985). Hymer's study transformed the neo-classical economic theory of international trade and his study recognised the factors through which MNCs maintain control over foreign production vis-a-vis FDI. Hymer's theory suggests that firms must possess some hard-to-replicate advantages over their competitors in order to succeed in a foreign market. Such advantages are economies of scale, strong technological expertise, product differentiation, high capital intensity, business techniques, superior knowledge and experience advantages (Hymer (1960). These factors are important because operating in a foreign market carries a much higher risk than operating in a domestic market, due to differences in rules and regulations, political pressure, discrimination, dissimilar cultures, language barriers and other operational barriers. In addition, foreign firms have to compete with local firms with better knowledge of the domestic business environment, market needs and economic conditions. Hymer's theory became the first to make an effort to change international trade and investment theory, with a focus on examining and explaining FDI (Dunning and Rugman, 1985). Hymer's competitive advantage theory contributed significantly to theories of MNCs and formed the basis for Dunning's OLI eclectic paradigm. However, Hymer's theory was not viewed as sufficient to provide a comprehensive theoretical framework for MNCs (Dunning and Rugman, 1985). The theory was also criticised for failing to explain firms' evolution and their internationalisation process.

2.2.3 Internalisation theory

Another development in the theories of MNCs was the work of Buckley and Casson (1976) which was influenced by Coase's 1937 theory of internalisation, which was later developed by (Hennart, 1991; Williamson, 1975, 1979). The intention behind internalisation theory was to address the motives for firms engaging in FDI, drawing from the market failure concept, as discussed by Coase (1937). The internalisation theory suggests that MNCs will internalise their foreign operations when the benefits and incentives outweigh the costs arising from within a firm's operations. Internalisation is a strategic approach by which MNCs reduce transaction costs by internalising their operations in different countries (Buckley, 1992, pp. 62-63; Buckley & Casson, 1976, 1985; Hennart, 1991). From this perspective, a firm would internalise their foreign operations under certain conditions to avoid market imperfections in an intermediate market in order to minimize the costs of doing business in a foreign market. The proponents of Buckley and Casson's (1976) view include Caves (1996), Rugman (1981), Hennart (1991), and Buckley (1988, 1992).

Despite the contributions of the earlier FDI theories to IB, there were limitations. For instance, internalisation and transaction cost theories were more concerned with market failure than with the success of a firm. These theories also ignored relevant factors, such as management and organisational costs, which a firm may incur during their internationalisation process. Besides, a firm may internationalise for different reasons other than for cost reduction purposes (Calvet, 1981; Cantwell, 2000; Demsetz, 1988). Calvet (1981) suggests that for FDI theory to be comprehensive, it should be able to address firms' internalisation and the motives behind their foreign expansion. The next section discusses new FDI theories that have shaped the theoretical perspectives and reasoning of this thesis.

2.3 New Theories of MNCs

2.3.1 Dunning's OLI eclectic paradigm of international production

A well referenced internationalisation theory for explaining MNCs' outward foreign direct investment is Dunning's Eclectic model (Dunning, 1980). The eclectic model is often referred to as the OLI paradigm, and is borne out of the insufficiencies of the earlier FDI theories, especially that of Hymer's competitive advantage and industrial organisation theory (Dunning and Rugman, 1985). Dunning (1988) asserts that MNCs engage in foreign production to capitalise on three sets of advantages in an attempt to gain a competitive advantage in a foreign market; namely, Ownership (O), Location (L) and Internalisation (I). The OLI eclectic paradigm synthesises features from different economic theories to form a comprehensive theoretical framework for the analysis of MNCs' FDI.

Ownership advantages

The first feature of the OLI eclectic framework, the "O" ownership advantage, refers to competitive advantages which organisations possess that enable them to competite in a foreign market (Dunning, 1988). Firms' ownership advantages may include both tangible and intangible resources, such as financial and physical assets, human resource capabilities, technological know-how, innovation, and management experience. Such advantages may also include internal and external sources of knowledge (Marinova & Marinov, 2011). A firm with a specific ownership advantage at home will be motivated to internationalise and compete more strongly in a foreign market. A firm's internationalisation is proof of their possession of ownership advantages at home, which enable them to expand and compete in a foreign market (Dunning, 2002). A firm's ownership advantage should be enough to overcome the additional costs incurred in the foreign market when compared to competitors in the host market. Therefore, an ownership advantage may encompass the size, position of the firm in the home market, product, processes, product diversification, marketing capability, as well as access to inputs and resources (Dunning, 2001; Dunning, 2002; Tahar, 2005). Home country specific advantages, such as resource endowments and a favourable domestic business environment enable firms to develop their specific ownership advantages (Elango and Pattnaik, 2007).

Location advantages

The second feature of the OLI framework is location. The "L" advantage refers to the attractiveness of foreign markets, which organisations may identify to exploit their ownership advantages. A foreign location should be attractive enough to harness a firm's unique specific advantages for its benefit (Dunning, 2002). Such location advantages give a firm the ability to combine location advantages with ownership advantages for competitiveness in a specific foreign location (Dunning, 2002). The possibility of firms engaging in FDI is higher if the organisations perceive their ability to exploit their ownership advantages in a foreign location. Foreign location attractiveness therefore may include market size, growth and growth potential, a favourable business environment, language and cultural similarity, administrative compatibility and political environment.

Internalisation

The third feature of the OLI paradigm is internalisation "I", which refers to those components that offer firms the opportunities to exploit their ownership advantages through an evaluation of alternative strategies which complement the location attractiveness offered by different markets (Tahar, 2005). Through internalisation, firms are able to be present in a foreign market to reduce the transaction costs associated with doing business in it. For instance a firm may internalise its operations to exploit government incentives and gain tax exceptions or tax breaks when available. Through internalisation, a firm can be present in a foreign market to service local market customers, for example, retail banks, which would have the ability to render services that would be impossible to service from a home market. Multinationals' decisions to internalise their operations, however, may depend on region-specific factors, geographical location, social characteristics, firm-specific advantages and industry-specific factors (Buckley and Casson, 2002 cited in Tahar, 2005 p 33).

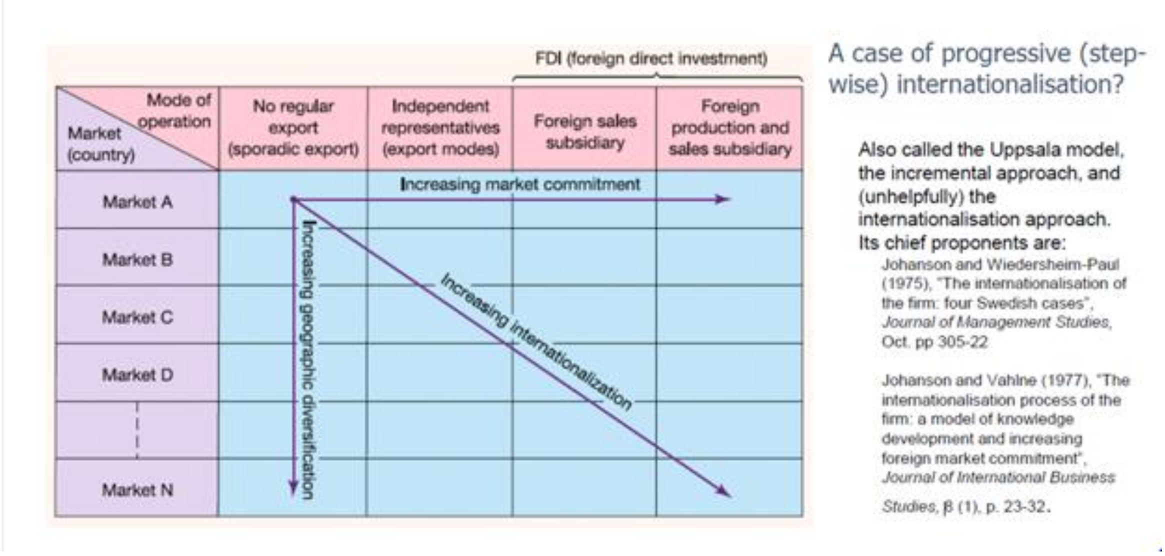
However, the OLI eclectic model attempts to provide a comprehensive and integrated framework for identifying the key factors which influence organisations to engage in foreign production and grow in foreign markets (Amal, Awuah, Raboch, & Andersson, 2013; Bianchi, 2014; Dunning, 1988, 2002; Padilla & Gomes Nogueira, 2015). The holistic nature of the OLI eclectic framework means it is a useful model for multi-disciplinary analysis in social science disciplines, especially in the explanation of international investment in the field of management, economics and international business studies (Padilla & Gomes Nogueira, 2015). The OLI eclectic model can also be useful in terms of understanding the motives and the location decisions at each stage of a firm's internationalisation. Several scholars have supported OLI view, which has also contributed to the expansion of its eclectic concepts (Aulakh, 2007; Banalieva & Santoro, 2009; Deng, 2012a; Elango, 1998; Elango & Pattnaik, 2007; Gammeltoft, 2008; Gammeltoft, Barnard, & Madhok, 2010; Gammeltoft, Pradhan, & Goldstein, 2010; Hoskisson et al., 2013; Krugman, Obstfeld, & Melitz, 2012; Rugman, 1981; Yeung, 1994).

The OLI paradigm is not without its short-comings. Many scholars have argued that OLI's applicability is ambiguous, especially as it relates to new economic liberalisation in emerging markets and global economic integration (Padilla & Gomes Nogueira, 2015). Athreye and Kapur (2009) explain that EMNCs may lack the ownership advantage specified in the OLI paradigm because of their turbulent home market environment. Other criticisms of OLI are the fact that it is mostly used in analysing the determinants of international production. The OLI eclectic model also fails to explain the early expansion process of a firm, especially during the pre-internationalisation stage. The model's main focus was on specific advantages for internationalisation, neglecting other factors leading to internationalisation itself. Despite these limitations, scholars are advised to take an interdisciplinary approach to the OLI paradigm in the study of international business (IB). This is with a view to understand the rich characteristics of the paradigm, so that the exogenous and endogenous characteristics of firms can be distinguished (Dunning 2002).

2.3.2 The internationalisation process model (the Uppsala model)

The internationalisation process model, which is often referred to as "the Uppsala model", is rooted in the behavioural theory of the firm (Aharoni, 1966; Cyert & March, 1963). The Uppsala model is based on the empirical study of a group of Scandinavian scholars carried out in the late 1970s, and is also one of the earliest studies that integrated dynamism into MNCs internationalisation activities. The Uppsala model posits that internationalisation is a process, which involves a series of incremental steps that firms take to internationalise their activities (Johanson & Vahlne, 1977, 1990). The Uppsala model assumes that firms conduct regular export activities during the first stage of the internationalisation process (IP), and then focus on exports. In the last two stages, a firm would establish an overseas sales subsidiary and is subsequently involved in foreign production (Figure 2.1). Another important concept of the Uppsala model is it's the psychic distance notion which rests on the assumption that a firm is bound to invest in a close psychic distance market, whereby market knowledge is accumulated through experiential learning at the early stages of internationalisation, before subsequently investing in a more psychically distant market (Johanson & Vahlne, 1977, 1990; Johanson et al., 2009). The greater the psychic distance i.e. greater the factors inhibiting the flow of information between markets and the firm, the less likely it is that such a market will be chosen as a first foreign market choice (Tan, Brewer, & Liesch, 2007). Jansson (2009, p.48) supports the Uppsala model's notion and argues that the internationalisation process of firms is completed in five different stages, whereby organisations' business activities are domestically focused on the first stage. In the second stage, firms are the export focus and then develop active involvement in foreign markets, with committed involvement in FDI in the fourth and fifth stages respectively.

Figure 2. 1: The Uppsala stage model of internationalisation

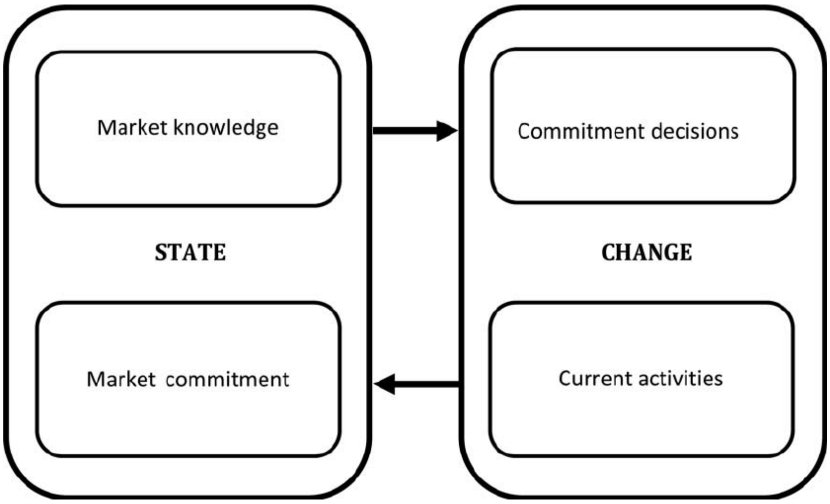


Source: Johanson and Vahlne (1977).

The Uppsala model also highlights the importance of experiential knowledge about a market as an incremental process. This affirms a process which a firm goes through, a progressive development between state aspects (foreign market knowledge and resource commitment), change aspects (commitment decisions of resources and the performance of current business activities) (Figure 2.2). The more knowledge a firm has about a particular market, the more it will commit resources to that market (Banalieva & Santoro, 2009; Elango, 1998; Elango & Sethi, 2007; Johanson & Vahlne, 1977, 1990). There seems to be a compatibility between a firm's resources and its experiential knowledge, because of the perceived psychic distance factors of the potential foreign market in the Uppsala model. Such factors may include differences in language, political systems, culture, level of industrial development and level of education (Johanson & Vahlne, 1977, p. 24).

A firm’s experiential learning process in the domestic market will have an impact on its readiness to engage in foreign expansion (Tan et al., 2007). A firm's development takes place through learning, resource allocation and decision-making (Cyert & March, 1963; Penrose, 1959). Penrose’s notion of experiential knowledge became the basis for the development of the Uppsala model - especially the traditional stages model concept, with an assumption that firms internationalise in stages through a process of incremental decisions and commitment (Johanson & Vahlne, 1977, 1990; Johanson et al., 2009; Tan et al., 2007). For example, experiential learning in the domestic market enabled Haier, a Chinese firm, to improve its enterprise efficiency, discipline and product quality. This resulted in the rapid growth of the firm in the domestic market and its subsequent internationalisation (Liu & Li, 2002) .

Figure 2. 2: The Uppsala model: an experiential process



Source: Johanson and Vahnle (1977)

The Uppsala model is useful in the generalisation of firms' internationalisation processes and it has given researchers an insight into the understanding of the internationalisation process of firms. The theoretical drawback of the Uppsala model is that it fails to provide an explanation for the internationalisation of EMNCs, since the model is context and industry specific. According to Anderson (1993), the theoretical concepts of the Uppsala model are at odds with its popularity, because many firms do not normally follow the prescribed path of the model. The Uppsala model has failed to explain the divergences that are present within firms and their context, which may influence firms' internationalisation process, especially in emerging markets. The limitations of the Uppsala model also relate in particular to the fact that EMNCs are diverse in terms of their geographical distribution, market development, home institutions, and strategies (UNCTAD, 2006; Luo & Tung, 2007; Wright et al., 2005). The behaviour of the firms will be impacted by such factors in their internationalisation process. Firm specific factors were not accounted for in the model, because not all firms begin with exports in their internationalisation process and the resources of a firm may also play a role in their internationalisation pattern. Gammeltoft et al (2010) assert that the specificities of EMNCs' context may be distinct and represent a different evolutionary process from that of a developed economy, because studies from BRIC countries show a distinct approach in their internationalisation process. This may be an indication that firms from different geographical locations may exhibit different behaviours and follow a different path in their internationalisation process. Buckley et al., (1979) also criticised the Uppsala model, because firms do not necessarily adopt a consistent approach to their internationalisation process. Certain firms may leap-frog some stages of the model, and the Uppsala model also failed to explain the behaviour of service firms and that of the 'born global' firms, which are prevalent in emerging markets (Bell, McNaughton, Young, 2001; Knight, 1996).

Yeoh's (2011) study, which drew on the Uppsala model to analyse two India pharmaceutical firms, found that "late mover" Indian firms internationalised first to advanced markets, which contradicts the Uppsala psychic distance notion. However, psychic distance was a factor in Latin American firms' (LAFs) internationalisation process, because the firms internationalised regionally at the initial stages of their foreign expansion (Olaya, et al.; 2012; Bianchi, 2014). Latin American multinationals had entered regional markets first as a way to broaden their market before internationalising to other continents. Cyrino et al., (2010) study of 109 Brazilian firms measured seven dimensions of psychic distance, namely, culture, religion, administration, language, education economics, industrial development and geographical distance. The study concluded that the internationalisation patterns of Brazilian firms are in line with the Uppsala model's gradualist perspectives. Their research found that 47% of the firms studied began their internationalisation in Latin America countries, 21% in Europe, and 18% in other markets. It was also found that among the firms studied, 58% chose Latin America for their second market entry, and 49% as their third market entry, respectively. The study concluded that psychic distance, in terms of cultural, institutional, administrative and economic factors, was more important for Brazilian firms than physical distance. The study also found that in the new global business, geographical distance has become less important due to technological advancement, but cultural, institutional, economic and administrative compatibilities are an important consideration in firms' internationalisation. Chilean multinational firms, on the other hand, chose a location based on their competitive advantages and their industry characteristics, rather than psychic distance factors. Only a few Chilean firms internationalised regionally at their early stage of internationalisation (Bianchi, 2014). The conclusion was that for Latin American firms, investing in a low psychic distance market was a strategy towards gaining experiential knowledge before investing in more distant markets (Bianchi, 2014; Cyrino et al., 2010; Olaya et al., 2012).

Johanson and Vahle (1990) recognised the shortcomings of the Uppsala model and their later studies discussed three exceptions to the internationalisation model. The first exception is that a firm with large resources and experience may have the ability to leapfrog stages in their internationalisation process. Second, in homogeneous and stable market conditions, relevant market knowledge can be gained in ways other than through experiential learning. Third, firms with experience from similar market conditions may be able to transfer such experience to another market without the lineal path of the incremental process.

The Uppsala model continues to be one of most referenced theories in the study of EMNCs' internationalisation process, despite its shortcomings. Meyer and Thaijongrak (2013) suggest that the application of the Uppsala model has been popular among scholars in the study of Brazillian firms' internationalisation, but the model is rarely applied in other EMNC contexts. Meyer and Thaijongrak (2013) suggested that the Uppsala model may provide a potentially insightful foundation and perspective for future EMNC research. The Uppsala model could be considered a base to advance the study EMNCs, with a focus on factors which may exert influence with a departure from the gradual process perspectives.

2.3.3 Institutional based theory (IBT)

Institutional based theory (IBT) has gained in popularity in the past few years. The institutional theoretical perspective is vital when the influence of home and host country factors on firms' foreign behaviour are studied (Xu & Meyer, 2013). Proponents of institutional theory such as North (1990:1-5) assert that an institutions are "the rules of the game", which provide the regulations that structure and frame human interaction in society and organisations are bound by such regulations. Institutions play a critical role in a market economy because they facilitate the effective functioning of market systems, which enable both individuals and firms to participate in market transactions and mitigate undue risks and costs (Meyer, Estrin, Bhaumik, & Peng, 2009; White, Kitimbo, & Rees, 2018). A firm is either enhanced or limited by formal or informal institutional factors in a given context. Formal institutional factors are regulative laws forced by the political, economic and legal system (imposed by home and host countries). Informal institutional factors include cognitive and normative structures which affect human and organisational behaviour in a society such as societal norms, cultures and ethics (Meyer & Rowan, 1977; North, 1990; Di Maggio & Powell 1983). Therefore, firms that take the institutional environment into account would have the ability to capture the laws that either limit or enhance their behaviour in a market (Meyer et al., 2009; North, 1990; Peng et al., 2009).

In addition, organisations that understand institutional differences of foreign markets are therefore better equipped to develop and implement strategies based on their competencies and competitive advantages (Khanna, Palepu, & Sinha, 2005). Institutional rules function as myths which firms incorporate, to gain legitimacy, resources and stability to enhance their sustainability (Meyer and Rowan, 1977). The assumption that strategic decisions are based solely on firm resources or industry conditions is believed to miss the bigger picture because institutions are believe to shape the environments in which firms operate (White et al., 2018). Institutions plays a vital role in firms' internationalisation strategy and institutions are said to be the "third leg of the tripod strategy" (firm, industry and institution) (Peng, Wang, & Jiang, 2008)

In fact, doing business in a weak institutional environment, like that of many emerging markets, requires firms to develop strategies that take into consideration institutional factors (Buckley & Casson, 2009; Buckley et al., 2007). This is because a host-country institutional environment would influence the costs and uncertainties which MNCs would experience when setting up foreign subsidiaries and in gaining access to local resources (Oguji & Owusu, 2017; Peng, 2002). Countries with viable institutions have the tendency to reduce transaction costs and mitigate policy uncertainty for foreign firms operating in such market especially when contesting for local resources (Meyer, Estrin, Bhaumik, & Peng, 2009).

The prevalence of an institutional void in emerging markets, especially in Africa, such as "lack of regulatory systems, the absence of contract enforcing mechanisms and specialized intermediaries" means that a deeper knowledge of institutions are essential and appreciated when navigating such environments (White et al., 2018; Khanna et al., 2005). For example, Chinese FDI in developing countries is mostly located in countries with higher levels of political risk because Chinese firms have developed the skills to navigate institutional void environments. Chinese MNCs have been found to have used investments in institutional void markets to promote political affiliations and connections between China and the developing country host governments. Also, the bargaining position of the Chinese government and Chinese MNCs may have been further strengthened in relationship to the governments in those host countries because such markets attract low level amounts of FDI from the advanced economies (Buckley et al., 2007).

White et al., (2018) studied how institutional factors influence the location strategies of South Africa firms in Africa in which the World Bank's Governance Indicators of Government Effectiveness, Regulatory Quality, Political Stability and Absence of Violence, Rule of Law and Control of Corruption in the host markets was used for analysis. Their findings reveal that South African MNCs choose markets regardless of the quality of their institutional governance indicators. The majority of countries that the South African firms invested in actually scored poorly on the World Bank's Governance Indicators, even though, a minimum threshold of political stability and the absence of violence needed to be achieved for a location to become attractive to South African firms. However, the poor quality of many African countries' governance structures was not a hindrance to their location choice because South African firms find ways to navigate these often-challenging 'institutional void environments' African countries'. Unlike developed country MNCs, which are deterred by weak institutional environments, South African firms may not be deterred by weak institutional fabric in their FDI location choices (White et al., 2018).

Similarly, Chinese MNCs have been also found not to perceive risk in the same way as MNCs originating from advanced economies because Chinese SOEs may not be seeking profit in their foreign expansion but to maximise Chinese government-led institutional influences in foreign markets. In addition, the knowledge of operating in Chinese government controlled business environment at home may have provided them with specific ownership advantages that enable them to mitigate the risk associated with doing business in markets with weak institutions such as markets avoided by developed countries MNCs for ethical and human rights reasons (Buckley et al., 2007). The institutional constraints in many emerging markets can be assets rather than a drawback for EMNCs because by operating in a weak home institutional environment, they must have developed their capabilities to operate in similar complicated foreign markets where institutional deficits are common. This confirms the assumption that weak institutional characteristics in an emerging economy can determine the ability and will of their domestic firms to invest abroad (Buckley et al., 2007; White et al., 2018). Despite the institutional under-development of many African countries, there exist variations in their country-level institutional environments, especially in terms of the pace of change (Chen, Cui, Li, & Rolfe, 2017). A study along an institutional based view alone could represents a limitation in the study firms' internationalisation process, because firm level factors are ignored in such studies. In addition, institutional based view is also inadequate to address firms' ownership, location and internalisation advantages. The complex influence which institutions have on the activities of firms needs to be all-encompassing in the discussion of a firm's internationalisation activities (Mihailova & Panibratov, 2012).

2.3.4 The resource based view (RBV)

The resource-based view is traced to the study of Penrose's (1959) 'theory of the growth of the firm' as discussed in section 2.2. RBV theorists argue that organisations with specific resources and capabilities (distinct from others) will attain certain advantages, both at home and abroad (Barney, 1991; Dhanaraj & Beamish, 2003; Wernerfelt, 1984). RBV provides a valuable insight into the importance of firm-specific resources and capabilities in their growth process. Firms with specific distinct resources are able to compete strongly when internationalising. The resources must be rare, valuable and inimitable (Barney, 1991; Wernerfelt, 1984). These resources may include technology, financial, physical assets, innovation, organisation culture and a network of relationship (Polesello, Amal, & Hoeltgebaum, 2012). RBV has been criticised for only focusing on firm resources, without providing an explanation for the domestic expansion of firms in their pre-internationalisation stage.

2.3.5 Born global firms

A new dynamic FDI theory emerged in the early 1990s. The behaviour and emergence of new multinational firms have challenged traditional internationalisation theories due to the impact of economic, technological and social changes, which have propelled many firms to internationalise as soon as they are founded. The new theory recognises that some firms may engage in rapid internationalisation from inception within a relatively short period - say two to six years from having been established; such firms are known as 'born global firms' (Bell et al., 2001; Knight & Cavusgil, 2004; Oviatt & McDougall, 1997).

Born global firms are becoming an important part of EMNCs and are emerging from countries around the world (Knight & Cavusgil, 2004). Insight from the literature shows that born global firms' behaviour contradicts the Uppsala model's gradual process notion, because such firms are able to accelerate their internationalisation by leap-frogging several stages of the incremental process. Born global firms are early adopters of internationalisation. They are different from traditional MNCs, which usually have a domestic focus for many years before internationalising, Born global firms, from inception, have a global business view and have developed the capabilities to compete successfully in international markets (Knight & Cavusgil, 2004). Born global firms are mostly found in knowledge-based and knowledge-intensive firms such as technology start-ups firms designed to target the global market. Born global firms (in most cases) have developed international competencies, knowledge, capabilities and strategies beyond their domestic market in order to respond to a globalised demand of different industries and become a global firm (McDougall, Shane, & Oviatt, 1994; Oviatt & McDougall, 1997; Oviatt, McDougall, & Loper, 1995). However, both traditional and born global firms experience a similar learning process through their pre-internationalisation phase (Tan et al., 2007). A firm's readiness to internationalise is mostly linked to the pre-internationalisation phase as a learning stage. Born global firms' readiness level to internationalise is achieved more quickly than traditional firms, and their learning process is also much shorter because of the short time it takes to internationalise after having been established (Tan et al., 2007; Vanninen, Kuivalainen, & Ciravegna, 2017).

2.4 The Evolution and Internationalisation of Emerging Market Multinational Firms

This section begins by discussing the evolution of developing country MNCs because it places the thesis within the specific area of study. The study of developing country MNCs gained scholarly attention in the late 1970s and 1980s (Kumar & McLeod, 1981; Lall & Chen, 1983; Lecraw, 1977, 1984, 1993; Wells, 1983). The rapid dispersion of international R&D activities and the rise of developing country firms coincided with a shift in some aspects of production from developed economies to emerging markets. This process has occurred due to a rise of some kind of state capitalism in some emerging markets. The changes poses a challenge for international business, advanced economy, developed economy MNCs, emerging market, EMNCs, governments and multi-lateral organisations such as the World Trade Organisation (WTO) (Konara, Ha, McDonald, & Wei, 2015). The earlier studies provided an insight into the evolution of developing countries' MNCs. It also created the foundation for a comparison between firms from developing countries and developed countries (Dunning 1988; Dunning, 1986). The studies of developing countries in the 1970s and 1980s are termed the first wave of developing countries' MNCs literature and the studies from 1990 are termed the second wave.

2.4.1 First wave: emergence of developing countries MNCs - 1970s and 1980s

There are two schools of thought in the first wave of literature of the evolution of developing country MNCs (Dunning, Van Hoesel, & Narula, 1997; Young, Huang, & McDermott, 1996). The first strand of literature was concerned with the cost/competitive advantages of developing countries' MNCs. The first school of thought was prominent in (Wells' 1977; 1981; 1983) studies, which drew on Vernon's product life cycle theory (Vernon, 1966) to explain developing countries' MNCs. Wells explained developing countries' MNCs internationalisation via the product cycle concept, which asserts that the location of production moves from developed countries to less developed countries in search of lower production costs, as products reach a mature stage in their life cycle. Vernon (1979, p. 266) pointed out that the product life cycle concept could be used to analyse FDI flows among less-developed countries. Wells (1977, 1981, 1983) suggested that firms in more rapidly developing countries could develop innovations, particularly for their local market conditions and economies. Such innovations would later be transferred to other less developing countries and their local markets. The small market size and the abundance of cheap labour in developing countries enabled developing countries' MNCs to build their initial ownership advantages, which could be achieved through "de-scale manufacturing" (Wells' 1977; 1981; 1983). This is a process whereby technologies from developed countries are adapted to suit smaller markets through reduction of scale, by replacing machinery with manual labour, which rely on local inputs (Ramamurti, 2004). Wells' (1977) explained further that through de-scaled manufacturing, developing countries would have the ability to serve the mass market with a low price competitive strategy, derived from cost advantage through de-scaling manufacturing operations. As a result, developing countries MNCs would exploit their production capabilities in less developed countries, but not in competitive niche markets in developed markets.

Contrary to the de-scale manufacturing advantage, several earlier scholars believe that such low cost competitive strategies on the part of developing countries' MNCs would be short-lived and would erode, as local firms associated with developed economies MNCs' catch up using the same kind of technology. Scholars such as Aggarwal (1984) and Lecraw (1977, 1981) supported this view. This strand of literature is supported by Lall (1983), whose study draws interpretations from the theoretical concept of the evolution of economic behaviours, to emphasize the localisation of technological change. Lall (1983) argues that small scale production in developing countries was not evidence of a de-scaling advantage and further suggests that a sustainable ownership advantage that is different from that of developed economies MNCs could be developed by developing-country MNCs. Lall (1983) conceptualised that through relevant innovation suitable for developing market conditions and advised that developing countries MNCs could build a sustainable advantage by tailoring their product to their specific market conditions, market needs, and consumer preferences. Lall (1983) also believed that the localisation of technological change is the key to the accumulation of competitive advantage in developing country MNCs. With access to cheap and abundant labour in their domestic market, developing countries' ownership advantages would be strengthened, based on innovations and technologies, along with the specific knowledge of developing country markets. In addition, such innovations could also be exploited successfully with other similar market conditions such as those of the domestic market which those of less developed than the home market.

Lall (1983) also suggests that firms which belong to large, diversified conglomerate groups would have access to financial, technical, labour or managerial resources to strengthen their growth and competitive advantage. (Lall, 1983) study concluded that the ownership advantages of developing countries MNCs were derived from their knowledge of local market operating conditions, rather than through de-scaled manufacturing technologies. He further suggested that through continued learning, research and development efforts, developing countries MNCs could further develop their ownership advantages and sustain those advantages. Such conclusions pave the way for the second wave of literature, which focuses on technological competencies, rather than cost and competitive advantages.

2.4.2 The second wave of developing countries' multinationals 1990s

The second-wave of studies relating to the evolution of developing countries MNCs literature gained more acceptance in the 1990s as the literature began to emphasised the technological accumulative capabilities of developing country MNCs. The differences between the first-wave and the second-wave literature are in terms of the firms' historical background, the extent of the government's role in their operations, the nature of transactions, the nature of businesses, the mode of internationalisation activity and their geographical FDI direction. There were also significant changes in the sectorial spread between the two waves. The nature of the firms' ownership advantage, their motivations for internationalisation, and their locational advantages were also different (Dunning et al., 1997).

The beginning of the 1990s also saw the term 'developing countries MNCs' being replaced by the term 'emerging market multinationals' (EMNCs). The economic liberalisation across emerging markets and the impact of globalisation brought a new challenge to EMNCs because of a rapid decline in trade barriers worldwide. Competitors also emerged in the global business environment as the world became more connected than ever before due to technological advances. The changing business structure in the 1990s meant EMNCs had to redirect their business strategies to embrace the changes brought about by trade liberalisation and the economics of globalisation (Dunning et al., 1997).

There was also a renewed interest from various groups and scholars in emerging markets. The

International Finance Corporation (IFC, 1999) identified 51 growing emerging markets in Asia, Latin America, Africa and the Middle East. The European Bank for Reconstruction and Development also classified emerging and transition economies (EBRD, 1998). The new wave of economic liberalisations across many developing countries led to a new definition of emerging markets, which were characterised as countries with low incomes and which were experiencing rapid growth using economic reforms as a primary engine of growth (Hoskisson et al., 2000).

There was also a scholarly shift to an emphasis on technological competence as the source of competitive advantage, because the specific ownership advantages of the second wave were derived from improved and accumulated technological capabilities and improved production efficiency, unlike in the first-wave, in which specific ownership-specific advantages were derived from small-scale, labour-intensive technology, low input costs and low prices (Pananond and Zeithaml, 1998; van Hoesel, 1999). It was also recognised that EMNCs were able to develop sustainable ownership advantages that allowed them to compete in the global market through the process of learning-by-doing and the technological accumulation. This view was supported by scholars such as (Cantwell and Tolentinom 1990; Tolentino, 2003; 1993; Lecraw, 1993; Dunning et al., 1997). The technological accumulation advantage of the EMNCs in the 1990s was positive for developing country firms, unlike the first-wave of literature of the 1980s which portrayed that their ownership advantages were derived from de-scaling manufacturing, low input costs and low prices.

The FDI of the first wave was mostly focused on their domestic geographical regions and other developing countries. The nature of the foreign investment of the second wave also defies the notion that developing country multinationals only existed in labour-intensive industries. The outward foreign direct investment of the second wave firms was less restricted to other developing economies. Driven by the sectorial scope of investment in knowledge-based industries, the second wave firms increasingly invested in advanced markets in the USA and

Europe, in sectors such as telecommunications, assembly-based sectors, auto-mobiles and electronics. The motivation behind the internationalisation of the second-wave EMNCs also moved away from being based on natural resources and the market seeking. Moreso,the second wave was more ambitious in its foreign expansion, and the motivations behind foreign expansion ranged from new markets, strategic assets to efficiency seeking.

2.5 The Internationalisation Process of EMNCs

2.5.1 Domestic expansion process and pre-internationalisation stage

Several studies have explored the internationalisation process of EMNCs (Athreye & Kapur, 2009; Deng, 2012b; Gammeltoft, Pradhan, & Goldstein, 2010; Gaur & Kumar, 2014; Sim, 2005; Verhoef, 2011; Child and Rodrigues, 2005; Luo and Tung, 2007; Liu, Li & Xue, 2011). A number of these studies argue that open trade policies, the economics of liberalisation, and the easing of regulatory controls in many emerging markets are responsible for the acceleration of the internationalisation of EMNCs (Athreye & Kapur, 2009; Bianchi, 2014; Gammeltoft et al., 2010; Goldstein & Pusterla, 2010; Olaya et al., 2012). The analysis of the domestic evolution and growth of firms is important, due to the sequential nature of the internationalisation process of firms. Examining a firm’s evolution and its foundation should provide an explanation of a firm’s subsequent international development at the pre-internationalisation stage (Wiedersheim-Paul, Olson, & Welch, 1978).

According to Meyer and Thaijongrak (2013), the internationalisation process of firms involves distinct and sequential steps. During the early stage they have no interest in international expansion and no knowledge, whereas in the final stage there is a greater step toward foreign investment and commitment. This is an indication that firms will first expand domestically before actually taking that initial step towards internationalisation. Firms’ overall business strategies undergo changes during their expansion process (Penrose, 1959), and a firm’s growth process will also depend on their business context. Firms evolve, according to Gammeltoft et al. (2010), through the co-creation of the economic system. In this process, the firms and their strategies change at every stage of their growth process.

A firm’s evolution and expansion process are domestically focused, serving a homogeneous local market before they embark on exporting; then subsequently owning a subsidiary in the foreign market (Hibbert, 1997). This seems to be a simplistic explanation of firms’ because such an explanation ignores important factors that could impact a firm’s domestic growth. The government may as well respond to the emergence of domestic firms through policies, regulations and supporting institutions with a view to enhancing the growth of domestic firms. Therefore, a relationship exists between firms’ domestic expansion and their tendency to expand beyond their national borders. Jansson and Söderman’s (2012) study of six Chinese companies found that firms develop their competitive advantage for internationalisation in the domestic market and that their competitive advantage is connected to the firms’ subsequent growth in local and foreign markets.

The internationalisation readiness concept describes a firm's potential transition from a purely domestic firm into an international firm. This concept represents a firm's readiness to undertake export activities overseas (Tan et al., 2007). It is apparent that not all firms go through an export phase in their internationalisation process, and sector specificity may well play a role in the internationalisation process of a firm. The ability of a firm to internalise available information should create an impulse to expand. The impulse for a firm to internationalise will be dependent on how information is perceived by the management and how they understand and view the firms’ bundle of resources. The orientation of the management and the management’s decision process will depend on the psychological commitment of its management, which becomes vital in the pre-internationalisation stage (Knight & Liesch, 2002).

A firm’s process of accumulation of experiential knowledge is a recursive cycle of factors that trigger readiness and commitment, raising the firm's level of internationalisation motivation. When the knowledge accumulates, firms would transit from being domestic to becoming international firms. A firm’s internationalisation process may begin at a different point in its existence, and the timing of its international expansion is linked to different environmental variables, such as how open the business environment is, and how well the local market accepts the firm's innovations (Tan et al., 2007). The acceptance of Haier's innovation in the domestic market for example, propelled the firm from being a loss maker to a global company (Liu & Li, 2002). A firm that serves a larger domestic market tends to internationalise later than firms that serve a small domestic market and a firm that faces a relatively hostile local environment towards their innovations tends to expand internationally earlier than other firms (Oesterle, 1997). The large domestic markets and home advantage of EMNCs can be used to build their capabilities for internationalisation, and firms that face high transaction costs also seem to seek foreign expansion quickly. The pre-internationalisation stage ends at the point when the firm enters a foreign market. The stage of a firm's readiness to internationalise is important for all firms, both traditional and born global firms. Born global firms tend to internationalise very quickly after being established, unlike traditional firms, which adopt a gradual process approach in their internationalisation process, but both firms would have similar experiences in their learning curve through their pre-internationalisation phase (Tan et al., 2007). Once a firm starts its internationalisation, the learning process in its internationalisation will influence the pace of its internationalisation (Tan et al., 2007). The point at which firms internationalise involves many stages, and they can take many years of domestic growth and competition before foreign expansion.

The level of economic and institutional reforms in a firm's home country tend to be reflected in the internationalisation process of EMNCs (Luo & Tung, 2007; Wright et al., 2005; Mihailova & Panibratov, 2012). The different characteristics of the home country and the markets of EMNCs may explain the differences in their internationalisation process. Olaya et al., (2012) study of thirty LAFs (Brazil, Mexico, Chile, Bolivia, Peru and Argentina) found that home institutional factors played a role in the internationalisation process of LAFs. The delay observed in the domestic expansion of LAFs before the 1980s was due to a high level of government economic protection. In that period, LAFs' domestic growth was slow; at the same time the firms lacked the competitive advantage to internationalise. Pro-market reforms, such as the privatisation of state-owned companies in the 1980s and 1990s, opened the domestic business market, and as a result the domestic expansion of LAFs accelerated.

2.5.2 Motivations for EMNCs' internationalisation

A firm's motivations for internationalisation are those factors which either push or pull them to embark on foreign expansion. The general notion is that firm internationalise in pursuit of growth. Caves (1996) recognised that a firm must possess a valuable proprietary type of advantage in order to overcome the higher costs incurred in entering foreign markets and that a firm would internationalise once it outgrows its domestic market. Ghoshal (1987) asserted that companies internationalise in order to achieve efficiency, diversify investment risk and to be competitive in the future. Large domestic firms may have the advantage to engage in foreign expansion because of their access to all kinds of resources, which may explain why they are more likely to expand abroad (Calof, 1993). Firms may also seek to internationalise when faced with competitive pressure in the domestic market (Eren-Erdogmus et al., 2010; Goldstein & Pusterla, 2010). According to Dunning (1988), a firm's motivations for internationalisation are generally categorised into four groups: namely - market seeking, assets seeking, efficiency seeking and resource seeking.

2.5.2.1 Market seeking FDI

Market seeking FDI refers to motives whereby an organisation decides to invest in a foreign market in order to gain access to a large market, or obtain the ability to sell their products and services in foreign markets. The opportunity present in a foreign market may motivate an organisation to internationalise. A firm may also recognise an opportunity beyond their national border. For instance, Malaysian firms were found to have been motivated to expand across their national border seeking market and investment opportunities (Sim, 2005).

2.5.2.2 Efficiency Seeking FDI

Efficiency seeking motives involve a firm engaging in foreign investment for the purpose of efficiency. A firm may decide to engage in production close to required resources so that it becomes more efficient in its production processes. Efficiency seeking firms may seek to benefit from foreign economic and institutional environments in different markets. Therefore, the regional integrated market is a perfect example to demonstrate the benefit of efficiency seeking foreign investment (Dunning, 1993). The integrated regional market is perceived by efficiency seeking organisations as a common market that allows firms to achieve economies of scale through production in one country to cater for the supply of several sub-regional markets.

2.5.2.3 Strategic asset seeking

Strategic asset seeking FDI firms will invest in a foreign market purposely for asset acquisition in order to support their competitive advantage in the domestic and the international market (Dunning, 1993). The acquisition of assets in a foreign country for example, will enable strategic asset seeking firms to enhance their strength and competitiveness in a market which otherwise would have been costly or difficult to achieve via internal development or organic growth (Dunning, 1993; Rugman and Brewer, 2001). In addition, acquiring strategic foreign assets should add to a firm's existing assets, to augment, sustain and increase its competitiveness in relation to its competitors in a given market. A strategic asset seeking firm would capitalise on the benefits of common ownership to diversify its activities and capabilities. With an asset seeking motivation, a firm is able to create synergy between the acquired assets and other segments of the firm. However, it may be difficult to adopt the same strategy in all markets; therefore a firm needs to treat the different market as part of a system to generate synergy. However, as a strategic asset seeking firm internationalises, it gains access to key assets that would enhance the firm’s competitive position, such as human resources for specialised and sophisticated consumers (Wesson, 1999; Wesson, 1993), and technical expertise and capabilities (Kuemmerle, 1996).

Strategic assets seeking, strategic intent, and strategic fit for exploitation and exploration of resources, have all been motives for the overseas expansion of Chinese firms (Deng, 2004; Mathews 2009). Knowledge exploration was found to be a strategic motive for EMNCs to internationalise into developed markets, but knowledge exploitation was a motivation for the firms' internationalisation into less developed markets. For many EMNCs, investment in an advanced market is a strategic approach for the firms to increase their capabilities and value chain (Tsang & Yip, 2007). Yeoh's (2011) study found that strategic assets seeking and catch up strategies were motivations for foreign investment, especially during the later stage of the Indian firms' internationalisation.

2.5.2.4 Resources Seeking

Resource seeking FDI refers to a firm's motivation to internationalise in order to either acquire, or utilise natural, physical or human resources that are either unavailable or in short supply in their domestic market. Such resources include raw materials or cheap labour that are present in the host market, which can be exploited to complement a company's business activities (Dunning, 2002). There are three types of resource seeking FDI. Resource seeking firms may invest in a foreign market to secure a supply and minimise cost through the exploitation of physical resources, such as raw materials that are available in foreign countries, to complement their current business activities and future activities. This was the case for many EMNCs from China, India, Russia, Argentina, Malaysia, Chile, and Turkey (Amal et al., 2013; Athreye & Kapur, 2009; Gammeltoft, Pradhan, et al., 2010; Sim, 2005). Resource seeking, labour intensive manufacturing firms from higher labour cost home countries may decide to internationalise to a host market in order to exploit the abundant sources of cheap labour (Dunning, 2002). An example would be the outshoring of manufacturing operations from advanced economies to low cost labour countries in China and other Asian markets. The third type of resource seeking FDI is when a firm seeks investment in a developed country in order to achieve its strategic objectives. This type of investment is common in knowledge and technology based FDI. Such an internationalisation approach would enable EMNCs to acquire highly skilled labour in technology and advance its technological capabilities and managerial expertise, as well as improve its organisational skills.

Dunning's FDI motives are useful in the understanding of the internationalisation of EMNCs, (Amal et al., 2013; Athreye & Kapur, 2009; Aulakh, 2007; Bianchi, 2014; Dunning, 1988; Gammeltoft, Pradhan, et al., 2010; Mihailova & Panibratov, 2012; Olaya et al., 2012; Sim, 2005; Verhoef, 2011a; Cavusgil et al., 2013, pp. 132-136). However, some studies contradict Dunning's categorisation. Even though there were similarities across EMNCs, there were also differences (Athreye & Kapur, 2009; Bianchi, 2014; Gammeltoft et al., 2010; Goldstein & Pusterla, 2010; Olaya et al., 2012; Fortanier & Tulder, 2009). The need to build an image and global recognition was identified as Russians firms' motivation for internationalisation (Mihailova & Panibratov, 2012).

Chinese firms were motivated to internationalise in order to augment their organisations' value chain and competitiveness (Deng, 2012b) and home country advantage (Rugman & Li, 2007), with a view to redress competitive disadvantage and build sustainable global competitiveness (Deng, 2004, 2007; Luo, 2010; Rugman & Li, 2007; Warner, Sek Hong, & Xiaojun, 2004). A parental network and affiliation to larger business groups motivated the internationalisation of many EMNCs, particularly when entering other emerging markets (Elango & Pattnaik, 2007; Lall & Chen, 1983; Lecraw, 1977) and when utilising network based ownership advantages (Frost, 2004; Wu & Sia, 2002). Gaining international experience and visibility was found to be a motivation for several EMNCs (Deng, 2007; Liu, Li, & Xue, 2011; Warner et al., 2004).

Khanna and Palepu (2006) noted that a saturated home market had forced many EMNCs to seek market opportunities in other developing economies that offer similar resources to their home market. An organisation may be motivated to engage in foreign expansion in order to follow the lead of their competitor. Such motivation is known as following the leader, or the bandwagon syndrome. A firm may well be motivated to internationalise to follow its existing customers abroad in order to provide the same services in a foreign market that were being provided in the domestic market. Such was a factor in the internationalisation of Russian and Malaysian firms (Mihailova & Panibratov, 2012; Sim, 2005). Following customers is a particularly salient motivation for internationalisation in sectors in which it may be impossible to service local customers from a foreign market, such as in the case of retail banks. In such circumstances, investing in a host market would accord firms the ability to provide products and services in the local market through the adaptation and customisation of products and services.

The extant literature shows that the economic liberalisations in emerging markets in the past 30 years have motivated the internationalisation of firms in India, China, Brazil, Chile, Russia, Malaysia and Turkey. Economic reforms in emerging markets led to changes in institutions, economic systems, organisations, industry, ownership structure and network relationships, resulting in a shift in organisational behaviour, managerial orientation and business environment (Athreye & Kapur, 2009; Child & Rodrigues, 2005; Deng, 2012a, 2012b; Gammeltoft, Pradhan, et al., 2010; Hoskisson et al., 2000; Liu et al., 2011; Mathews, 2006; Peng, 2002; Child & Tse 2011; Peng et al., 2004; Gaur & Kumar, 2014; Luo & Tung, 2007; Sim, 2005; Verhoef, 2011; Bianchi, 2014; Goldstein & Pusterla, 2010; Mihailova & Panibratov, 2012; Olaya et al., 2012; Sim, 2005).

According to Gammeltoft, Pradhan, et al. (2010), China, Brazil, India joining the WTO the mid-1990s and Russia joining later on led to economic and institutional reforms in these countries. This made it easier for firms from these countries to invest in a foreign market to enhance their competitive advantage and counter intensified competition in their respective domestic markets from foreign firms. The termination of political isolation at the end of apartheid in the 1990s led to economic liberalisation, which hastened South Africa's rapid internationalisation (Verhoef, 2011). The role of the state was recognised as a motivation for the internationalisation of Chinese, Russian and Malaysian firms (Deng, 2012b; Goldstein & Pusterla, 2010; Mihailova & Panibratov, 2012; Sim, 2005). Government restrictions have pushed many Indian MNCs to invest abroad in order to exploit their ownership specific advantages (Yeung, 1998). The high cost of doing business at home, such as high taxes, high labour and energy costs, low purchasing power in the home market and competition from China and India, motivated Turkish firms to seek markets abroad (Eren-Erdogmus et al., 2010; Goldstein & Pusterla, 2010). A study of twelve Malaysian firms found that the firms were motivated to internationalise to overcome high tariffs, mitigate regulatory barriers and protect their export market (Sim, 2005). Fortanier and Tulder (2009) comparative study of 256 large Indian and Chinese firms between 1990 and 2005 concluded that home country regulation and institutions clearly influenced the internationalisation trajectories of both Chinese and Indian firms, but they did not fully determine them.

However, a firm may be driven to engage in foreign expansion due to specific ownership factors; such was the case for Chinese firms. A review of 121 articles published between 1991 and 2010 in top international journals found that Chinese firms were motivated to internationalise due to their size, industry characteristics, export intensity, ownership structure and network ties (Deng, 2012b). The study found that managerial influence, transaction specific factors, resources, and the experience of the firms, were found to influence both Chinese and Turkish firms' foreign expansion (Deng, 2007; Eren-Erdogmus et al., 2010; Liu et al., 2011; Warner et al., 2004). In addition, Managers' international orientation and experience were found to have influenced the motivation of Kenyan firms for internationalisation (Matanda, 2012).

2.5.3 Location pattern of EMNCs

Emerging market multinational firms are dissimilar in origin, context, development, strategies value chains, economics and institutional reforms (UNCTAD, 2006; Luo & Tung, 2007; Wright et al., 2005). This demonstrates that there are salient differences between the motivations and the foreign investment patterns of firms (Goldstein & Pusterla, 2010; Jain & Hausknecht, 2013; Jain, Lahiri, & Hausknecht, 2013). The extant literature shows that EMNCs follow different routes when internationalising. A firm's motivations for internationalisation plays a role in the location pattern of their foreign expansion. The location pattern of a firm may also depend on several factors, such as its strategic objectives, competitiveness, firm specific ownership and location advantage. Targeting the right foreign location is vital for a firm's future internationalisation success and performance (Eren-Erdogmus et al., 2010). Dunning (2009) stressed the complexity of location decisions in internationalisation and urged scholars to look at various factors in the study of organisations' location choices. The role of emerging market governments, institutions and the market characteristics of both the home and host country, are also crucial for the location pattern of EMNCs (Cyrino et al., 2010; Gammeltoft & Filatotchev, 2012). Managers are advised to formulate strategies to ensure optimisation in internationalisation in terms of the "what" type of investment, "where" location and "how" entry strategy in a firm's internationalisation process (Bolaji & Chris, 2014).

Studies of Latin American MNCs found that firms had internationalised in regional markets at the initial stage as a way to broaden their markets before internationalising to markets in other regions. The studies also found that strategic assets seeking Latin Americans firms would internationalise to both less developed and developed markets simultaneously (Olaya, et al.; 2012; Bianchi, 2014). Olaya et al. (2012) concluded that the internationalisation process of Latin American firms was consistent with the stage model, since the firm's internationalisation process was in three stages. The first stage was a domestic market focus, whereas at the second stage the firms expanded to psychically close distance countries in their region, such as Spain and the Latin market in the USA. The second stage also saw the firms expand to distant markets, and in the third stage they emerged as global firms, such as INCO of Brazil. The extant literature confirms that Latin American firms invested in countries with low psychic distances in their region to gain experiential knowledge before investing in other markets (Bianchi, 2014; Cyrino et al., 2010; Olaya et al., 2012). Studies also corroborate an incremental internationalisation process by Brazilian MNCs (Amal et al., 2013; Cyrino et al., 2010).

Contrary to the stage model, the firm's ownership advantage and location advantage impacted on the foreign investment pattern of Chilean firms by exporting to more advanced countries from the onset (Bianchi, 2014). Eren-Erdogmus et al., (2010) study found that Turkish firms targeted physically close regional markets in their early stage of internationalisation by investing in Eastern Europe, Russia, the Middle East, and the Turkic republics of Azerbaijan, Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan. Turkish firms had chosen markets with high growth and future growth potential. Even though physical proximity motivated the market selection of Turkish firms, cultural similarity was not a factor, because of the lack of cultural similarities between Russia and Turkey. Chinese firms internationalised first to Southeast Asia and then to Africa, before going to other markets (Athreye & Kapur, 2009). Chinese and Indian firms found it easier to internationalise in small niche markets that lack competition from US and European firms. Indian firms adopted a careful geographical segmentation in their market selections, enhancing their learning curve in accumulating capabilities and knowledge to compete favourably at home as well as abroad. The early movers had followed the stage model in their internationalisation process. The late movers accelerated their internationalisation by investing in advanced countries in Europe, before venturing into the emerging markets of South Africa and Latin America, while competing using a global niche strategy (Yeoh, 2011).

The available resources of EMNCs is likely to influence the firms' international location patterns (Jain et al., 2013). Such resources may include business relationships, along with both ethnic and institutional relationships. Firms with specific resources are able to invest in advanced markets, but firms with low resource firms will internationalise sufficiently to either other emerging markets or less developed markets. Resource differences are said to be reflected in the foreign investment location pattern of EMNCs. Although, a firm's resources are vital to the investment pattern of EMNCs foreign expansion, a firm's corporate international strategy, managerial vision and orientation may have an impact on their location pattern. Moreover, a firm's home experience and home country specific advantages will impact their location pattern.

EMNCs originate from highly imperfect markets, where network relationships are often a motivation for location choice. For Thai business groups' network ties with customers, suppliers, industry associations, banks, industry organisations and the founder's personal network was a motivation for the firms' market selection (Meyer & Thaijongrak, 2013). Foreign networks were also found to have influenced the location choice of Chilean firms (Bianchi, 2014). Network relationships enabled Chilean firms to adopt appropriate strategies in a foreign market to mitigate the liability of foreignness. Such network relationships include ties with regulatory agents, universities and financial institutions and international organisational partnerships. As a result, such network relationships provided Chilean firms with access to critical resources and market opportunities, which are vital for success in internationalisation (Bianchi, 2014; Yiu, Lau, & Bruton, 2007).

Regional market factors influenced the location path of many Asian firms (Deng, 2004; Rugman & Li, 2007). Regional factors also facilitated the investment of Kenya's small manufacturing firms in neighbouring countries. Good relationships between the governments of the neighbouring countries of Kenya were found to have facilitated the internationalisation of Kenya's small manufacturing firms (Matanda, 2012). Globalisation and regional trade blocks were noted as the motivation for the internationalisation of Malaysian firms (Tayeb, 2000, p. 132).

Burt (1993) suggests that three main factors impact the foreign expansion pattern of a firm; namely culture, geographical proximity and the development stage of the sector. Yeoh (2011) affirms that a country's economic development path may be dependent on its historic pattern of social organisation and further, its historic pattern may have influenced the internationalisation process of Indian firms. Indian firms internationalised first to markets that shared similar conditions to those of the Indian market, such as large populations, remote locations and low GDP (Yeoh, 2011).

EMNCS are therefore motivated to exploit their strong production capabilities by first venturing to markets that are similar to their home market. This is a learning process at the early stage of a firm's internationalisation. This historic link was noted to have influenced the location pattern of

South African multinationals during the apartheid era, whereby white owned firms internationalised to markets in Europe from the beginning, to countries like the Netherlands, Germany and England (Khanna & Palepu, 2006; Verhoef, 2011). The economic liberalisation that followed the end of apartheid in the 1990s altered South Africa's internationalisation path, in which the new emerging South African firms internationalised first in their region (Khanna & Palepu, 2006; Verhoef, 2011). The international path of Chilean multinationals firms was dependent on the nature of the business, rather than on the country's developmental level (Bianchi, 2014).

The location paths of EMNCs are dependent on firms' business and sectorial characteristics. For such firms, psychic distance is said to play a less significant role. The sectorial characteristics of China and India multinationals influenced their internationalisation pattern. For Chinese state owned enterprises (SOEs), location choice was influenced by the natural resources available in a location. Even with high political risk in such a location, Chinese SOEs were still driven to invest in such markets in order to fulfil the national policy objectives of the government (Ramasamy, Yeung, & Laforet, 2012).

2.6 The Internationalisation and Motivation of Nigerian firms

Although much is known about Nigeria's inward foreign direct investment, not much is known about its outward foreign direct investment (OFDI) trend. Nigerian OFDI remains relatively small in terms of its global share. However, the internationalisation of Nigerian firms constitutes an important foreign direct investment into SSA economies (UNCTAD, 2014). Nigeria's outward FDI stock increased between 2010 and 2015 by approximately 113% and the OFDI flows increased sixfold between 2004 and 2014 (UNCTADSTAT, 2017). The country's GDP increased from $208.07 billion dollars in 2008 to $568.5 billion dollars in 2015, representing a 173% increase, wherein it became the largest economy in Africa. Nigeria's economic growth during the past 20 years is to some extent a positive factor for Nigerian firms' internationalisation. Since the establishment of the first foreign subsidiary of a Nigerian retail bank in 2001, there has been a wave of foreign expansion of Nigerian firms. Indeed, by 2012, Nigerian banks were operating in more than thirty countries (Alade, 2014).

The sectoral distribution of Nigeria's economy has changed in recent years from agriculture and oil focused, to a service economy with the service sector representing 54%, where the key GDP contributions come from the banking, financial services and ICT sectors (NBS statistics 2014; CIA World Fact Book, 2016). In addition, the manufacturing sector now represents 19.4% of the country's GDP, which signals a changing profile in the sectorial characteristics of the Nigerian economy. Although Nigerian firms seem to internationalise mainly in the West Africa region, a few of them have internationalised into developed markets (Omokaro-Romanus et al., 2018).

2.6.1 The motivation and location pattern of Nigerian firms' internationalisation

The internationalisation of Nigerian firms through OFDI is a new phenomenon which has developed since the early 2000s. The structural economic reforms and deregulation of policy that followed the transition to democratic rule in the country in 1999 are attributed to the increase in the internationalisation of Nigerian firms. The home country's institutional environment may be responsible for explaining the different patterns of EMNCs' internationalisation, because a favourable domestic institutional environment can become a base for firms to build their specific advantages for internationalisation (Cui & Jiang, 2009; Cui et al., 2014).

The heterogeneous nature of EMNCs makes the motivations for internationalisation vary from country to country, even within the same geographical region (Hoskisson et al., 2000). The motivation in general terms will define the typology of foreign investments in EMNCs (Goldstein & Pusterla, 2010; Jain & Hausknecht, 2013; Jain, Lahiri, & Hausknecht, 2013). Deng (2012b) indicated that knowledge of EMNCs motivations for internationalisation has accelerated the internationalisation process of EMNCs.

However, the internationalisation process of Nigerian firms is still an under-explored phenomenon, except for a few studies in the banking sector (Mol, Stadler, & Arino, 2017; Bolaji & Chris, 2014; Boojihawon & Acholonu, 2013; Ibeh, Wilson, & Chizema, 2012). The Sub-

Saharan African economic environment is diverse in terms of its political systems, resources, economic structures and culture (IGD & Development, 2011; Ajen, 2016). This diversity may have implications for the internationalisation process of SSA firms in general and Nigerian firms in particular. Amungo (2016), for example, found that Nigerian banks were motivated to internationalise due to sectorial reforms, domestic competitive pressure, managerial intentions and risk diversification factors. Similarly, Boojihawon and Acholonu (2013), in a study of the internationalisation of four African banks from Nigeria and Kenya, found that a consolidation and recapitalisation program in the banking sector in 2004 motivated Nigerian banks to embark on foreign expansion.

There is growing evidence of regional market integration such as the Association of Southeast Asian Nations as a relevant economic union, which has given many EMNCs an opportunity to formulate regional internationalisation strategies. Regional economic integration, such as ECOWAS, could well motivate Nigerian firms to internationalise and give them an opportunity to access a larger regional market than they would have otherwise. The regional market could also become an international entry strategy for many Nigerian firms in their internationalisation venture. Growing regional integration among developing countries has provided a platform for firms to explore the inherent benefits of internationalisation. It could also be a means to strengthen and achieve their domestic economic policies and reform, and increase the multilateral bargaining power of the region (Whalley, 1998). It could also well be a means to increase political cooperation, security, economic and regional stability. Regional market factors have become a motivation for firms to seek foreign investment opportunities and leverage their home country advantage for internationalisation (Deng, 2004; Rugman & Li, 2007).

Therefore, Nigerian firms may be motivated to internationalise into the West Africa region at the early stages of their internationalisation process before subsequently internationalising to other markets. The assumption could also be made that Nigerian firms will internalise their operations in the foreign market when they perceive there is a market opportunity in their geographical region and the need to become a regional player may also be a motivation behind increased internationalisation.

2.7 Research Gap Analysis

Insights drawn from the literature review so far have contributed largely to the understanding of the internationalisation process of EMNCs. Earlier studies of the evolution of developing countries' multinational firms also broaden our understanding of the evolution of EMNCs, which provide the foundation to advance the study of EMNCs' internationalisation process (Kumar & McLeod, 1981; Lall & Chen, 1983; Lecraw, 1977; Wells, 1983). However, the last two decades have seen a shift in the internationalisation process of EMNCs. This has contributed to a renewed interest among IB scholars in the study of the internationalisation processes of EMNCs. This new strand of studies has focused mainly on EMNC firms from Latin America and Asia (Aulakh, 2007; Cavusgil, 1980; Chittoor & Ray, 2007; Cuervo-Cazurra, 2007; Deng, 2004; Dunning, 1988; Elango, 1998; Elango & Sethi, 2007; Fortanier & Tulder, 2009; Gammeltoft, 2008; Goldstein & Bonaglia, 2007; Hoskisson et al., 2000; Khanna, Palepu, & Sinha, 2005; Meyer & Peng, 2005; Ramamurti, 2009).

Several firms from emerging markets have also appeared in the global economy in the past 20 years, but extant literature shows that the nature of these firms are dissimilar and bear little resemblance to the traditional MNCs from developed economies. Mathews (2006), however, saw a shift in the behaviours of EMNCs that is at odds with the traditional internationalisation theories. The nature and patterns of the internationalisation of EMNCs have increasingly challenged the traditional theories of the MNCs (Deng, 2012; Ramamurti 2009). The assumption has been that the internationalisation of EMNCs could be explained and analysed with existing internationalisation theories, but recent research has identified gaps (Gammeltoft, Pradhan, & Goldstein, 2010).

Even though researchers have advanced traditional theories to address some of these challenges (Xu & Meyer, 2013), there are difficulties in applying these theories in many emerging markets.

Axinn and Matthyssens (2002) stated that holistic approaches and research in explaining the internationalisation of EMNCs are needed due to the insufficiencies of the existing theories. The traditional theories are limited in their ability to address the new challenges of EMNCs, and the mainstream internationalisation theories have been criticised for not being sufficiently comprehensive. In particular, Amal et al., (2013) described existing internationalisation models as mainly complementary to each other, rather than competing. For instance, the Uppsala model may have fallen short of providing a rich insight into the understanding of internationalisation behaviours of firms from non-advanced market context, and in the complex context of emerging markets. The dynamism of emerging markets has created an opportunity to investigate the internationalisation process of EMNCs and enhance the advancement of internationalisation theory.

The empirical studies that led to the development of internationalisation theories were restricted to MNCs from developed economies. Therefore, it is not surprising to see how this is reflected in the behaviour of firms from advanced economies in contrast to the EMNCs. The contexts in which the traditional theories were developed are well-structured, efficient, stable, matured and well-defined, institutionally, socially and politically. However, EMNCs face turbulence, inefficiencies, high uncertainty and less transparency in their home market (Xu & Meyer, 2013). EMNCs are also likely to be confronted with issues such as deficiencies in infrastructure, ineffective institutional policies, and a lack of ownership advantage; these factors may well have an impact on the internationalisation process and behaviour of EMNCs. The contextual differences represent a drawback in the application of existing theory to the study of EMNCs (UNCTAD, 2006; Luo & Tung, 2007; Wright et al., 2005).

Ibeh et al., (2012) argue that differences exist between firms from developed economies and those from Africa, thus questioning the appropriateness of such theories in the explanation of the internationalisation of African firms. African markets are known for their diversity, and disadvantages in the business environment may become a problem for the internationalisation of

African firms (Boso, Oghazi, & Hultman, 2017). SSA firms may be confronted with difficult home country business environments, weak institutional contexts, infrastructure related impediments, ineffective investment promotion policies and a lack of ownership advantages. Such disadvantages could force African firms to exhibit different behaviour in their internationalisation process, with comparison to MNCs from advanced countries, Latin America and Asia.

The extant literature indicates that EMNCs are driven by economic liberalisation and ease of regulatory control. Such studies have recognised the context and the characteristics of the differences between different emerging markets. The importance of context has been emphasised in the existing research on EMNCs, due to the idiosyncratic nature of their home markets (Cavusgil, Ghauri, & Akcal, 2013; Bianchi, 2014; Bolaji & Chris, 2014; Boojihawon & Acholonu, 2013; Cuervo-Cazurra & Ramamurti, 2014; Eren-Erdogmus et.; al, 2010; Gammeltoft et al., 2010; Khanna & Palepu, 2006; Athreye & Kapur, 2009; Deng, 2012; Gaur & Kumar, 2014; Sim, 2005; Verhoef, 2011; Bianchi, 2014; Goldstein & Pusterla, 2010; Mihailova & Panibratov, 2012; Olaya et al., 2012; Sim, 2005). There is also an increased distance in business, cultural and contextual environments than previously encountered within the Western contexts (Ghemawat, 2001). For instance, Teagarden, Von Glinow, and Mellahi (2017) suggest that for international business research to remain relevant there should be an adequate contextualisation of theory building to capture the variances and uncover differences that make the traditional non-Western context different. They ascertained that the gap is becoming more evident in IB because the scope of IB is expanding and changing dramatically, due to the shift in business from advanced economic based contexts towards emerging markets, including Sub-Saharan Africa.

Therefore, the context specific nature of the Nigerian home market may well explain the internationalisation process of Nigerian firms. A firm's motivation for internationalisation evolves over time, either as its internationalisation intensifies or as the organisation grows (Dunning, 2002; Tahar, 2005). The study of the internationalisation process of Nigerian firms has become important given the context in which Nigerian firms operate. Despite the increased internationalisation of Nigerian firms, there is a lack of empirical studies that have investigated the internationalisation process of Nigerian firms. A study of the internationalisation process of Nigerian firms in terms of their domestic expansion, motivation and location patterns could create a path to understanding the internationalisation process of SSA firms generally. Such a study could also have both policy and social implications for Nigeria in particular and Sub-Saharan Africa in general.

Sub-Saharan African firms, and in particular Nigerian firms, have received less attention in IB research in comparison to those from Latin America and Asia or China. William (March 10, 2013) noted that Nigerian, Kenyan and South African companies are moving increasingly quickly across borders, tapping into neighbouring growth markets and expanding across the continent. However, there is currently limited evidence or a body of research on Nigerian firms' evolution, domestic growth process and internationalisation (Acholonu et al., 2010; Bolaji & Chris, 2014; Boojihawon & Acholonu, 2013; Ibeh, 2003; Ibeh et al., 2012). Studies that have examined the internationalisation process of Nigerian firms are shown in Table 2.1.

Table 2. 1: Research on the internationalisation process of Nigerian firms

No	Author	Theoretical Perspective	Study Title	Methodology
1	Ibeh (2003)		The internal drivers of export performance among Nigeria firms: Empirical findings and implications	Mixed method approach; survey and in-depth interview
2	Ibeh et al. (2012)	Literature Review based on Micro Level Data	The Internationalisation of African Firms 1995-2011; Reviews and implications	Longitudinal 1995-2011. Quantitative analysis of data from 54 countries
3	Boojihawon and Acholonu (2013) Nigeria, Kenya and Mauritius	International Process Perspectives	Internationalisation of African banks: an exploratory study	Qualitative case study
4	Bolaji and Chris (2014)	RBV/Organizational Learning Theory	Relationship between Internationalisation of Firms and Economic Performance: A Case Study of Selected Banks in Nigeria	Quantitative secondary data was used; 5 banks with WOS in on other countries and listed in London Stock Exchange
5	Alade (2014)	Economic theory	"Cross-border expansion of Nigerian banks: has it improved the continent's regulatory and supervisory frameworks	Content data analysis
6	Amungo (2016)	OLI and the Uppsala model	Examining the Factors Influencing the International Expansion of Nigerian Banks	Case study of four Nigerian banks

Source: research data

2.8 Theoretical Proposition

The literature review in this chapter has revealed that the majority of empirical studies have been conducted on Latin American, Asian and to lesser extent Chinese firms. There has been relatively little research undertaken on Nigerian firms. In terms of research to date on the internationalisation process of Nigerian firms, there exist three limitations; namely, an empirical under-representation, theoretical and methodological gaps. Regarding the empirical under-representation, there are few studies that have researched the internationalisation of Nigerian firms. The methodological gap is that only one specific sector, i.e. the banking sector has been the focus of those studies (Table 2.1). The dominant theoretical model adopted in relation to the study of the internationalisation process of EMNCs, has been the internationalisation process model "the Uppsala model". As a result, more research is needed to ascertain the theory underpinning the internationalisation process of Nigerian firms. This study is important because Nigerian firms may be motivated to internationalise, based on factors which are entirely different from those suggested by the Uppsala model.

However, as discussed in section 2.3, the existing internationalisation theories have been criticised for not being sufficiently comprehensive to address the internationalisation phenomenon of firms from EMNCs. Despite the shortcomings of the Uppsala model and the OLI model, they continue to be among the most referenced theories in the study of the internationalisation process of EMNCs. Indeed, the Uppsala model and OLI model could also provide a foundation and premise for the study of the internationalisation of Sub-Saharan African multinational firms, particularly Nigerian multinationals firms. This is because Nigerian firms have emerged as the largest economy in Africa, a continent which comprises of 54 countries. It also emerged from Sub-Saharan Africa region with a population that stands at about 1.1 billion, with combined GDP of US$1.5 trillion. The internationalisation process model, according to Meyer and Thaijongrak (2013), creates a natural foundation for the study of EMNCs. Therefore, this study draws on the Uppsala model and the OLI eclectic paradigm (Johanson and Vahlne, 1977, 1990; Dunning, 1988, 2002) to investigate the internationalisation process of Nigerian firms. The integration of the OLI eclectic model and the Uppsala model in this thesis will give the study the richness and robust theoretical approach to study the internationalisation process of Nigerian multinational firms.

Do Nigerian firms follow the same process as suggested the internationalisation process theory? Nigeria’s emerging market, as the context of the study, provides a platform for the expansion of existing internationalisation theory; namely, the Uppsala model and the OLI eclectic paradigm. Therefore, this thesis examines the factors that have impacted the domestic growth, the motivation for the OFDI internationalisation and the location pattern of Nigerian firms. A case study method is appropriate in the sense that it provides a distinctive angle to study the internationalisation process of EMNCs and to account for the heterogeneous contexts (Chapter 4). It is believed that competitive advantages arising from ownership advantages of Nigerian companies in comparison to those of the host local organisations are likely the motivation for the internationalisation of Nigerian firms. The internationalisation process of Nigerian firms is a new phenomenon within international business research, of which its study could add to the existing knowledge and literature on the understanding of firms from different emerging market geographical locations.

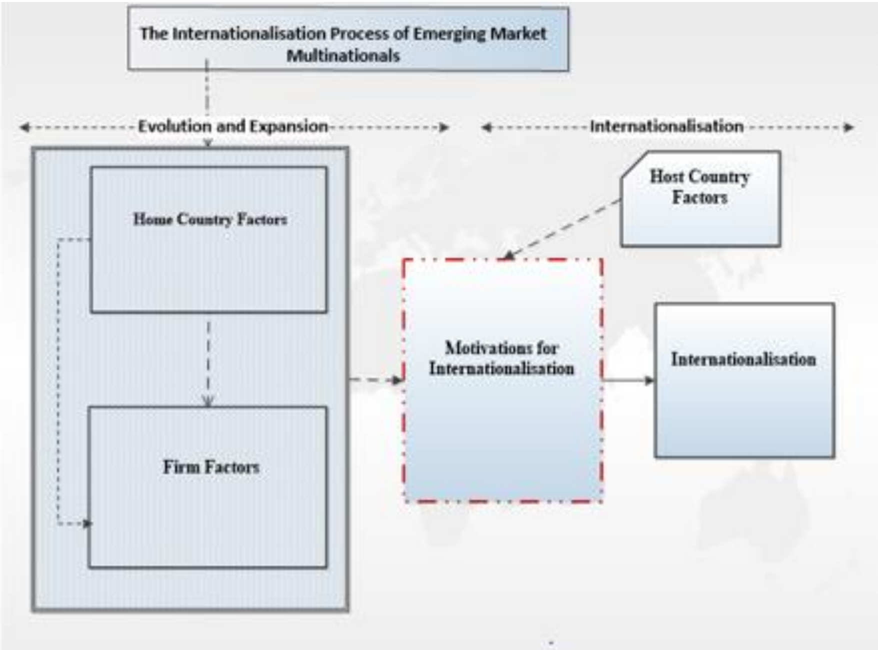
2.9 Research Conceptual Framework

The thesis framework (Figure 2.3) was developed with insight from the literature on the internationalisation process of EMNCs, with a view to address the objectives of this thesis. The framework suggests that the internationalisation process of Nigerian firms is driven by multiple factors, which are internal and external to the firm, such as firm factors, home country factors, and host market factors.

However, this study on the internationalisation process of Nigerian firms will be conducted in four key areas. The first and second examine domestic evolution and the factors that had an impact on the domestic expansion of Nigerian firm. That is the growth process from being local firms to becoming international firms. The third and fourth investigate motivations for and the international location pattern of Nigerians firms during the initial stage of the firms’ internationalisation.

This research framework, however, is developed explicitly to address and approach the study in a structured, coherent and logical manner, which allows the formation of a link between the research objectives, research questions and study context. The framework was used to develop the research questions and methodology. The conceptual framework will be evaluated in the context of the empirical research findings.

Figure 2. 3: Research conceptual framework: The internationalisation process of EMNCs



Source: Research data

2.10 Chapter Conclusion

This chapter has reviewed the relevant extant literature pertaining to the theories of FDI and the domestic expansion and internationalisation process of EMNCs. This chapter has also discussed the historic evolution of the of internationalisation process of developing countries' multinational firms. The chapter also analysed the motivation for the internationalisation of emerging market firms. It also analysed their foreign expansion and location patterns. As a result, gaps were identified in the literature, which became the motivation behind this research thesis. With insight from the literature, a theoretical proposition and research framework was developed to guide the study. Chapter 3 discusses the Nigerian research context in more detail, while chapter 4 discusses the methodological approach of this study.

CHAPTER THREE:
THE CONTEXT OF THE STUDY

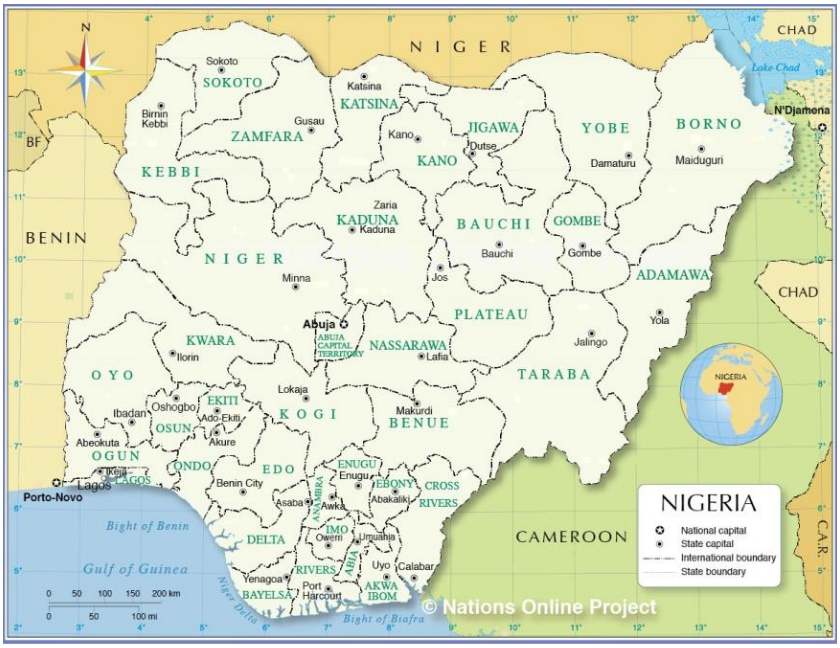
3.1 Introduction

This chapter presents Nigeria's economic development history and its outward foreign direct investment position. This chapter is important because its helps place the thesis within context, with a view to shed light on the domestic growth process of Nigerian firms, the context of their business, the motivation for their foreign expansion and their location path. This chapter starts by discussing the social and political components of Nigeria as a country in section 3.2, then section 3.3 provides an economic overview of Nigeria. Section 3.4 offers a sectorial overview of Nigeria's economy. This is then followed by a presentation of the Nigerian inward and outward FDI position in section 3.5. Section 3.6 draws the chapter to a conclusion.

3.2 Social and Political Background of Nigeria

Nigeria is the most populous nation in Africa and the seventh most populous country in the world. The Nigerian coast lies on the Gulf of Guinea in the south and is situated in the West Africa region, with a land area of 923,770 square metres, and an estimated population of 186 million people. Nigeria is a federal republic, consisting of 36 states and with a designated federal capital territory of Abuja.

Figure 3. 1: Map of Nigeria



Source: nationsonline.org

The country has a border to the north with the Republics of Niger and Chad, to the east with the Republic of Cameroon, to the south with the Atlantic Ocean and to the west with the Republic of Benin (Figure 3.1) Nigeria is blessed with several natural and mineral resources, such as petroleum, iron-ore, coppers, natural gas and solid minerals.

Nigeria is made up of about 250 different ethnic groups, of which the Hausa, the Igbo and the Yoruba are the major ones, with 29%, 18% and 21% of the country's population respectively. The Hausas predominantly reside in the north, the Yoruba in the southwest, while the Igbos are located in the southeast. Most of the country's industries and commercial activities are located in the southwest. Nigeria has two main religion as groups, the Muslims who are concentrate in Northern Nigeria and the Christians who are dominant in the South, along with some elements of African traditions (O'Grady, 2012). The country's legal system is a mixed English common law, with Islamic law in the north, along with traditional law (CIA-Factbook, June 2014). Nigeria accounts for 16% of the total African population (National Population Commission, 2017) Table 3.1.

Table 3. 1: Nigeria's population size and structure (2017 est.)

Total Population ('000 persons	2016 Population Demographics	% of Total population
Age Structure (years) 0-14	38,880,303/female 40,744,956) Male	42.79%
15-24	17,729,359/female 18,514,466/Male	19.48%
25-54	29,259,621/female 27,768,368/male	30.5%
55-64	3,769,986/female 3,595,293/male	3.6%
65+	3,047,002/Female 2,754,404/Male	3.2%

Adapted from: indexmundi.com

For the most part of the 19th century, the British exerted influence and control over what would become Nigeria. Before colonisation, what is today known as Nigeria, was made up of various nationalities and ethnic groups (Alubo, 2004; Otite, 1990; Suberu, 1996). Through a series of constitutional amendments, Nigeria became an independent nation in October 1960 and became a Federal Republic in 1963, after being under British rule for over 60 years. After its independence, Nigeria was divided into three administrative regions, the northern, western and eastern protectorates, with Lagos as the Federal Capital. There exists division and a lack of co-operation stemming from the nation's independence, between the regions of which both colonial government and local administration engaged to built the nation. Deep ethnic and religious tensions in the country continue until the present day. These ethnic divisions have undermined the ability of civilian governments to function. This led to military coup d'état in 1966 and the secession of the eastern province in 1967, resulting in a civil war between 1967 and 1970. From 1967 to 1999, Nigerian politics were marked by a series of coups d'état, with several years of military rule and dictatorship. In 1999, the country adopted a new constitution, paving the way for a peaceful transition to democratic rule (O'Grady, 2012). Today, Nigeria is a country with 36 states, a Federal capital territory of Abuja and is a country grouped into six geopolitical zones.

3.3 Nigeria's Economic Development

3.3.1 Pre-independence economic period 1900-1960

Nigerian economic development has been gradual and can be divided into three periods, which are: pre-independence 1900-1960, post-independence 1960-1990 and a modern period from 1990 to the present day. Prior to its independence in 1960, Nigeria economy was under British control. Nigerian economic activities in the pre-independence era were mainly in the hands of foreign nationals; namely, the British, other Europeans, the Americans and the Lebanese. The Nigerian economy was open, unrestricted to foreign investors' foreign managers, and entrepreneurial talents were welcomed at the highest level of the country, both politically and economically (Ogbuagu, 1983). There was a large number of Lebanese businessmen acting as middlemen for export trade, distribution and related services. A few Nigerians were involved in limited roles in the country's economy, mainly acting as commission agents for foreign organisations and trading houses. However, Nigerian businessmen were at a competitive disadvantage, because they were either out competed or out performed by their Lebanese counterparts, who had international affiliations, along with greater financial resources.

3.3.2 Post-independence economic period 1960-1990

After its independence in 1960, the Nigerian government immediately began a process of "indigenisation" of the Nigeria economy. There was also a strong sense among Nigerians that economic independence was an imperative, along with political independence, and this created pressure, since many Nigerians wanted the economic affairs of the nation to be in the hands of Nigerians. This led to the promulgation of the Nigerian Enterprises Promotion decree of 1971/72, an economic policy later termed the "Nigerian indigenisation economic policy" (Biersteker, 1980). The pursuit of the indigenisation policy led to the aggressive protection of the

Nigerian economy. The decree was meant to regulate businesses operating in Nigeria, by compelling foreign-owned firms to cede a controlling stake of up to 60% of their businesses to local Nigerians enterprises or the Nigerian government. The indigenisation policy objectives were (a) to create opportunities for Nigerian indigenous businesses; (b) to raise the level of intermediate capital and goods production; and (c) to maximise the local retention of profit, because of the previously high repatriation of earnings by foreign investors (Ogbuagu, 1983).

The enterprise promotion economic policy led to the nationalisation of several foreign companies. In 1971, Nigeria joined the Organisation of Petroleum Exporting Countries (OPEC) as an oil producing nation (O'Grady, 2012). The Nigerian government, again in 1975, nationalised several private institutions, such as regional economic corporations, media houses and universities (Alubo, 2004). The unfavourable business environment in the country negatively impacted the Nigerian economy and there was a decline in its inward FDI flow and the consequences left the Nigerian economy in a poor state. The indigenisation policy led Nigeria to be oil export dependent, while the country saw a decline in industrial growth, which happened simultaneously when Nigerians assumed ownership of the main sectors of the economy (Balabkins, 1982).

The Nigerian Enterprises Promotion policy was an economic policy failure and the government in 1977 took steps to amend the policy. The government amended the economic policy in 1981 to allow foreign investors 60% ownership of firms in Nigeria, but such ownership was restricted to certain sectors of the economy. At this point, the Nigerian government seemed to have realised the negative impact of its protectionist economic policies in the country and the importance of foreign direct investment. Inward FDI is said to enhance job creation, technological transfer, managerial skills and capital investment - a development which can contribute to a country’s economic growth and development (Wafure & Nurudeen, 2010).

The Nigerian government, in an effort to attract foreign investors, undertook various economic policy measures in the late 1980s, but the country (under military rule between 1983 and 1999) experienced a series of international economic sanctions, which resulted in an economic downturn (Wafure & Nurudeen, 2010). Despite this, Nigeria is a top oil producing nation. However, economic growth and development eluded the nation due to (a) several years of military dictatorship; (b) economic mismanagement; (c) high corruption and economic sabotage. These vices continue to confront the petroleum-based economy, which left the country in a difficult position in which many of its citizens were left in poverty.

3.3.3 Nigerian economic growth and development, 1990 – present

The 1990s were a difficult time in Nigerian economic history, because of the political, economic and social uncertainties and agitation in the country. Nigeria was under military rule for most of the decade, and as a result the country experienced international economic sanctions, which were detrimental to Nigeria's economic growth. However, the decade also saw some positive events, both in politics and in the economy. As a result, the Nigerian economy started to see an upward growth trend (Wafure & Nurudeen, 2010). The Nigerian Investment Promotion Commission (NIPC) was established in 1995 and the aim was to promote, co-ordinate, monitor and create a favourable business environment in the country, as well as ease the process of doing business in Nigeria.

In addition, Nigeria transitioned peacefully to a democratically elected government in 1999, which was a major event in the history of the country. The democratic transition changed the country's political landscape. The transition also positively impacted the country in terms of political organisation, social entities and economic activities. The transition resulted in economic reforms, regulations and deregulations. Such reform includes the industrial Backward Integration Policy (BIP) of 2000, which was designed to foster local manufacturing. As a result of the National Telecommunications Policy (NTP) Act of 2000, the Nigerian telecommunications sector was opened to both local and foreign competitors. The Financial Services Act of 2001 and the Insurance Act of 2003 opened the Nigerian financial sectors. These reforms saw the growth of many domestic firms in different sectors of the Nigerian economy; namely banks, telecommunication firms, manufacturing, ICT firms, energy firms and insurance firms. The economy also experienced an upward growth and Nigeria as a large market provided the scope for the expansion of local businesses.

The United Nations (UN) and the World Bank now classifies Nigeria as a middle income country (World Economic Situation and Prospects, 2014). Nigeria is a mixed economy and an emerging market with expanding financial, service, telecommunication, entertainment and retail sectors (AFDB, 2013; Barbara, Eric, & Collen, 2015), The country is ranked as the best economy 20th in the World in terms of the Purchasing Power Parity index (World Bank, 2014). Nigeria is also considered as one of the "next-eleven" emerging market powers (O'Neill, 2007), which includes countries like Egypt, Indonesia, Turkey and South Korea. Nigeria has also been identified as one of the new emerging economic giants of the future, alongside Mexico, Indonesia and Turkey (MINT). It is believed that the emerging MINT economies will see strong growth and will account for 10% of global economic growth in 2050 (O'Neill's BBC Radio 4, 6 January 2014).

The vitality of Nigeria's economic potential is characterised by its entrepreneurial dynamics, which has helped to create favourable conditions for an increasing economic role in Africa and beyond (Ford, 2012). The economic potential of Nigeria is based on the fact that the country is rich in petroleum and natural gas reserves, with a young and fast growing population, an emerging middle-class, large market and economic growth potential (Cravo, Hornsby, Nascimento, & Santos, 2014). The country's economic potential is supported mostly by its citizenry's entrepreneurial abilities, agriculture sector potential and huge oil and natural gas reserves, which are at an estimated 180 trillion cubic feet - the largest reserves in Africa and the ninth largest in the world (Business Monitor International, 2014; World Bank, 2013; Cravo et al., 2014). The private sector is the primary driver of the country's economic development and it is also the primary source of the export earnings of the country (AFDB, 2013). The sector is also the main employer of labour, accounting for over 80% of employment.

The Nigerian government in 2009 adopted an economic development framework which was termed vision 20:2020 - a policy framework designed to foster the economic growth and development of the country. The overall policy framework of vision 20:2020 is based on how Nigeria could become one of the top 20 economies in the world by the year 2020 (National Planning National Planning Commission, 2009). The vision 20:2020 policy was aligned with the Transformation Agenda (TA) of 2011-2015, and the agenda's intention was to transform the Nigerian economy from being a primary products oriented economy based on crude-oil production and agriculture, to becoming an industrial and services oriented economy. The transformation agenda was articulated around nine thematic objectives namely to improve human capital development, real sector development, macroeconomic stability through fiscal prudence and appropriate monetary policy, good governance and effective institutions, and promote sustainable growth and development (Appendix 3.1 and 3.2).

However, many observers see vision 20:2020 and the TA agenda as being over ambitious and believe it will be difficult to achieve in the short specified time frame. This is due to the large budgetary resources required, the fundamental structure of the Nigerian economy, and the facts its capacity and capabilities to achieve the objectives are limited. Nigeria's economic potential, as analysed by the world's economic organisations, for instance, argues that the vision for Nigeria to become one of the top 20 economies in the world by the year 2020 can only be accomplished if the Nigerian government develops the willingness to efficiently harness and manage the country's resources (Cravo et al., 2014). The former governor of the Central Bank of Nigeria suggested that Nigeria can become the China of Africa only if the country's human and natural resources are well harnessed (Soludo, 2006). Also, there is more than seventeen million Nigerian diaspora, of which many are highly educated professionals with international skills and experience in various which fields, could contribute to the economic growth of Nigeria.

Nigeria has experienced robust and sustained economic growth in the past decade, averaging an annual GDP and economic growth of 7%. This rate is among the highest in Sub-Saharan Africa

(AFDB, 2013) (Figure 3.2, Appendixes 3.3 to 3.9). Nigeria's petroleum and import based economy has begun to see emerging sectors and the diversification of non-oil sectors, especially in the service, ICT, real estate, entertainment, banking, retail and manufacturing sectors. However, the Nigerian economy remains vulnerable to changes in the world's oil prices (Barbara, Eric, & Collen, 2015).

The service and agriculture sectors are expected to be the main drivers of growth in both in the short and medium term. The continued success of the on-going transformation reforms in the critical sectors of agriculture, energy, and infrastructure development are expected to stimulate economic growth in the long term (Barbara et al., 2015). The implementation of the Nigerian Industrial Revolution Plan (NIRP) is expected to have a positive impact on the country's manufacturing industry, just as the financial sector reforms have produced a financial landscape characterised by large, strong banks, an efficient payment system and improved financial infrastructure in the country. Ekperiware (2011) found that Nigeria has embarked on deregulation both economically and structurally in terms of economic privatisation, democratic process, increased investment in infrastructural development and the reduction of government interference in economic activities. The Nigerian bank sector is lauded for its improved stability, making Nigeria one of the most liquid capital markets in the Sub-Saharan Africa region. Between 2003 and 2005, the average growth rate in the non-oil sector was 8%. Subsequently, deregulation, political stability and exchange rate depreciation have attracted foreign direct investment into Nigeria (Wafure & Nurudeen, 2010).

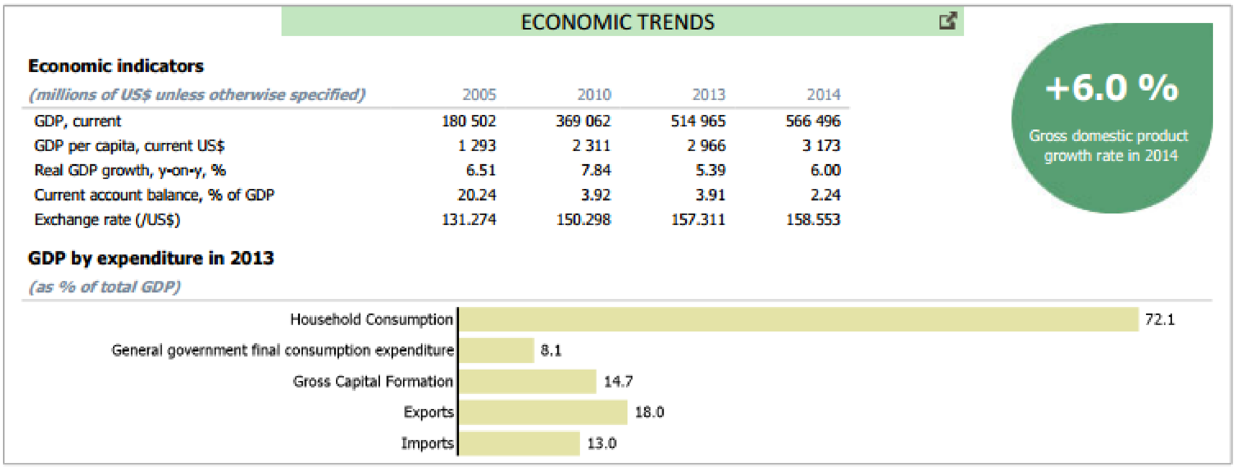
Nigeria's economic development has been slow due to its difficult political past in the 1970s, 1980s and 1990s. GDP growth has also been slow. In 1970, Nigeria's GDP was ranked 89th in the world, with $25.4 billion GDP. By 2000, Nigeria's GDP was $74 billion but by 2014 it had increased to $568 billion to become the largest economy in Africa and the 26th in the world, on a par with Belgium at $524 billion, Poland at $525 billion and Norway with $533 billion (NBS, 2014; CIA-fact book, June 2014) (Figure 3.2).

Figure 3. 2: GDP growth of Nigeria 2006 to 2014

Source: World Bank DATA STAT

Nigeria’s GDP increased between 2007 and 2012, with an average annual growth rate of 7% (World Bank, World Development Indicators, 2013). Nigeria is predicted to have the highest average GDP growth in the world over the next 40 years (Cravo et al., 2014). This growth is linked to improving fiscal management, because the government and the Nigerian banks have embarked on measures to restructure and strengthen the banking sector and other areas of its economy. Nigeria’s annual GDP growth rate achieved a historic high of 19.2% in the fourth quarter of 2004 and a historic low of -7.81% in 1983 (Figure 3.3).

Figure 3. 3: Nigerian economic trends 2005 to 2014


ECONOMIC TRENDS

Economic indicators

(millions of US$ unless otherwise specified)	2005	2010	2013	2014
GDP, current	180 502	369 062	514 965	566 496
GDP per capita, current US$	1 293	2 311	2 966	3 173
Real GDP growth, y-on-y, %	6.51	7.84	5.39	6.00
Current account balance, % of GDP	20.24	3.92	3.91	2.24
Exchange rate (/US$)	131.274	150.298	157.311	158.553

Source: UNCTADSTAT

Nigeria's per capita Gross National Income (GNI) also saw a high growth rate in the period between 2004 and 2014, from $999 to $2876 respectively, representing a 187.7% increase within a period of ten years. The Gross National Product (GNP) also saw an increase in the same period, from $135 billion in 2004 to $510.4 billion (Appendixes 3.6 to 3.8). GNP per capita growth of a country is an indication of economic development and its propensity to be involved in OFDI. New emerging sectors have contributed to Nigerian GDP growth, especially in the telecommunication, financial services, retail and industry industries. A number of Nigerian economic indicators are shown in Table 3.2.

Table 3. 2: Nigerian economic indicators, 1970-2014 ($billion)

Year	1970	1980	1990	2000	2005	2008	2009	2010	2011	2012	2013	2014
Gross Domestic Product	25355	204262	68329	74591	180502	334580	272536	369062	411743	460953	514964	568
Household consumption expenditure	9683	71918	25375	39358	136229	219172	205836	244028	269396	269173	371494	
Gross capital formation	5794	55936	11468	7788	14655	41389	48952	63813	66752	68717	75802	
Gross fixed capital formation	6004	57388	11108	7643	14387	40661	48102	62706	65793	67421	74521	
Changes in inventories	-210	-1452	359	145	268	728	850	1107	959	1297	1280	
Exports of goods and services	2017	29721	15412	24960	36962	86318	54243	93240	128998	144918	92906	
Imports of goods and services	1214	20274	6055	8910	20948	51032	51417	64169	88378	59654	66866	
Total value added	23418	175661	54075	69549	179853	342338	294015	363359	40700	455330	509133	
Industry	4522	50006	13973	20768	42642	75067	50289	91993	115374	124367	132564	
Manufacturing	1021	11475	2713	5431	11131	19476	13372	23810	29258	35485	45981	
Services	12559	95017	26823	33935	91193	182063	165648	184546	200913	230543	269669	
Other activities	6661	41398	13699	14577	39158	78113	71470	78834	86090	101140	118620	

Source: UNCTAD DATA STAT

3.4 Nigerian Sectorial Overview

The sectorial distribution of the Nigerian economy has changed in recent years, from being based on agriculture and oil to one based on services. The service sectors represent 54%, of which the main contributions coming from the banking, financial services and ICT sectors (NBS statistics 2014; CIA World Fact Book, 2016) (see Table 3.3, Figure 3.4, Appendix 3.10 and 3.13). The manufacturing sector now represents 19.4% of the country's GDP, which signals a changing profile regarding the key sectors of the Nigerian economy (see Appendix 3.7 to 3.10). The growth rate continues to be strong in the non-oil sector, with an increase in its share of GDP to 92.85% in 2016 from 91.94% in the fourth quarter of 2015 (NBS 2016). Table 3.3 highlights the major sectors of the Nigerian economy.

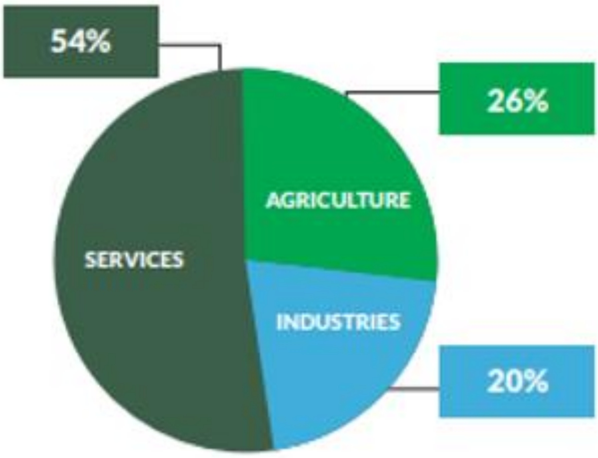
Table 3. 3: The main sectors and sub-sectors of the Nigerian economy

Main Sectors	Sub-Sectors
Mining & Quarrying.	Crude Petroleum and Natural Gas, Coal Mining, Metal ore and Quarrying and other Minerals
Agriculture	Crop Production, Livestock, Forestry and Fishing
Manufacturing	Oil Refining, Cement; Food, Beverages and Tobacco; Textile, Apparel, and Footwear; Wood and Wood products; Pulp Paper and Paper products; Chemical and Pharmaceutical products; Non-metallic products, Plastic and Rubber products; Electrical and Electronic, Basic Metal and Iron and Steel; Motor Vehicles and Assembly; and Other Manufacturing.
Electricity	Electricity Gas, Steam and Air Conditioning Supply
Construction	
Trade	
Accommodation and Food Services	
Transport and Storage	Road Transport; Rail Transport and Pipelines; Water Transport; Air Transport; Transport Services; and Post and Courier Services.
Information and Communication	Telecommunications and Information Services; Publishing; Motion Picture, Sound Recording and Music Production; and Broadcasting.
Arts, Entertainment and Recreation	
Real Estate Services	
Finance and Insurance	Financial Institutions and Insurance
the Administrative and Support Services	
Education	

Professional, Scientific and Technical Services	Professional, Scientific and Technical Services
Public Administration	
Health and Social Services	

Sources: NBS

Figure 3. 4: Sectorial contribution to Nigerian GDP 2016



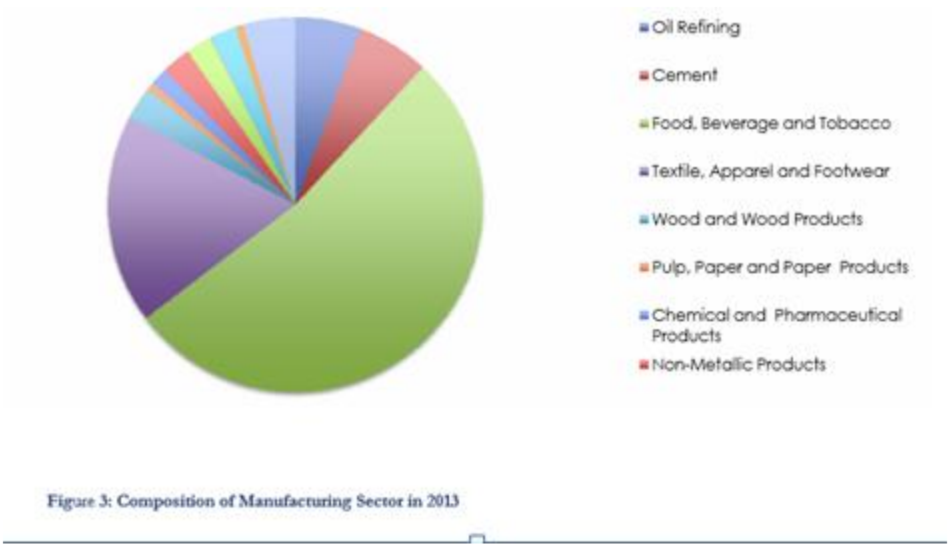
Source: NBS DATA STAT 2016

There was a slight decline in the sectorial growth rate in the years 2015 and 2016. For example, the finance and insurance sectors grew by 19.74% in nominal terms (year on year), with growth rates of 20.02% and 17.89% for the finance and insurance sub-sectors respectively. The information and communication sectors grew in nominal terms by 17.43% (year-on-year) in the fourth quarter of 2016 (NBS DATA STAT 2016) . The sectors relating to the thesis case studies are discussed below.

3.4.1 Manufacturing sector

The manufacturing sector is one of the oldest sectors of the Nigerian economy, and dates back before Nigerian independence. The sector is comprised of thirteen sub-sectors (Table 3.3, Figure 3.5). For several years, the Nigerian manufacturing sector was neglected because of an over dependence on the country's oil revenues. The decline in the sector was also linked to a series of unfavourable economic policies, such as the Nigerian Enterprises Promotion decree of 1972 (section 3.3 and Chapter 5). The restrictions on capital inflow, coupled with high dependence on imported goods, technology deficiency and the vulnerability of the Nigerian manufacturing sector (in comparison to the global economy) led to a further decline in the manufacturing sector in Nigeria in the 1970s, leading up to the year 2000. The Structural Adjustment Program (SAP) of 1987, which placed an embargo on the importation of raw materials into Nigeria, has been attributed to the decline. The restrictions discouraged domestic manufacturing, and the lack of investment in human capital resulted in stagnation of the manufacturing sector (NBC, 2014). The high cost of doing business in Nigeria, the lack of competitive advantage and infrastructure disadvantages, such as a lack of good roads and erratic power supply, was also a factor in the decline in manufacturing in Nigeria.

Figure 3. 5: Manufacturing sectorial composition of Nigerian economy in 2013



Source: NBS DATA STAT

However, in recent years, Nigerian manufacturing experienced growth (Figure 3.6). Nigeria still produces a large proportion of goods and services in the West African region. The manufacturing sector saw a nominal GDP growth for the fourth quarter of 2014, which was at 19.1% (year-on-year).

Figure 3. 6: Manufacturing growth trend in Nigeria

Source: NBS DATA STAT

3.4.2 Insurance sector

There existed only four indigenous Nigerian insurance companies in 1960 out of the 20 operating in the country. The sector has been slow to grow, because of low operating capital and the risk of abuse (Ezekiel, 2005). However, by 1990, 110 insurance companies were operating in Nigeria, and in 1997 the insurance regulatory commission was established (Yinusa & Akinlo, 2013). The sector experienced subsequently, especially since the mandatory recapitalisation programs enforced on it by the regulators in 2007 (Chapter 5). The recapitalisation program streamlined the sector to only 49 insurance companies in 2007 and the sector was strengthened and repositioned within the Nigerian economy (Aduloju, Awoponle, & Oke, 2008). The sector is expected to experience further growth in the near future due to an emerging middle class, a young and growing population, coupled with an inflow of investment in the country (Appendix 3. 14). The steady growth in the sector is reflected in total premiums, which increased from about N75 billion in 2005 to over N300 billion in 2016. The sector continues to attract foreign investors because of its growth and development potentials, with room for further growth in comparison to other emerging markets. The National Insurance Commission (NAICOM) transformation agenda for the next three years envisages growth to reach N1 trillion from its current N300 billion (PwC, 2015).

3.4.3 Information, communication and technology (ICT) Sector

The Information Technology and Communications sector is a new and emerging sector of the Nigerian economy (Ogunsola & Aboyade, 2005). The sector has seen a rapid growth in the past two decades. In the initial stage, the sector operations were mainly controlled by the government. The amendments of the ICT law in 1992 moved the sector away from the government ministries to regulatory bodies (the NBC and NCC). As a result, the sector was opened to private operators and this approach boosted the ICT sector. The policy of deregulation, such as the National Information Technology Policy 2001 and National Information Technology Development Agency (NITDA) Act of 2007 increased IT penetration in Nigeria (Ministry of Communication Technology, 2012). The policies liberalised the ICT sector and markets, since the telecommunications sector was opened to both local and foreign investors in 2001. There were only about 25,000 mobile telephone lines in the country in 2001, but by 2015 there about 140.8 million active telecom subscribers in Nigeria (NCC and NIPC website). The Nigerian ICT sector is liberalised and highly competitive (Odufuwa, 2012) and the sector is one of the fastest growing sectors of the Nigerian economy, with about 35% CAGR in the past decade (NBS). Such growth makes the Nigerian ICT sector the fastest growing telecommunications sector in Africa and it is projected to expand further in the foreseeable future. The sector currently employs over 6 million Nigerians through direct and related services. The sector has continuously attracted the highest inward foreign investment into Nigeria, as its GDP contribution continues to rise (Appendix 3.7 and 3.9).

3.4.4 Banking sector

The history of the Nigerian banking sector can be traced back to 1892, which makes this sector the oldest within the Nigerian economy. The first bank in Nigeria was established in 1894, but it was not until 1959 before the Central Bank of Nigeria was established as the bankers' regulators (Adeleye, Iheanachor, Ogbechie, & Ngwu, 2015). Before banking deregulation in 1986, only a few local banks existed in Nigeria. After deregulation, the number of Nigerian local banks increased between 1986 and 1992 (Brownbridge, 1998). There were many sub-standard banks operating in Nigeria at the time, which resulted in failed banks, since they could not meet their banking obligations, resulting in bankruptcies and liquidations, during which the regulators had to withdraw many of the banks' operating licenses (Brownbridge, 1998). By 1999, about 144 banks were operating in Nigeria, with 89 banks at the end of 2003. Many of the existing banks were weak, both structurally and operationally, and were plagued with illiquidity (Adeleye et al., (2015). The reform of the sector in 2001 saw the issuance of universal banking licences to many Nigerian banks. These licences gave the banks the ability to expand internationally, which was not previously possible (AFDB, 2013).

In 2004, the Central Bank of Nigeria embarked on recapitalisation programs within the sector in order to increase their capital base and create a strong financial sector in the country (Adeyemi, 2011). The recapitalisation program resulted in the consolidation of many Nigerian banks and, as a result, only 25 banks emerged by the end of the consolidation. Many of the Nigerian banks went public afterwards and were listed on the Nigerian Stock Exchange (Adeleye et al., 2015). The recapitalisation program also strengthened the Nigerian banking sector and improved the banks' growth process. The Nigerian banking sector is one of the most developed financial sectors in Sub-Saharan Africa and many Nigerian banks have engaged in foreign expansion, with subsidiaries across the regional markets and beyond (Alade, 2014; Lukonga & Chung 2010).

The foreign expansion of Nigerian banks' began in 2001, with two banks setting up operations in a few countries in Africa. Following the recapitalisation, the total assets of Nigerian banks increased from N2,767 billion ($23 billion) in 2003 to N14,932 billion ($127 billion) in 2008. By the end of 2008, more than half of the 20 domestically owned Nigerian banks remaining had subsidiaries in at least one other African country, compared to only two in 2002 (Appendix 3.19). The United Bank for Africa (UBA) led the way, with subsidiaries in more than 20 African countries. Although, the "cross-border expansion of Nigerian banks was temporarily halted by the global financial crisis in 2008–09, it picked up after conditions stabilised following intervention in the banking sector and the strengthening of risk management and supervisory frameworks by the Central Bank of Nigeria" (Alade, 2014).

3.5 An Overview of Nigeria's Foreign Direct Investment Position

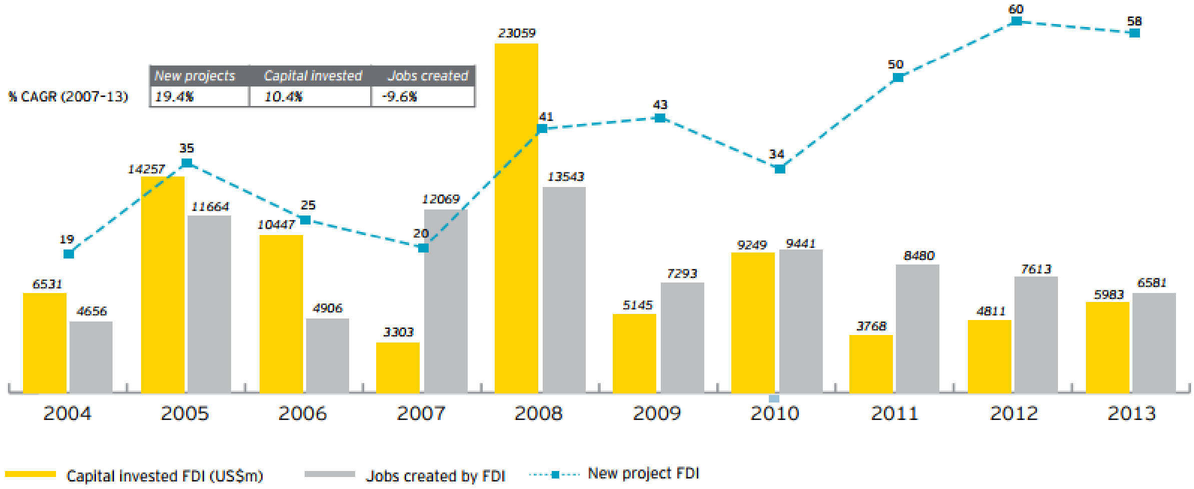
3.5.1 Nigeria's inward foreign direct investment

Imoudu (2012) describes Nigeria as an economy with a high demand for goods and services, and as a result, the country has attracted FDI. There has been an increasing IFDI inflow into Nigeria since 2001 (UNCTADSTAT, 2018). The Central Bank of Nigeria report shows annual continuous increased between 2000 and 2006. The inflow was estimated at US$2.23 billion in 2003 and was US$5.31 billion in 2004 - a 138% jump. By 2005, IFDI into the country was US $9.92 billion representing an 87% increase (UNCTAD report, 2017). In 2012, FDI into Nigeria had increased to $76.3 billion (Appendix 3.14 to 3.18). Foreign investment in Nigerian stock flows and investment in securities, such as stocks, bonds, or other financial assets was high for several years. The stock market at the point was the biggest source of FDI into Nigeria. A decrease in the IFDI inflows to Nigeria in 2013 and 2014 is attributed to insecurity in the northern part of the country.

The financial sector accounted for the largest portion of IFDI at 63%. The IFDI increased from 1.3 billion dollars in 2000 to 8.9 billion dollars in 2011. The IFDI into a country is not only concerned with capital transfers, but also an extension of organisations from the host country's economy, involving transfers of capital, technology and skills, combined with local factors that enhance the production of goods and services for export (Imoudu, 2012). The growth derived from these activities is expressed in terms of an increase in GDP, in which a country's economic growth is measured in relationship to its total output of goods and services (Adofu, 2010; Amadi, 2002; Root, 1998).

Ernst and Young (2014) reported on Nigerian economic prospects and indicated that Nigeria remained an attractive FDI destination in Sub-Saharan Africa. Greenfield FDI projects into Nigeria have grown at an annual rate of about 20% since 2007, with a diversified investment in non-oil sectors, especially in the service and telecommunications sectors. The communication sector attracted 23.9% of the total IFDI investment between 2007 and 2013 (Figure 3.7).

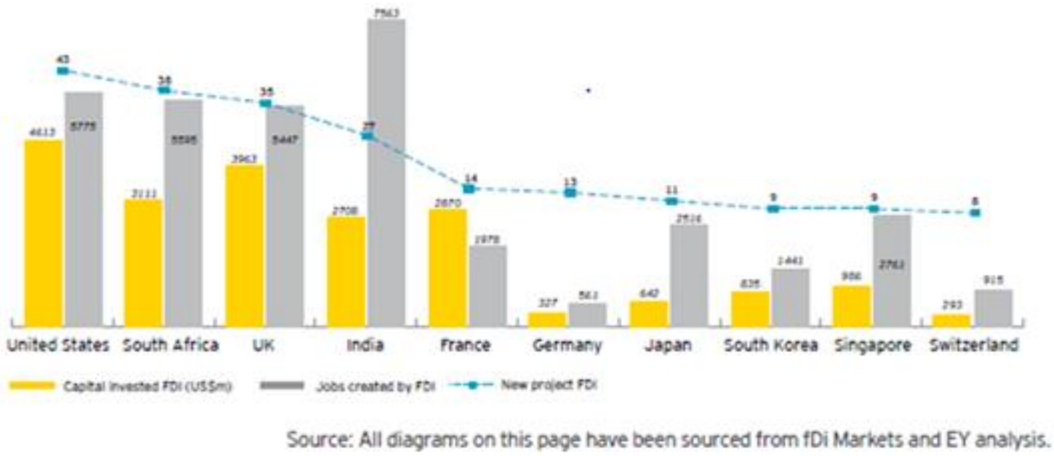
Figure 3. 7: IFDI growth trends in Nigeria 2004-2014



Source: Ernst & Young (2014)

The top investment countries in Nigeria are the USA, South Africa, UK, India and France (Figure 3.7). Such investment was directed to the automotive, financial services, consumer products, tourism and business service sectors (Figure 3.8 and Appendix 3.13).

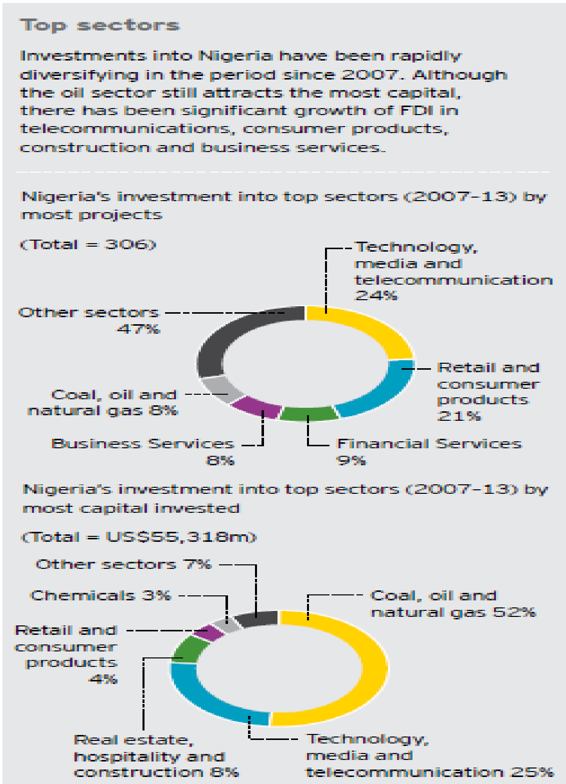
Figure 3. 8: IFDI by country 2004-2014



Source: Ernst and Young Africa special report (2014)

The non-oil sector has been the main driver of growth in FDI in recent years. The sustained and robust growth of the Nigeria economy has also been identified as driver of the growing level of interest in investment in the country (Ernst & Young, 2014) (Figure 3.9).

Figure 3. 9: Sectors attracting the highest investment



Source: Ernst & Young (2014)

The sectors making the most gains are agriculture, services, wholesale and retail trade, banking and telecommunications. Nigeria is an attractive market for IFDI because of its market size, growth potential, improvements in the business environment, strong macroeconomic management and relatively stable political domain. This has provided investors with the confidence that overall growth rates will continue in the range of 5% or 6% for the foreseeable future. Nigeria is a powerhouse in a high growth region and the country is anticipated to continue to be a key investment hub in Africa. It is also one of the most attractive developing market investment destinations in the world (EY, 2012).

The Nigerian economy's potential is huge despite its challenges. Ernst and Young's (2014) recent analysis demonstrates the economic vulnerability of 25 emerging markets, using seven indicators to rank each country into current account balance, government debt, inflation and currency volatility. Nigeria had the third highest overall rankings among all emerging markets and the study showed that Nigeria was well ahead, ranking with Japan, Germany and the USA, reflecting the positive potential of the market (Appendix 3.12). FDI inflows were slow in 2014 and 2015.

3.5.2 Nigeria's outward foreign direct investment

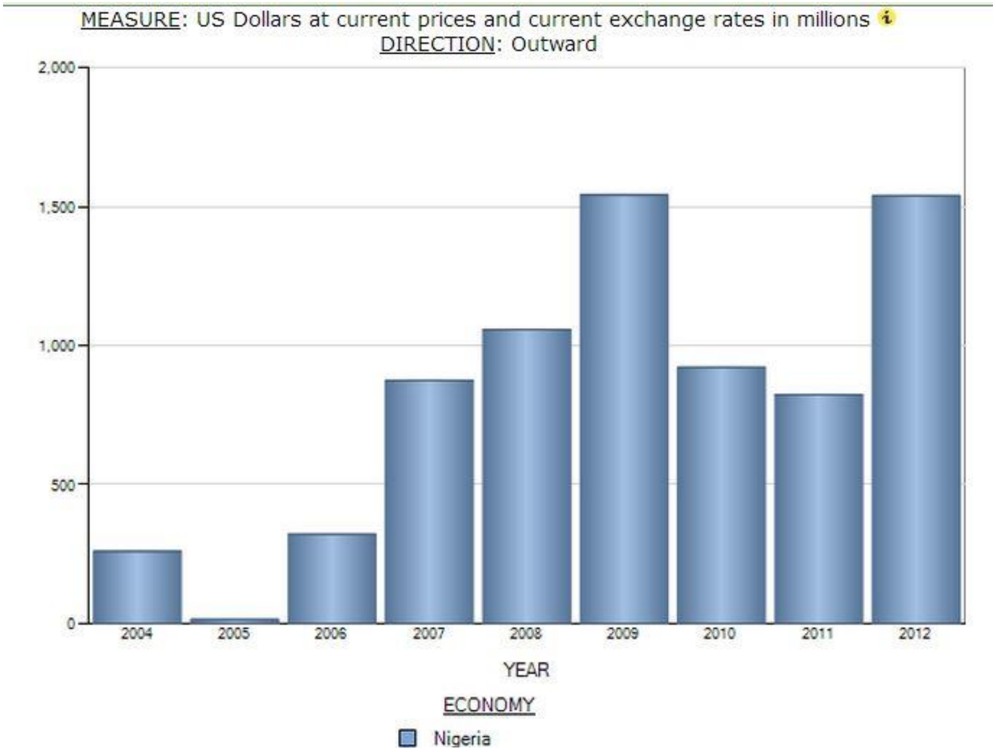
Although much is known about Nigerian inward foreign direct investment, not much is known about its outward foreign direct investment (OFDI) trends. Nigerian OFDI remains relatively small in terms of its global share (Appendix 3.12). Since the discovery of crude oil in the 1970s, Nigeria has moved away from being an agricultural producer of cocoa, palm oil and rubber, to become a mono-economy based on petroleum exports, of which foreign earnings are mainly gained from crude oil. Nigeria is not only endowed with human capital, but also possesses various natural resources, such as gold, iron ore, coal, limestone, crude oil reserves and natural gas.

The country has worked to increase exports from other produce besides crude oil, but the decline in global commodity prices has been a drag on its foreign earnings and economy. Nigeria saw an increase in its exports between 2009 and 2014 from a total of US$57.3 billion in 2009 to US$99 billion in 2014. The top export destinations of Nigerian products include India, South Africa, Spain, Brazil, USA, Netherlands, France and Belgium-Luxembourg (mit.edu atlas statistics 2016). In 2015, crude petroleum accounted for 77% of Nigeria's total exports, followed by petroleum gas at 15.5%. Other export commodities include refined petroleum, cocoa beans and rough wood. Nigeria's trade within the West Africa (WA) region has increased in the past few years and its total exports to African countries were 10.7% in 2011, of which 3% of the exports were to West Africa (WTO, 2015; atlas.media.mit.edu, 2017). The outward foreign direct flows within Africa rose marginally to $12 billion in 2012 and the main investors were firms from South Africa, Angola and Nigeria, of which the investment flows were mostly directed towards neighbouring countries (UNCTAD, 2014). Nigerian OFDI investment has increased in recent years as well, starting from early 2000 (Figure 3.9). Since the establishment of democratic rule in 1999, following economic liberalisation policies, OFDI have grew rapidly.

The strengthening of the financial services sector has enhanced the growth of the Nigerian economy, growth opportunities and growth in Nigerian firms' abilities to expand their operations beyond the domestic market (AFDB, 2013). Since the establishment of the first foreign subsidiary of a Nigerian firm, there has been a wave of foreign expansion by Nigerian firms.

The ECOWAS countries are now the major destination for Nigerian foreign direct investment, while some Nigerian firms now have subsidiaries in various African countries and beyond. For example, by 2012, the United Bank for Africa (UBA) and Access Bank combined were operating in more than 30 countries (Alade, 2014) (Appendix 3.15). However, the internationalisation of Nigerian firms constitutes an important foreign direct investment into the SSA economies (UNCTAD 2014). Nigeria's outward FDI stock increased substantially from $5 billion in 2010 to $11.8 billion in 2015 (113 percent increase) and the OFDI flows increased from 169 million dollars in 2000 to $261milion in 2004 and to $1.614billion in 2014 (a sixfold increase) (UNCTADSTAT, 2017) (Figure 3.10). Most of Nigerian firms' OFDI is intra-African focused; only a few of the firms have internationalised into developed Western markets.

Figure 3. 10: Nigerian outward direct investment flows



Source: UNCTAD 2014

Nigeria is the largest economy in Africa. Nigeria is a major player in the region. A member of the African Union and that of Economic Community of West African States (ECOWAS), which have its headquarters in Nigeria. Nigeria is also a signatory to the West African Monetary Zone (WAMZ). The African Union has a population that stands at about 1.3billion, with a combined GDP of US$3.5 trillion. The integration and cooperation of ECOWAS has been driven by its market integration to underpin developmental regionalism based on an economic liberalisation development strategy (Francis, 2006).

The ECOWAS mandate is to promote regional economic integration among member state ECOWAS has a population of 335 million people, with a combined GDP of US$ 734 billion.

The Nigerian economy represents about 55% of the total West Africa GDP. Furthermore, the liberalisation initiatives undertaken by African countries have created an outward-looking economic policy environment. ECOWAS is also a main foreign investment destination of Nigerian firms. Nigeria has taken an active role in realising the ECOWAS objectives and the country could also play a prominent role in moving the regional agenda forward with a view to accelerating regional economic integration. There has been some progress towards regional integration, including a customs union, and free movement of people. Nigeria stands to benefit from regional integration because of its market size, and regional integration would offer Nigerian firms more opportunities for foreign trade and investments. Nigeria's role in strengthening regional integration and its efforts at financial market integration are important for the region's economic development, as well as for Nigerian firms. The successful integration of West African countries is essential to boost the size of their economies, enhance competition, and increase production (Gupta, 2015). The foreign expansion of Nigerian firms can make a positive economic contribution to the Nigerian economy in terms of market expansion, increases in productivity and facilitating competition. Such investments can also improve the balance of payments for the inwards flow of foreign earnings and increase the firms' experiential knowledge acquired in a foreign business environment.

The outward foreign direct investment and the cross-border expansion of Nigerian firms has increased tenfold since 1990, with accelerated growth since 2010 (Boojihawon & Acholonu, 2013). Most of the internationalisation activities of Nigerian firms have been concentrated in the Africa Region, whereas others have gone to developed markets in countries such as the UK, USA and the continent of Europe. Most of the internationalising Nigerian firms have gone global, although most of the foreign investment is regionally focused. In the midst of the economic growth in Nigeria, there is a new trend and phenomenon among Nigerian organisations towards internationalisation and many are becoming regional and global players.

This new trend and phenomenon clearly calls for an enriched research and understanding of their behaviour. Exploring a firm's strategic profile nature and the consequences of their actions can have significant implications for the development of home and host economies (Gammeltoft, Pradhan, Goldstein, 2010).

3.6 Chapter Conclusion

This chapter has discussed the background of Nigerian firms, the characteristics of the Nigerian economy and its economic development process. A sectorial overview and FDI overview was also provided. The evolution and the growth of Nigerian firms has played and continues to play an important role in the Nigerian economic transformation from agriculture and oil to a service economy. Besides attracting IFDI, the Nigerian government is also actively encouraging outward foreign direct investment. There is a need to understand the characteristics of Nigerian firms, which is still scant in the literature. Nigerian multinational firms have emerged from being domestic firms. Several Nigerian multinational firms have also emerged from key sectors of the economy. Therefore, there is a need to study the internationalisation process of Nigerian firms with a view to shedding light on the evolution of Nigerian firm, in order to get a better understanding of their internationalisation process. Pertinent questions include, what are the domestic growth processes of the Nigerian firms, what were their pre-internationalisation activities, what factors have motivated their internationalisation, why did they choose to expand in their regional markets, what are their international location paths and patterns, what are the strategic rationales behind such expansion approaches, and do existing theories hold in the international expansion behaviour of Nigerian firms?.

CHAPTER FOUR: METHODOLOGY

4.1 Introduction

The methodology chapter is an integral part of this thesis, because it describes the process by which the research was undertaken. A research methodology is defined as a collection of methods or rules by which research is undertaken and involves the principles, theories and values that support a research design (Gray, 2014, p. 45; Somekh & Lewin, 2005). A research methodology prepares the research foundation, the methods and the rationale behind all choices in a study. The research methodology is the overall framework that links the research philosophy, research paradigm, theory and research methods (Mackenzie & Knipe, 2006). However, researchers make assumptions about human knowledge and the nature of realities they encounter. A researcher's worldview often underpins or shapes the research question, strategy and the research methodology (Crotty, 1998; Saunders, Lewis, & Thornhill, 2016).

This chapter begins by restating the study's aims, objectives, research questions and assess the suitability of the proposed research paradigm. The research philosophy is discussed in section 4.2. Then, the research design/strategy is discussed in section 4.3. Sections 4.4 and 4.5 outline the case selection and data collection processes. Sections 4.6 and 4.7 examine the replication logic and the quality of the research. The data analysis processes is discussed in section 4.8, and section 4.9 then concludes the chapter.

The aim of the thesis is to investigate the internationalisation process of Nigerian firms and thereby to contribute to the body of knowledge pertaining to the internationalisation process of EMNCs. To this end, four objectives were defined, which are: (1) to determine the factors impacting on the domestic growth of Nigerian firms and their role in the subsequent internationalisation, (2) to examine the factors which have motivated Nigerian firms' internationalisation and their location patterns (3) to ascertain if Nigerian firms exhibit unique internationalisation behaviours that can extend internationalisation theory; (4) to develop a framework for the evaluation and analysis of the internationalisation process.

Three research questions were consequently identified: (1) how do Nigerian firms expand over time, and what are the factors that have impacted the domestic growth of Nigerian firms; (2) how do Nigerian firms internationalise at the early stage of their foreign expansion, and what are the motivations for their internationalisation and what are their location patterns; (3) does existing theory explain the internationalisation process of Nigerian firms?

4.2 Research Philosophy

Research is a systematic investigation; an inquiry whereby data are collected, analysed and interpreted in an effort to understand or describe a phenomenon (Mackenzie & Knipe, 2006). Philosophy, on the other hand, is a "basic set of beliefs that guide an action" or an action that guides how knowledge is developed and interpreted (Guba, 1990; Mertens, 1998, 2014; Saunders, Lewis, & Thornhill, 2012). A research paradigm is an organising structure; a philosophical position relating to a field of social phenomena, and a lens to view the world or a way of thinking about the world (Crotty, 1998; Feilzer, 2010; Saunders et al., 2012).

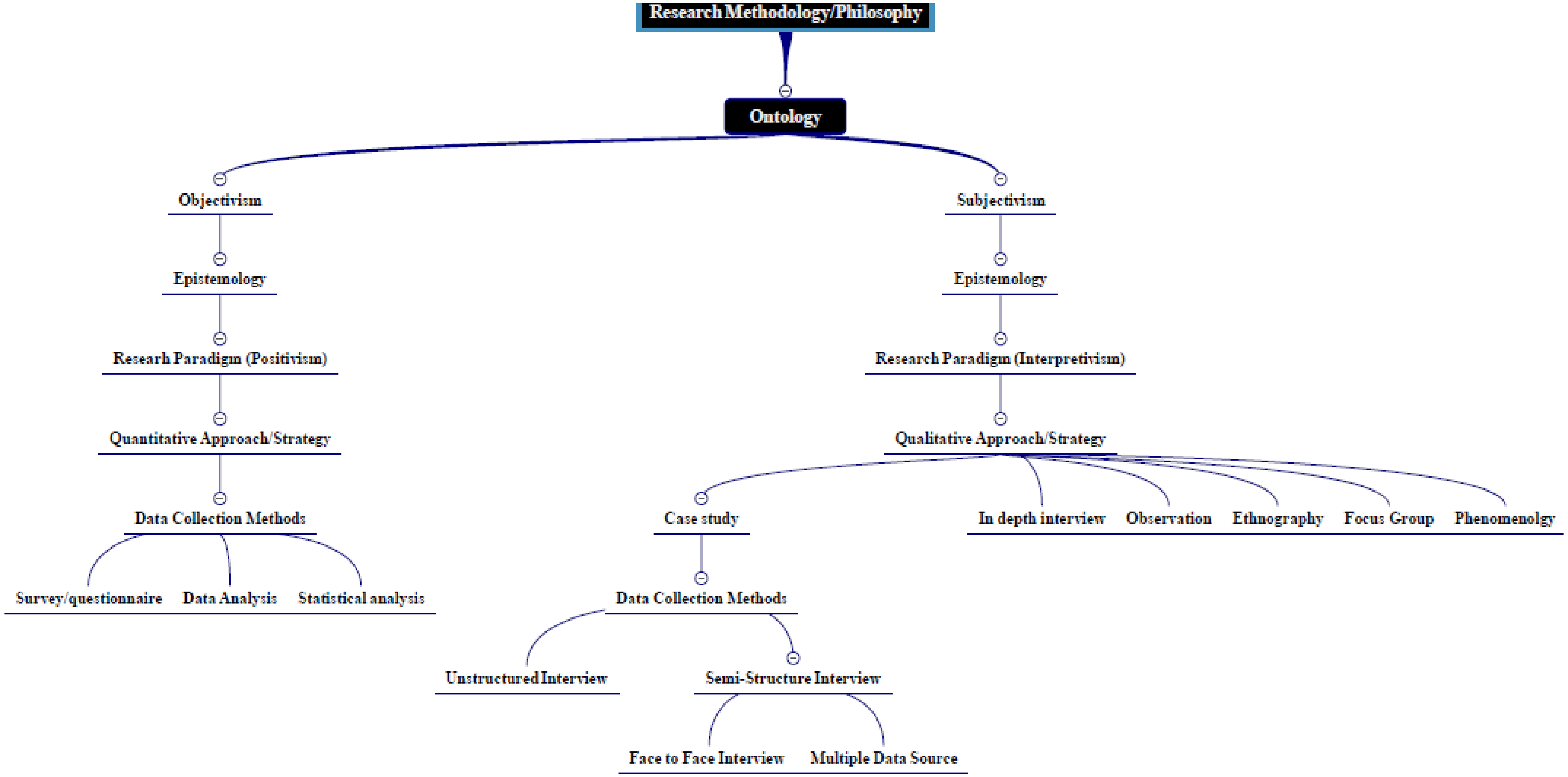
A research philosophy/paradigm is defined in terms of its ontology, epistemology, methodology and axiology (Creswell, 2013a, 2013b; Saunders et al., 2012). These overarching terms relate to the 'knowable and nature of reality' (ontology), how knowledge is developed and the nature of such knowledge (epistemology), the methods by which research is undertaken (methodology), and the role of values and ethics in a study (axiology) (Saunders et al., 2012). However, the role of ethics and value has become an important part of the research process, because research is expected to be conducted within an ethical framework with regards to data collection, data integrity, confidentiality, analysis and the interpretation of results (Saunders et al., 2012).

Ontology is concerned with the researcher's perception of what is known and the nature of reality in a field of study. The "known" enables researchers to emphasise the importance of what has been researched and the “nature of reality" is the distinction between the social and natural world (Alvesson & Sköldberg, 2017; Huhta & Huhta, 2014).

The state of the “known” in the study of the internationalisation process of emerging market multinationals was established through a literature review, which in turn shaped the investigator’s ideas, worldview and thinking within the field of IB study. There are two ontological perspectives, namely objectivism and subjectivism. A researcher’s ontological position will affect their epistemological stance.

Epistemology is how knowledge is developed and the nature of such knowledge, and is linked to a research paradigm and methodology. The philosophical positioning of a study is explicitly and implicitly vital to the success of any research, because without aligning toward a certain research paradigm, there is no basis for subsequent choices regarding methodology, research design and methods. A good understanding of the research philosophy allows a researcher to make informed decisions and choices in the research process, in their data collection methods, analysis and interpretations (Creswell, 2013a). For example, there is a philosophical difference between a study that is focused on numbers trends or processes, such as an econometric analysis of the determinants of country’s GDP growth and that of a qualitative case study of the internationalisation process of firms. In other words, the research philosophy is the connecting link between ontology, epistemology, methodology and research methods (Figure 4.1).

Figure 4. 1: Research philosophical link



Source: Author's diagram

4.2.1 Research paradigm

The differences between the positivism and interpretivism paradigms relate to quantitative (objective) and qualitative (subjective) research methods (Saunders et al., 2012). The two traditional contrasting paradigms are discussed below.

Positivism

Positivism rests on the objectivist notion that the social world is external and independent of what is been researched (i.e.) is beyond the influence of influence the social actors (Crotty, 1998; Saunders et al., 2012). Positivists believe that knowledge can only develop through observable phenomena, which can be achieved through quantitative study. In such studies, hypotheses are developed to discover a causal relationship among variables to test and verify hypotheses (Bryman & Bell, 2011; Creswell, 2013b; Crotty, 1998; Saunders et al., 2012). Such studies are deductive in nature, where statistical and highly structured large data are usually derived through questionnaires and experiments/surveys.

Interpretivism (Constructivism)

Interpretivism rests on the subjectivist notion that the social world is open to subjective interpretations, which may affect what is in the natural world. It argues that social phenomena are created by individuals because an individual will make sense of different situations and interpret them differently, depending on their worldview and motivating actions. For interpretivists, realities are contextual and constantly evolving through an understanding of subjective meanings and motivating actions behind such a reality (Saunders et al., 2012). As a result, a social phenomenon is created through the consequent actions of social actors, in which social interactions between the actors are in a constant state of evolution, and the social phenomena are in a constant state of revision (Bryman & Bell, 2011; Saunders et al., 2012). The interpretivist stance usually results in a qualitative study, where data are collected mainly through a small sample, such as semi-structured, unstructured or open-ended interviews, focus groups and observation (Creswell, 2013b; Saunders et al., 2012). Table 4.1 compares the research paradigms.

Table 4. 1: Comparison of the positivist and interpretivist research paradigm.

Comparison Dimensions	Research Paradigm	
	Positivism	**Interpretivisim/constructivism/Relativism**
Ontology What is reality	External objective independent of social actors	Socially constructed realities. Subjective, may change. Reality is created by individual in a group
Epistemology Researcher's view of what constitutes acceptable knowledge and their role in the research	Only observable phenomena can provide credible data, facts, focus on law like generalisation quantitative. (Q) What works?	Subjective means that social phenomena focus upon the details of situation and the reality behind these details, subjective meanings and motivating actions. (Q) Why do you act this way? Relativism: truth are contextual, dynamic and evolving, ontological perception based in constructive paradigm of research
Axiology Role of value and ethics in a research	Research undertaken in values freeway research independent of data and maintains objective stance	Research is value and ethics bond, researcher is part of what is been studied, cannot be separated and so due to the subjective nature of the study, research is expected to work within ethics and value. Study is mainly qualitative
Methodology/Approach Research process	High Structure, statistical large data sample, experiments/surveys. Predetermined instrument based questions and statistical analysis mainly (quantitative methods) Deductive	Small sample, in-depth investigation, Open-ended, semi-structure interview or questions, emerging approaches text or image data analysis mainly qualitative. Mainly inductive logic and verification of proposition. Participant perspective is important

Adapted from: (Bryman & Bell, 2011; Creswell, 2013a; Saunders et al., 2012)

4.3 Research Strategy/Design

A research strategy is a plan for how a researcher answers particular research questions (Saunders et al., 2012). The plan ranges from developing a theory, collecting data, data analysis and interpreting the study's findings. A research strategy is also the methodological link between a research philosophy and the subsequent choices of the data collection method and analysis method (Denzin & Lincoln, 2005).

The nature of a phenomenon under investigation and the nature of the research questions are an important aspect in choosing an appropriate research strategy and methodology. The 'interpretivist' position of this study implies that it is a qualitative study that investigates the understanding of a social phenomenon but not to establish causality in a data as required by a positivist paradigm.

Two research approaches dominate the investigation of social phenomena, which are: quantitative and qualitative (Creswell, 2013b; Johnson, Onwuegbuzie, & Turner, 2007; Saunders et al., 2012). Each paradigm is generally aligned with the contrasting philosophies of positivist (objectivism) and interpretivist (subjectivism) (Bryman & Bell, 2011; Creswell, 2013b; Mackenzie & Knipe, 2006; Saunders et al., 2012). Quantitative research focuses on the quantification of collected data (Bryman, 2012). Qualitative research, on the other hand, involves small samples, unstructured data collection methods and a qualitative analysis (Baines & Chansarkar, 2002, p. 63). The limitation of the interpretivism paradigm, however, is that it is resource intensive. The process of ascertaining the study's validity and reliability may sometimes be questioned, due to the influence of the researcher and the subjective nature of a qualitative study (Creswell, 2013b; Saunders et al., 2012). Table 4.2 illustrates some of the advantages and disadvantages of qualitative studies.

Table 4. 2 Advantages and disadvantages of qualitative research

Strengths and Weaknesses of Qualitative Research

Strengths

- The data are based on the participants' own categories of meaning.
- It is useful for studying a limited number of cases in depth.
- It is useful for describing complex phenomena.
- Provides individual case information.
- Can conduct cross-case comparisons and analysis.
- Provides understanding and description of people's personal experiences of phenomena (i.e., the "emic" or insider's viewpoint).
- Can describe, in rich detail, phenomena as they are situated and embedded in local contexts.
- The researcher identifies contextual and setting factors as they relate to the phenomenon of interest.
- The researcher can study dynamic processes (i.e., documenting sequential patterns and change).
- The researcher can use the primarily qualitative method of "grounded theory" to generate inductively a tentative but explanatory theory about a phenomenon.
- Can determine how participants interpret "constructs" (e.g., self-esteem, IQ).
- Data are usually collected in naturalistic settings in qualitative research.
- Qualitative approaches are responsive to local situations, conditions, and stakeholders' needs.
- Qualitative researchers are responsive to changes that occur during the conduct of a study (especially during extended fieldwork) and may shift the focus of their studies as a result.
- Qualitative data in the words and categories of participants lend themselves to exploring how and why phenomena occur.
- One can use an important case to demonstrate vividly a phenomenon to the readers of a report.
- Determine *idiographic* causation (i.e., determination of causes of a particular event).

Weaknesses

- Knowledge produced may not generalize to other people or other settings (i.e., findings may be unique to the relatively few people included in the research study).
- It is difficult to make quantitative predictions.
- It is more difficult to test hypotheses and theories.
- It may have lower credibility with some administrators and commissioners of programs.
- It generally takes more time to collect the data when compared to quantitative research.
- Data analysis is often time consuming.
- The results are more easily influenced by the researcher's personal biases and idiosyncrasies.

Source: (Johnson & Onwuegbuzie, 2004)

4.3.1 Case study strategy

There are several traditional methods of doing social science research. Some researchers may choose a qualitative strategy, such as a case study, action research, ethnography, phenomenology or narrative inquiry (Saunders et al., 2012). Others may prefer a quantitative research design: surveys, experiments, econometric modeling, and archival analyses. With reference to Yin (2014, Chapter 1), each research strategy has its own advantages and disadvantages. The research context, nature and question are likely to be the driving force in determining a research strategy. The researcher's level of involvement or lack of control thereof over the actual event, as opposed to historical phenomena, may have an influence on choosing the appropriate research strategy.

4.3.1.1 Case Study Research

According to Saunders et al. (2012, p. 179), a case study is used to explore a research topic or phenomenon within its context. Yin (2014) defines a case study as:

- ✓ an in-depth empirical inquiry that investigates a contemporary phenomenon within its real-world context in which derived benefits from the prior development of theoretical propositions to guide data collection and analysing and relying on multiple data sources of evidence for convergence and triangulation.

Yin's definition reflects and encompasses the important factors to consider when choosing case study research. However, a qualitative case study has been argued to be useful when the research question concerns process rather than outcomes (Ghauri, 2004; Silverman, 2005; Yin, 2003). Yin (2014) stresses the importance of context in case study research, noting that one of the advantages of a case study is that the boundary between the phenomenon, and the context within which a case is being studied, is not easily discernible. Case study research, therefore, is germane to gaining an in-depth understanding of the research context and the process of a discourse (Eisenhardt and Greabner, 2007, Saunders et al., 2012, p. 179).

The contemporary nature of the topic under investigation, the research question, and the context specificity of this study, makes a case study strategy appropriate for this thesis. A case study, is pertinent to answering the “what” or” “how “research questions in either (or both) exploratory and explanatory studies (Saunders et al., 2012; Yin, 2014). Moreover, the present study of the internationalisation process of Nigerian firms conforms to several criteria (Eisenhardt, 1989; Yin, 2014). The difficulty in distinguishing between the context and the boundary in which the phenomenon is being studied is one such criterion. A theoretical proposition was also developed at the beginning of this thesis to interpret the phenomena under investigation (Chapter 3 and 6). Such an approach also conforms to the case study principle, which benefits from the prior development of theoretical propositions to guide the study without developing a hypothesis as would be required in a quantitative study.

Through a case study approach, this study has the ability to trace and capture some dynamic aspect of Nigerian firms’ evolution over time, which would not be possible via other research strategies. Another rationale for choosing a case study approach is its suitability for a firm level study, as it provides a richer and deeper understanding of a situation under investigation (Yin, 2014). Moreover, several scholars have adopted a case study strategy in firm-level research on the internationalisation process of emerging market firms (Booijawon & Acholonu 2013; Bianchi, 2014; Sim, 2006; Cuervo-Cazurra, 2008). Others have also adopted a case study strategy in the study of developing country multinational firms’ internationalisation processes (Yeung, 1998; Tahar, 2005; Zamberi, 2006; Lan Goa, 2011).

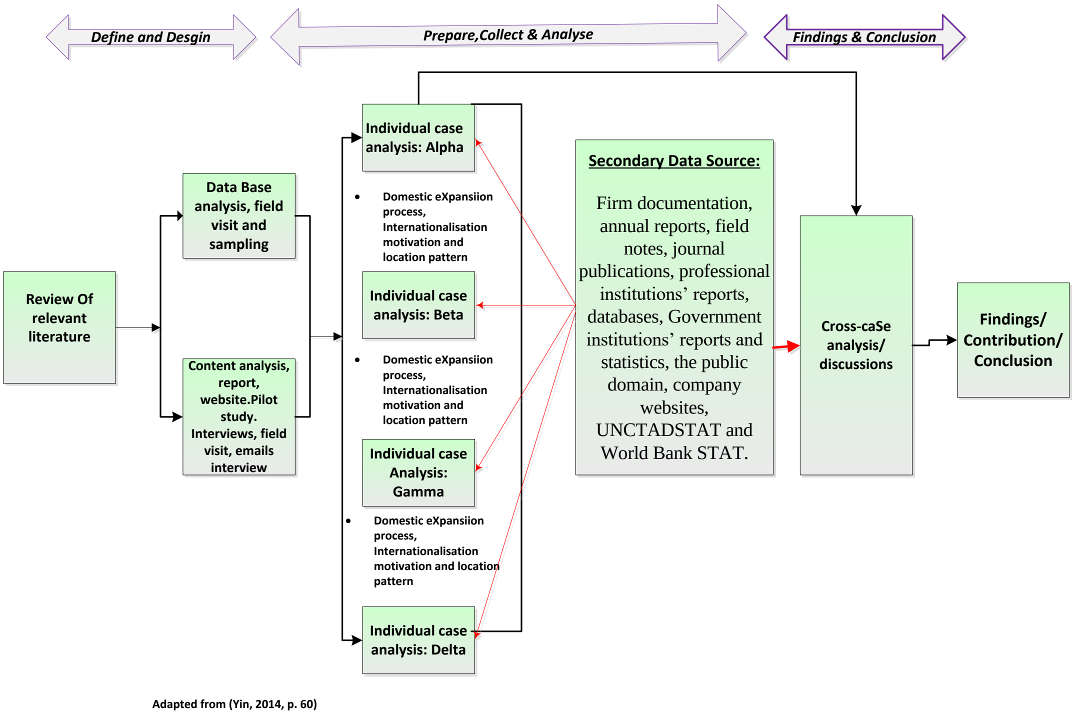
The small number of Nigerian firms that are internationalising makes a case study appropriate for this thesis. Case study research also provides a platform for theory building, especially on a new research topic, in which a fresh perspective is required (Eisenhardt, 1989). Research on a Nigerian firm's internationalisation process may also help advance IB theory. The context-specific characteristics of Nigerian firms might arguably offer the IB field opportunities to return context to the study of IB, which seems to be lacking in several recent EMNC research studies (Mol et al., 2017).

African firms present a particular challenge for scholars in terms of data access (Mol et al., 2017), because of the unwillingness of many firms to be part of a survey study, hence the need for case study research. A case study design was deemed appropriate for this thesis also because of the deficiencies of statistical data that have captured the OFDI trend of Nigerian firms over time. This was identified at the early stage of the research process, when I visited the headquarters of the Nigerian Stock Exchange Commission (NSEC), the Central Bank of Nigeria (CBN), the National Bureau of Statistics (NBS) and the Nigeria Investment Promotion Commission (NIPC) in Abuja between December 2014 and January 2015. During this visit, only aggregated economic data, rather than firm level data, were obtained. The lack of a database with detailed information about Nigerian multinational firms and their foreign subsidiaries would have led to major deficiencies in a quantitative study. The lack of statistical data may have also hampered the study's reliability and credibility, which would have posed several limitations for a quantitative thesis. Hence, a case study was useful to answer the research questions and to achieve the study's objectives, as well as being the best way to achieve a credible and robust thesis.

4.3.2 Case study design process

A case study research design is not without its difficulties, especially as it relates to the skills required to execute such a study, which in many ways are different when compared with quantitative research methods. Yin (2014), however, prescribed a case study process which is illustrated in Figure 4.2.

Figure 4. 2: Multiple-case study process



Adapted from Yin (2014), p. 60.

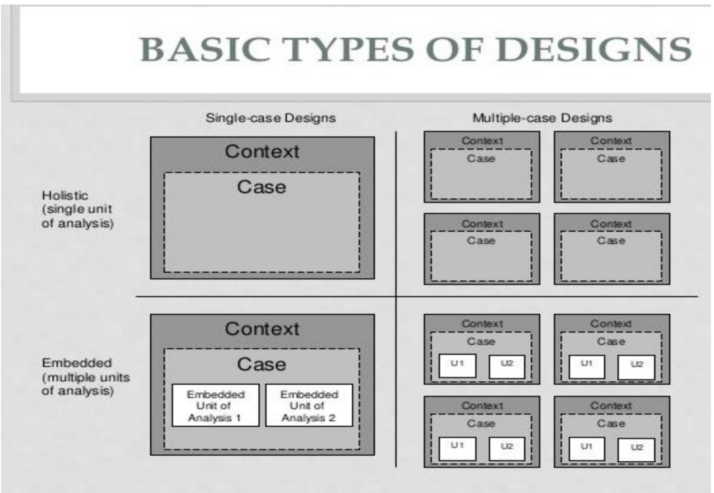
The study was conducted in six phases. The first phase of "define and design" began with a literature review, which informed the case study construct, the research questions, the development of a theoretical proposition and the conceptual framework of the research. Phase two of the research process dealt with a database search for sample identification. The first field visit and sample selection criteria and data collection technique were then developed. The third phase encompassed three sub-stages: (a) developing the interview questions; (b) sending out interview participation letters; (c) a case pilot study and; (d) obtaining ethics approval from the university ethics committee. Phase four was the data collection phase, which encompassed a field visit and face to face semi-structured interviews. Phase five was the data analysis and phase six was the report writing phase.

4.3.3 Types of case study research

Deciding which type of case study design to adopt is another difficult element of case study research. According to Yin (2014), the nature of the inquiry is an important factor in deciding the appropriate type of a case study. There are four types of case study research; namely, holistic single case study, holistic multiple case study, embedded single case design and embedded multiple case design (Figure 4.3).

A single case study design, for example, is used to study a situation or context that is critical, unique, common, a revelatory phenomenon, or a longitudinal case, whereby a study represents a typical case (Yin, 2014, p. 51). An embedded case study, for instance, is appropriate when different divisions of the organisation need to be studied as a case. A multiple case study, on the other hand, is suitable for more than one case when attempting to replicate findings across cases, with a view to seek analytical generation for comparisons that either support or contradict the defined theoretical proposition (section 4.4). The notable differences between case study designs are their unit of analysis (section 4.3.3.1). Adopting a single case study design is inappropriate for this thesis, because its focus is on the study of the internationalisation process of Nigerian firms, and this study does not fall within the criterion for a single case study, but that of a multiple case study.

Figure 4. 3: Types of case study research



Adapted from Yin (2014), p. 50.

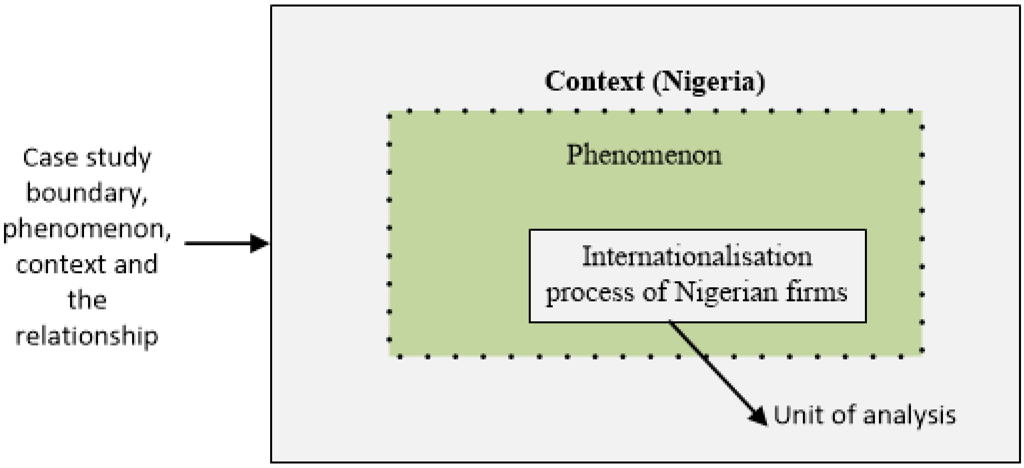
4.3.4 Case study unit of analysis

According to Yin (2014), the differences between various types of case study research are their units of analysis. A unit of analysis is the main entity that is being analysed in a study and is the "who or what" that is being studied (Shane, 2007). Miles and Huberman (1994, p: 25) view the case study as a "phenomenon occurring in a bounded context" of which the unit of analysis of a given study needs to be decided and made clear in advance. The research questions and research objectives are factors in deciding a study unit of analysis (Remenyi et al., 1998).

A case study unit of analysis could be individuals, organisation structure, management style, processes and relationships within a particular organisation that is been studied (Yin, 2014; Remenyi et al, 1998). Multiple units of analysis are applied in an embedded case study, while in a holistic case study there is only a single unit of analysis. As a result, the unit of analysis becomes the basis for data collection and analysis in case study research (Easterby-Smith, 2008).

The case boundary of this thesis is "the internationalisation process of Nigerian Firms" and "Nigeria" is defined as the context of the study (Figure 4.4). In other words, the internationalisation process of the four selected multinationals firms in Nigeria is the focus of this study. This study chooses a holistic multiple case study design with a single unit of analysis, because the study provides no justification otherwise. Hence, a multiple case study strategy is chosen to study four Nigerian firms within the Nigeria context. The study of the individual organisations in this thesis ensures that the unit of analysis conforms to the research objectives (Gray 2012).

Figure 4. 4: Bounded context of the thesis



Source: Author's diagram

4.3.5 The rationale for multiple case studies

One of the advantages of a qualitative case study is that it allows in-depth study of a small number of cases (Creswell, 2013a, 2013b; Johnson & Onwuegbuzie, 2004). The rationale for how many numbers of cases should form part of multiple case research should be considered carefully (Gray, 2014; Yin, 2014). Yin (2014) suggests that multiple case studies would be preferred to a single case study and posits that three or four cases may be appropriate in a multiple case study to increase the chances of obtaining both literal and theoretical replication in a study. This approach would increase the breadth of a study to produce a stronger effect, especially when polar cases are chosen in a study (Yin, 2014; Gray, 2014). Creswell (2007) asserts that there is no minimum number of cases required in case study research, but advises against more than four or five cases, because too many would be overwhelming to a researcher, especially during the case analysis. Eisenhardt (1989), on the other hand, advises that the ideal number of cases in case research should be between four and ten. Fewer than four cases would lack theory generation, while more than ten cases would lead to an overwhelming volume and confusing data for the researcher.

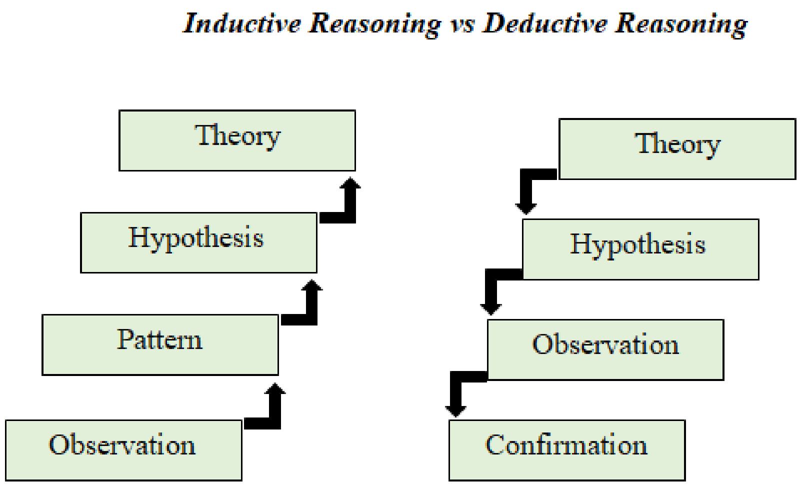
Based on the above analysis, a multiple case study design is the preferred approach to investigate the phenomena of the internationalisation process of Nigerian companies from different sectors of the Nigeria economy (Chapters 1 and 2).

4.3.6 Research logic

Research logic is a method of reasoning and is concerned with how a theory is introduced in social science research to interpret a phenomenon. There are three methods of reasoning, which are: inductive, deductive and abductive logic (Fredrik & Henrik, 2014; Saunders et al., 2012; Robson, 2011). Inductive logic is generally linked to qualitative studies. It is concerned with how a researcher goes from the specific to the general in developing a theory (Figure 4.6). Inductive logic requires theories to be developed based on an understanding of the empirical data (Robson, 2002; Saunders et al., 2009; Collis and Hussey, 2009). Unlike in deductive research, inferences are induced from particular instances (Collis and Hussey, 2009). In inductive logic, data are used to explore a phenomenon and identify themes and patterns. Inductive logic is valuable for theory building, rather than theory testing (Eisenhardt (1989). In contrast to the deductive approach, the inductive research premise works as a tool to produce conclusions which are not yet tested (Saunders et al 2012).

Deductive logic is mostly associated with quantitative studies in which a hypothesis is developed based on theoretical considerations for theory testing, falsification and verification. Deductive logic is also characterised by how a result moves from the general to the specific (Figure 4.6) to derive specific instances from general inferences (Collis and Hussey, 2009; Bryman, 2011).

Figure 4. 5: Research logic: inductive vs deductive reasoning



Inductive and deductive logic have been criticised for being too rigid in simply moving from theory to observation (deductive) or observation to theory (inductive), and lack an on-going process that produces the events observed (Robson, 2002).

This gap has resulted in an alternative approach, i.e. abductive logic. Abductive logic strives to bridge the divide between deductive and inductive logic and is suitable in a mixed methods study. In an abductive approach, the inductive stage is followed by a deductive stage, where both qualitative and quantitative data collection are required. Abduction logic aims to bring an understanding of a 'new' phenomenon and is suitable for action research.

Some studies are suitable for an abductive approach, while others are more suitable for either a deductive or an inductive approach. Inductive logic is appropriate for this study, given the study's aim, which is to bring insight to the existing phenomenon of the internationalisation process of EMNCs, not to create a new phenomenon. Also, the interpretivist stance of this thesis favours inductive logic, because inductive logic enables an inquirer to take advantage of the existing literature to identify a gap and to formulate research questions. This creates the flexibility for a researcher to work back and forth in research interpretation and theory induction (Saunders et al., 2012). Moreover, this study seeks to interpret a phenomenon, but does not seek to explain causal scientific relationships between variables or test hypotheses through theoretical considerations.

4.4 The Case Selection Process

4.4.1 The case sampling process

There are different types of sampling technique; namely probability (representative) sampling or non-probability (purposive) sampling. Probability sampling means that samples are selected from a target population. Such an approach is suitable for a study that requires the estimation of statistical data that targets a large population where a large sample size is required for generalisation towards an entire population, such as in a quantitative study (Saunders et al., 2016).

Non-probability sampling is the purposive sampling of either homogeneous or heterogeneous samples in a study. Purposive sampling also provides a range of alternative methods to select a sample, such as using an investigator's subjective judgement (Saunders et al., 2016). In non-probability sampling, generalisation is sought towards a theory (analytic generalisation), rather than towards a population (statistical generalisation). Purposive sampling is suitable for a qualitative study from which data is collected through unstructured or semi-structured interviews, of which 5-25 are suggested to be appropriate (Saunders et al., 2016). The insight gained from data is derived from the data collection and the researcher's analytical skills, rather than from the sample size (Patton, 2015).

Non-probability (purposive) sampling is applied in this study (Saunders et al., 2016; Teddlie & Yu, 2007; Yin, 2014). A purposive sampling technique was adopted, because this study seeks to gain insight into the phenomenon of the internationalisation process of firms within a Nigerian context. Moreover, purposive sampling is appropriate for the qualitative case study research of this thesis. Also, one theoretical consideration relevant to the research questions and the theoretical proposition of this study was a contributing factor in the sampling process (Silverman, 2013). The research aim, objectives and questions formed the basis for choosing a purposive sampling technique because this study seeks to identify information-rich cases which can then be studied in depth (Patton, 2002).

Case study research, then, often works with small samples of people, cases or phenomena nested within particular contexts (Miles &Huberman 1994, p. 25; Yin, 2014; Gray, 2012; Eisenhardt, 1989; Remenyi et al; 1998). In such a situation, it advisable to choose cases which are polar or extreme in nature, and a purposive sampling technique was adopted based on defined case selection criteria (Gray, 2014).

4.4.1.1 The selection process for the four cases

The process of selecting the four cases was especially systematic in identifying the cases that should be included in the study. In multiple case study design, each case must be carefully selected (Yin, 2014). The rationale behind the chosen cases must also be justified (Hussey and Hussey, 1997). However, a case study can contribute to theory if cases are purposely selected to explicitly exemplify a phenomenon, varying the setting conditions or drawing on different research fields to shed new light on a phenomenon (Ridder, Hoon, & McCandless, 2009).

The case selection process was purposive and was achieved in a series of steps. The preliminary search was done using Bureau van Dijk's (BVD) Osiris database, with defined criteria, such as country of incorporation (Nigeria), with Global Ultimate Owners (GUO) of foreign subsidiaries and the percentage of ownership in foreign subsidiaries (minimum 51%). The preliminary search from the database resulted in 65 Nigerian companies incorporated in Nigeria that had foreign subsidiaries. The companies with foreign parent multinationals, but incorporated as Nigerian firms, were removed. This resulted in 24 Nigerian parent companies which had headquarters in Nigeria (Appendixes 4.1 and 4.2). It was also purposively decided that the case companies should have been established by Nigerians to reflect the purpose of the research topic.

An initial analysis of the 24 companies fell broadly into the following categories: banking, insurance, energy, services and manufacturing (Appendix 4.3). The total foreign subsidiaries of the firms were 78, of which 41 were banks, 15 manufacturing, 10 insurance/financial services, 7 energy and 5 services, including ICT. It was also found that out of the 78 foreign subsidiaries, 39 were located in West Africa (Appendix 4.3).

However, as discussed earlier (section 4.3.1.1), the researcher had visited several Nigerian Government offices in Abuja between December 2014 and January 2015 during the case study design phase. The Nigerian stock exchange website and database was then browsed to identify more Nigerian multinationals firms, and the total reached 31 companies. The energy firms were purposely removed from the study because of the government role in the Nigerian energy sector. In case study research, it is advised to apply a two-phase approach if there are eligible candidates of 12 or more. Further relevant quantitative data analysis of the pool is applied with the defined criteria to achieve a stratification or a reduction to an appropriate number of candidates (Yin, 2014, p. 95). The candidates were reduced further by eliminating firms with either one or two subsidiaries in a foreign market. Companies with dormant foreign subsidiaries were also removed. Firms for which their internationalisation was less than five years old were then removed as potential candidates. This resulted in only 16 potential companies across different sectors of the Nigerian economy.

This phase of the study took place in three overlapping sub-stages; case selection, developing the interview questions, and developing the data collection technique and field work (the interview). This approach was important because the outcome of one stage was vital to achieve success in a subsequent stage of the study and to enhance the construct validity of the study. However, gaining access to firms in developing countries (such as Nigeria) has been found to be very difficult. Saunders et al. (2012) advise that a researcher needs to use existing contacts or develop new contacts within an organisation to make initial contact. In doing so, the researcher is advised to provide a clear account of the purpose of the research, data confidentiality and the study's benefit to the organisation.

In the first instance, I applied for and obtained formal ethics approval from the University ethics committee in line with the university ethics regulations for postgraduate researchers (Appendix 4.4). A recommendation letter was also obtained from the Business school administrative office (Appendix 4.5). Ethics approval and a recommendation letter were important to remove any scepticism and negative perceptions of researcher credibility, competence and the confidentiality issues which an organisation may perceive in the context of a study (Saunders et al., 2012, p210). The attainment of ethics approval for the study from the University ethics committee shows that the study's "axiology" was achieved because the study was carried out within an ethical framework in its data collection, data integrity, confidentiality, analysis and the interpretation of its findings (Saunders et al., 2012).

The Bureau van Dijk's Osiris database and the case companies' websites were browsed to identify senior executives, and their email addresses and postal addresses. An interview participation request letter was then sent to 26 executives of the 16 companies signed by the doctoral supervisor (Appendix 4.6). This approach was undertaken in an attempt to increase the positive response rate. After six weeks, there was no response from these companies. I then followed up with emails, phone calls and personal visits to the firms' offices.

There was an urgent need to adopt a new strategy to gain access to the potential case firms. As a result, I decided to connect with the companies and executives through LinkedIn. I got connected with several executives via LinkedIn and this resulted in Alpha's willingness to be part of the study. Some executives asked me to send an interview participation request letter to their company's corporate headquarters. The second set of interview request letters was then sent via DHL express to the corporate headquarters of the companies as requested. The corporate headquarters were solely responsible for the decision on whether or not to participate in the study. The corporate headquarters were also responsible for nominating appropriate executives for an interview.

There is a general acknowledgement that the right practices and standards in a research process are context-dependent, rather than universally applicable. What constitutes best practice in research is dependent on a researcher's own paradigmatic stance, the research aim, and the cultural practices of the research context at that point in time (Welch & Piekkari, 2017; Maxwell, 2012). Meanwhile, the service of a local consultant in Nigeria was also sought to help follow up with letters and an email to the respective companies. This new strategy worked because the selected companies agreed to be part of the study, and in addition, the corporate headquarters also nominated appropriate persons within the organisation for the interview. In total, seven companies agreed to be part of the study, but only four companies are included in this study because the study was ultimately designed for four case studies. Also, the four cases yielded positive open-minded face to face interviews with a willingness to grant access to company documents. The next section discusses the rationale for the selection of the four case companies.

4.4.1.2 Justification for the four cases

The four case companies that formed the basis of this thesis were chosen following a rigorous case selection process to meet defined criterion. Four cases are considered sufficient for a multiple case study research strategy (Yin, 2014; Gray 2013; Creswell, 2007; Eisenhardt; 1989). The four selected companies are from different sectors of the Nigerian economy, because previous studies on the internationalisation of Nigerian firms were focused mainly on the Nigerian banking sector. The chosen firms are Alpha (Manufacturing), Beta (Banking), Gamma (Insurance) and Delta (ICT). The case companies were selected for the following reasons.

The number of Nigerian firms that have engaged in OFDI is relatively small compared to firms from large emerging markets, because the internationalisation of Nigerian firms is a recent phenomenon. One of the criteria for the selected companies was that they must have their headquarters in Nigeria and must have been internationalised through OFDI, with subsidiaries in at least three countries. This decision was made because many Nigerian firms have subsidiaries mostly in one country in the region; a firm with at least three foreign subsidiaries reflects a commitment to foreign expansion on the part of a firm. As a result, there was a limited pool of internationalised firms to select from. The nature of the data required and the willingness of the case companies to take part in the study and grant access to their documents was another of the criteria. The availability of secondary data on the selected firms in the public domain was also a factor in the selection process. The selected companies' chronological developmental process and the sequence of their internationalisation were well documented which made it easier to verify different sources of evidence for data triangulation and validity purposes.

The market position of the four selected firms in their business sectors in the domestic market was one of the criteria used to select the companies. All the selected companies where in the top ten position in their respective sectors; namely, manufacturing, banking, insurance and ICT.

In recent years, the business sectors of the selected case companies have expanded and their degree of internationalisation have also increased. The selected case firms are also the first companies to internationalise in their respective sectors, and the selected firms have all engaged in OFDI internationalisation for at least five years and have subsidiaries in at least three countries.

4.4.1.3 The context of the study

Gammeltoft, Pradhan, and Goldstein (2010) indicate that there is an interaction between a multinational firm and the context in which it originates. A case study design allows for an in-depth empirical investigation of a contemporary phenomenon in a given context (Eisenhardt, 1989). Qualitative research provides the best approach to provide rich contextualisation, given the fact that context is a key differentiator in IB research, and a more thorough specification of a study context would contribute to the robustness of IB research and its relevance (Teagarden et al., 2017). Opportunities to make theoretical contributions are enabled in case study research, by transferring a theoretical approach into a new empirical context (Ridder et al., 2009). Therefore, an emphasis on context in case study research enhances a study's rigour and contribution. An adequate contextualisation of theory building can capture inconsistencies and uncover differences between traditional non-Western contexts and emerging markets Teagarden et al., (2017).

Nigeria was chosen as the context of the study because the country has seen increased internationalisation of its firms in recent years. Nigeria's economic position as Africa's largest economy makes researching the internationalisation process of Nigerian firms important. The researcher's links to Nigeria also facilitated access to data, because access to data is vital for successful case study research.

4.5 Data Collection Process

There are different methods or techniques which can be used in qualitative data collection, such as observations, open-ended interviews, semi-structured face to face interviews, focus groups, oral history, life history interview video, and documents (Bryman, 2012; Yin, 2014). A qualitative study is particularly useful when answering the "why", "what" and "how" research questions (Acholonu et al., 2010; Eisenhardt, 1989; Ghauri & Grņhaug, 2010; Yin, 2014).

However, there is a strong belief among scholars that IB researchers should use primary data and firm level data, rather than secondary data, in the study of MNEs' internationalisation (Narula & Verbeke, 2015). Qualitative data are usually collected through direct encounters with individuals (Hancock, Ockleford, & Windridge, 1998). This is usually suitable in a small number of interviewees and small number of cases.

4.5.1 Interviewees' selection process

The key executives of the companies were identified through the BVD Osiris database, companies' websites and LinkedIn. Interview request letters were sent to the corporate headquarters of other case companies as advised by the executives contacted. The firms' corporate headquarters then appointed an appropriate executive or a group of executives in a strategic position to participate in the face to face interviews (Table 4.2). In other cases, the executives were contacted directly through LinkedIn, followed by email communications, phone calls and personal visits to their offices and subsequent face to face interviews.

Table 4.2 provide a profile overview of the interview process.

Table 4. 3: Interview process

Case Firms	Date of interview	Interviewee Code	Interview Location	Position	Type of Interview and Duration
Alpha	03-09-2015 21-09-2015	Alpha_g2 Alpha_g2	London	Head of Investors Relationship	Email Interview Face to Face interview (65 minutes)
Beta	16-12-15	Beta_g2	Lagos	Head of Corporate Planning & Strategy Head of Research and Market Intelligence	Face to Face interview (45 minutes)
	08-02-16	Beta_g3	Lagos	Head of Corporate Planning & Strategy Deputy Head of Corporate Planning & Strategy Head of Research and Market Intelligence	Email interview
Gamma	16-12-15	Gamma_g2	Lagos Lagos	Head of Corporate Services General Manager Finance	Face to Face interview ((45 minutes) Face to Face interview
Delta	17-12-2015 21-12-2015 30-03-2016	Delta_g1	Lagos	General Manager Operations	1st Face to Face meeting 2nd Face to Face meeting 3rd Face to Face interview (45 minutes)

Source: Research data

4.5.2 The pilot study

In case study research, conducting a pilot study is an important starting point, because it can help a researcher simulate an interview in the guise of what the main interview would be like. Through a pilot study, a researcher can correct any discrepancies in their data collection techniques and make the necessary corrections to finalise the actual interview plans before going to field (Yin, 2014).

In this study, it was not possible to do a pilot study with large organisations because of the difficulty getting access, secondly such firms will not allowed another access after a pilot interview; instead, a small firm was chosen. A director of a small Nigerian enterprise with cross-border business activities in the West Africa sub-region was interviewed via Skype on the 10th of August 2015 and the company was chosen for the pilot study because of the Director's accessibility and availability. Two of my doctoral colleagues were also used for a practice interview prior to going to the field. Feedback from the pilot interviews provided an opportunity to refine the interview questions, with a view to develop appropriate lines of questions for the clarification of the concept of the case study design.

4.5.3 The main interview process

The primary data source was semi-structured, in-depth face to face interviews with executives of the case companies. A semi-structured face to face interview technique is common in a case study, because it facilitates the elision of practicing managers' insights. This is important in producing research with relevant policy and practice implications (Saunders et al. 2012; Narula & Verbeke, 2015). A semi-structured face to face interview gave the researcher the opportunity to ask questions relevant to the research topic and objectives.

An interview questions guide was developed, with insights from the gaps in the literature, thesis framework and research questions, with a view to reflect the study's objectives. The interview questions were grouped into three main sections: the firms' domestic growth process, their motivation, and the location patterns of the early stages of their internationalisation. The draft interview questions were then sent to the doctoral supervisory team for review and after several rounds of modifications and corrections, the questions were approved for the study. The questions were used as interview guides, because the list was not exhaustive. This approach was taken to enable the theme of the study to be covered during the interview, because an interview allows for interaction between the interviewers, with a view to obtain in-depth subjective knowledge into a theme that is not possible in a quantitative data analysis (Yeung, 1995).

After identifying the interviewees, the next step was scheduling the interview date and time with the participants. Email communication preceded the face to face interviews except in one case. In other cases, a personal visit was requested by the firms before the executives sat down for the main interview. Prior to the interviews, preparations were made through extensive research of the companies, using company websites, published annual reports and other documents in the public domain. This enhanced my knowledge about the companies and boosted my confidence in sitting down with the executives for the interview, and was also a validation of the interview conversation. Face to face interviews with the executives enabled me to have a free-flowing conversation based on the research topic areas that needed to be covered in the study. My understanding of Nigerian culture was an added advantage in the interview process, because it helped me greatly in my conversational and observational approach.

The interviews took place between September 2015 and April 2016 in London, UK and Lagos, Nigeria (Table 4.3). Ethics consent form was also given to the interviewees (Appendix 4.7). The interview involved three visits to Nigeria and two visits to London, because it was not possible to schedule the executives in a single visit. I was well received, and discussions took place surrounding the political situation in the country at the time and its implications for Nigerian businesses. At the time, Nigeria had transitioned into a new government from a new political party. The interviews were conducted in the English language, the audio was recorded and transcribed, and the interviews lasted between 35 and 63 minutes. This was subsequently followed by an email interview discussion or phone call to clarify particular issues. In the case of Beta and Gamma, a group interview took place, involving two and three executives, while in the case of Alpha and Delta, a single executive was present in the interview. In the case of Alpha, an email interview preceded the face to face interview. The recorded interview with Delta took place after two previous unrecorded meetings. It was also an opportunity to ask probing questions, to enable the interviewee to elaborate on an original response. In some cases, a follow up question was presented in the line of discussion introduced by the interviewee (Hancock et al., 1998). After the interviews, the field notes were updated, and observations made during the interviews and the discussions, which took place both before and after the recorded interviews, were noted.

Some of the companies required an assurance of confidentiality before agreeing to be part of the study. As a result, the identities of the firms and of the interviewees are kept anonymous (Miles & Saldaą, 2014, p. 62). The four chosen case firms are presented as Alpha (Manufacturing), Beta (Banking), Gamma (Insurance) and Delta (ICT). The interviews were then coded - for example as (Beta_g2 December 2015) - as an indication that two executives were present in the Beta interview in December 2015.

4.6 Case Study Replication Logic

The issue of generalisability is regularly discussed as one of the limitations of case study research. Researchers are therefore advised to overcome this limitation, by being guided theoretically (Silverman, 2013). There are two basic principles of logic in a research process; namely sampling logic and replication logic (Yin, 2014, p. 57). Sampling logic seeks to ensure that the data collected are samples of a larger population and representative of a sample unit from an entire population.

The logic underlying case study research is replication logic. Replication logic does not claim that research findings represent an entire population, but rather compares the research findings based on theoretical propositions developed for a study. As a result, cases are selected that either (a) predict similar results (literal replication) or are selected based on (b) predicting contrasting results (theoretical replication). Whereas two or three cases are suitable for literal replication, four to six cases are required to pursue theoretical replications (Yin, 2014).

Yin (2014) argues that just like experiments, a case study is generalisable towards a theoretical proposition (analytical generalisation), and not to the population, unlike an experimental study that relies on a large sample (statistical generalisation), which is fundamental in a quantitative study. In multiple case study research, replication can be claimed based on an analytical generalisation, if the findings of two or more cases support a defined theoretical proposition. Therefore, case study research relies on either expanding or generalising a theory through analytical generalisation. Eisenhardt (1989) suggests that a replicative effect can be sorted in a case study through individual case analysis then followed up with a “within-case” and “cross-case analysis”. This process enables replication and contrast between cases, analysed with observable findings. The more the findings are replicated, the more compelling and robust the overall study (Herriott & Firestone, 1983). This study will also seek replication through analytical generalisation, because the study conforms to the principles of replication logic.

This study of the internationalisation process of Nigerian firms is a qualitative case study, not a quantitative study. As a result, the thesis objective is to obtain rich, detailed information from a small group of people, rather than short, specific answers from a large number of respondents, as with survey questionnaires (Webb, 2002; Baines & Chansarkar, 2002).

Moreover, the research aim is not to claim that the findings are universal to and representative of all Nigerian firms; rather, the thesis seeks to compare the findings of the four selected cases to the theoretical proposition developed previously (Chapter 3).

A theoretical proposition of the Uppsala model and OLI eclectic framework was developed for this study (Chapter 3). This is important, because the replication of cases would reflect a theoretical interest, rather than just a prediction that two cases will be similar or different (Yin 2014, pp57-58). It was the intention of the investigator to revise the developed theoretical proposition based on the research findings.

The study also followed an analysis based on cross-case case analytical techniques (Chapter 5 and 6). Therefore, four case companies from different sectors of the Nigerian economy were selected for this study (section 4.5) to ascertain whether replication can be claimed (analytic generalisation) and to strengthen the external validity of the thesis and its findings. Also, the contrasting nature of the four cases means that replication logic is appropriate (Yin, 2014). As a result, such cases will provide an opportunity to establish whether or not the findings from the first case are replicated through subsequent cases, in order to support analytical generalisation from the study's findings (Saunders et al, 2012). The study's replication will also be achieved through cross-case analysis to compare cases that may provide compelling support or contradiction for a defined theoretical proposition. The next section describes the processes that were followed to ensure quality in the case analysis.

4.7 Quality in Case Study Research

A case study's credibility and quality are based on its rigorous processes and associated documentation (Yin, 2014; Eisenhardt, 1989; Huberman & Miles, 2002). The issue of quality has often been discussed in case study research and different terms are used with reference to research quality, such as validity, reliability, rigour, trustworthiness, credibility, transferability and plausibility. Establishing and demonstrating how quality and rigour are achieved in case study research is crucial in improving the robustness of the findings (Gray, 2014; Yin, 2014). Scholars argue that qualitative methods normally suffer from subjective interpretation and non-replicability (Chi, 1997). Johnson and Onwuegbuzie (2004) argue that quality in a case study is said to lack universal acceptability and generalisability. Despite these criticisms, Yin (2014) asserts that quality in case study research can be established through construct validity, reliability, internal and external validity (Table 4.3). Internal validity is only applicable in some special circumstances in a study that seeks to establish a causal relationship, whereby certain conditions are believed to result in other conditions.

Table 4. 4: Quality criteria in qualitative case study research

Tests	Description/case study tactic	Phase of Research
Construct validity	• Use multiple sources of evidence • Establish chain of evidence • Have key informants review draft case study report	Data collection Composition Reporting
External validity	• Use theory in single case studies • Use replication logic in multiple case studies	Data collection
Reliability	• Use case study protocol • Develop case study data base	Data collection Design phase
Internal validity	• Do pattern matching • Do explanation building • Address rival explanations • Use logic models	Data analysis Data analysis Data analysis Data analysis

Source: Adapted from Yin (2014, p. 45)

The context-dependence of validity decisions is particularly relevant in IB research given its cross-border and cross-cultural nature. As a result, quality in IB research should be judged based on context-specificity, just like any human behaviour, as known methodological “dos” and “don’ts” are not necessarily easily transferable across borders (Welch & Piekkari, 2017). That means that the context-specificity of a study should be considered when judging research quality, because what works in one context may not necessarily work well in another context. The process of how rigour and quality was achieved in this study is discussed below.

4.7.1 Construct validity

The construct validity test of this thesis was achieved through the use of correct operational measures in data collection methods; namely semi-structured face to face interviews and the use of multiple sources of evidence for data convergence and triangulation. The multiple sources of evidence enabled data and methodological triangulation to be achieved by not having to merely rely on the claims made during the interviews. Through analysing various data sources, more robust findings, reports and conclusions were achieved.

A case boundary for the study of the internationalisation process of Nigerian firms was defined in line with the thesis objectives. A chain of evidence was established throughout the study process with the use of a case study protocol and database to enhance the case reliability (Yin, 2014 p. 49). Developing a case protocol is particularly useful in case study research, because it provides a researcher with an opportunity to document the processes and procedures followed at every stage of the study (Gray, 2014). The construct validity was also enhanced through a detailed description of the research process in which the rationale for the methodology is discussed in detail. The case study report draft was also reviewed by the thesis supervisory team to enhance the study's construct validity.

4.7.2 Reliability

A reliability test is concerned with the question of whether or not the result of a study is replicable in ascertaining if the concept of the study when presented in another context with the same data would result in the same findings and conclusions (Bryman & Bell, 2015). The case study protocol and case study database were also used to address the reliability issues (Yin, 2014). Prior to going to field, a step by step description of the process was also written, and all data collected was well documented during the data collection stage.

To enhance the reliability of this study, a database was created in the University of Huddersfield's personal drive where all collected data and associated documents in the research process was archived to ensure the study process is operational, since documentation would allow the same process of this study to be repeated with appropriate data. The data collected, such as the interview transcripts, documents from the case companies, observation notes, aggregated data from CBN and NBS, UNCTAD and World Bank STAT data were all documented. This process has enhanced the effectiveness and the reliability of the research (Hirschman, 1986, Yin, 2014).

4.7.3 External validity

The external validity test is concerned with the question of whether or not the results of a study can be generalised beyond the immediate study, regardless of the research strategy (Bryman & Bell, 2015; Yin, 2014). The external validity of this study was established through analytical generalisation, whereby non-probability replication logic was adopted in the case selection process. External validity was also strengthened by going to great lengths to detail the case selection and interviewee selection process (Eisenhardt, 1989) (Section 4.4.2). Yin (2014) advises researchers to adopt a replication approach in multiple cases of the same phenomenon, in the same way as with scientific enquiries. With this approach, a multiple case study generalisation is a theory based on a predefined theoretical preposition (Chapter 2). The scope and boundaries of the study were also defined at the design phase (Chapter 1 and sections 4.3.3.1 & 4.4.3.1). A within-case analysis and cross-case analysis was undertaken during the data analysis phase (Chapters 5 and 6). Diagrams, tables, matrices and figures were also used for data illustration in the data analysis stage for explanatory purposes (Miles and Huberman, 1994; Eisenhardt, 1989). This approach enables comparison and contrast between constructs to be verified, in order to gain a deeper understanding of the firms' internationalisation processes and the case outcomes. The logic behind cross-case analysis was to reveal how the derivation of case evidence resulted in a convergence of evidence for data triangulation, in order to enhance the research findings and conclusion (Yin 2014, p. 121). The external validity of the study was also enhanced through inference descriptors, tape recorded data, research design and multiple data collection methods.

4.8 Data Analysis

Data analysis is conducted through examining, categorising, tabulating and recombining data from various sources of evidence in case study research (Yin, 2014). The process to extract relevant data from a qualitative study can occur in many different ways (Creswell, 2013b). However, choosing an appropriate data analysis is influenced by the research philosophy and the research objectives. There are different analytical techniques when dealing with qualitative data, such as theoretical proposition reliance, ground up data strategy (inductive analysis), discourse analysis, plausible rival explanation, cross-case synthesis, narrative analysis, pattern matching, time series analysis and thematic analysis (Braun & Clarke, 2006b; Easterby-Smith, Thorpe, & Jackson, 2012; Yin, 2014; Saunders et al., 2016). Inductive analysis allows themes, concepts and theory to emerge from the raw data, without the restraints imposed by deductive analysis (Yin, 2014; Thomas, 2006). Theoretical proposition reliance, for example, conforms to the idea that data can be analysed based on the theoretical preposition of a study (Gray, 2014; Yin, 2014).

Thematic analysis, though often thought of as a generic approach to data analysis, is a technique which enables data sets to be organised and coded to identify themes. It also enables the capture of important aspects of patterns and meaning within a set of data (Braun & Clarke, 2006b). Thematic analysis can be combined with various qualitative analytic methods (Braun & Clarke, 2006b; Saunders et al., 2016). The nature of a study, and its research questions and objectives, may require two data analytical techniques to be employed. For this study, a thematic analytical technique is employed for the interview data, while content analysis was used for secondary data sources.

Thematic analysis is deemed appropriate for this case study, because it can be combined with content analysis for data analysis. Thematic analysis is also a common method in qualitative case study research (Braun & Clarke, 2006), and it is also a flexible technique for data analysis, irrespective of the research philosophical position. It also allows a researcher to move back and forth in systematic steps between different levels of analysis, and thus build analysis via a systematic process (Braun & Clarke, 2006b; Saunders et al., 2016).

Content analysis is useful for examining trends and patterns in documents and is a systematic data analysis technique used to sift through and compress a large volume of data based on explicit rules of coding (Stemler, 2001). Through content analysis, themes were identified from the multiple data sources of evidence for data triangulation (Yin, 2014). Content analysis was purposively chosen because it allows inferences to be made to corroborate multiple sources of evidence in case study research. The data analysis began right after the first interview transcription (Silverman, 2013). However, a step by step guide to thematic analysis (Braun & Clarke, 2006b; Saunders et al., 2016) is outlined in Table 4.4.

The data analysis process began after the first interview by repeatedly listening to the recorded interview. After transcribing the interview, the next step was to familiarise myself with the data by carefully reading through the transcript several times. Then, notes were made on the aspects of the data to uncover themes before coding began. I started to make notes of the emerging themes, identifying themes with the research questions, objectives and the interview guides in mind. Through this process, themes started to emerge from the data. The Nvivo software package was then used for further coding (Appendix 4.8 and 4.9). The manual technique and Nvivo was used for secondary data content analysis.

Table 4. 5: Research data analysis process

Phase of Analysis	Process Description
Familiarise yourself with data	Transcribe data, read and re-read the data and highlight emerging ideas
Generate initial code	Start coding of important features across the data set and make note of relevant code
Search for theme	Group code into potential themes, gather all data relevant to each theme
Review of themes	Check the created themes in relation to the data and generate a thematic map of the analysis
Group themes into categories	Refine the coded themes and categorise similar themes together to make a clear definition and names
Writing the report	The grouped categories were extracted and analysed in relation to the research question and literature. The theme categories were used in the thesis report writing of individual and cross-case analysis

Source: Adapted (Braun & Clarke, 2006b; Saunders et al., 2016)

The interview transcription and the coding enable data with similar meanings to be categorised by either a single word, sentence or short phrase (Saunders et al., 2016). This allows a dataset to be organised, coded and described in detail by capturing important aspects, themes and patterns and meaning in a data set (Braun & Clarke, 2006). The initial codes identified were domestic expansion factors and motivations for internationalisation and location patterns. As the coding continued, further themes started to emerge and were coded as well (Appendix 4.8 and 4.9). Afterwards, overlapping themes emerged and were grouped together. Themes relating to the same category were then categorised under the same heading or sub-headings in order to reflect on their connections or links. This process allowed for the compression of a large data set, integrated related data drawn from different transcripts and notes to manage a reasonable number of meaningful themes and categories (Saunders et al., 2016).

The aim of the data analysis was to reveal the factors that have had an impact on the domestic growth and the internationalisation of the four case companies. The data analysis also revealed the connection between the themes and the categories generated from the data (Appendix 4.8). The research findings from the data analysis led to the modification of the study framework (Chapter 6). The data analysis process allowed the researcher to develop explanations regarding how home country, firm specific factors and regional market specific factors had impacted the internationalisation process of the four Nigerian firms.

4.8.1 Multiple source of evidence

Multiple sources of data evidence are a major strength and one of the advantages of a case study, because they allow for data triangulation (Yin, 2014). A primary data source for this study was semi-structured face-to-face interviews, email interviews and field notes drawn from the field research interview and validated through multiple sources of evidence (Section 4.5.1). The secondary data sources arose from various sources of documentation. Yin (2014) asserts that documentation is stable and unobtrusive when it can be repeatedly accessed and documentation has the possibility to provide information that reflects broader perspectives. This technique was vital towards the success of this study, due to its contemporary nature. Insights can only be generated from multiple sources of evidence to shed light on the factors that have impacted on the internationalisation process of Nigerian firms.

The five main sources of secondary data used in this study are as follows:

1. The BVD Osiris database was browsed to identify Nigerian firms with foreign subsidiaries.

2. The companies' official documents, annual reports, websites and the Nigerian Stock Exchange website.

3. Aggregated data were obtained from the federal government offices of the Central Bank of Nigeria, the National Bureau of Statistics and the Nigerian Investment Promotion Commission.

4. Secondary data from the World Trade Organisation, World Bank STAT and UNCTAD FDI statistics were also used.

5. Journal publications and professional institutions.

The first source of data from the Osiris database was accessed through the University of Huddersfield's library services, in order to identify the case firms. The database contains the firms' ownership and shareholding structure, foreign subsidiaries' locations and the number of company employees and the companies' contact addresses.

A company's annual report contains vital information, such as financial and consolidated financial reports, shareholders and ownership structures, directors' background and firms' investment activities. The annual report also outlines both the short and long term business strategies of the firms and their foreign subsidiaries' locations. The firms' annual reports, presentations and websites which include their mission and vision statements. These data sources also show the chronological historical development of the case firms, milestones in their expansion process and the motivation of the firms' internationalisation. The corporate announcement of the financial reports and shareholders' meeting reports were obtained from the Nigerian Stock Exchange website.

The third source of secondary data was primarily aggregated data from the Central Bank of Nigeria, NIPC and NBS obtained during a field visit to the Federal offices. The CBN database was also accessed for statistical data. The data obtained from the CBN shows the foreign investment position of Nigeria, sectoral foreign investments, portfolio investment abroad, equity investment, and banks' foreign investment. An economic re-basing report of the Nigerian economy document was obtained from the Nigerian Investment Promotion Commission (NIPC). The NBS provided data on domestic economic activities, domestic investment growth, sectoral growth and development, a re-basing report, and the history of manufacturing in Nigeria, which dates back ten years, making it difficult to have a historic overview of Nigerian economic growth. This was then supported by existing literature from publications.

The fourth secondary data source was the African Development Bank (AFDB) country report and the ECOWAS website. UNCTAD's 2013, 2014 and 2015 annual reports were downloaded from its website. UNCTAD, WTO and World Bank statistical data series were analysed and downloaded from the organisations' databases. The statistical data were mainly time series statistics of investment outflows and inflows, Nigerian Economic Indicators and GDP growth rate, beginning from 1980.

The fifth source of data was published articles from different journals and professional body publications. However, multiple sources of evidence were useful in this thesis because it enabled me to overcome issues of respondent bias and perceptions by triangulating data from multiple data sources. Data triangulation was achieved through verification, validation and corroboration of similar lines of inquiry for data convergence from the interview and companies documentation (Patton, 2015). Multiple data evidence were analysed to identify themes from the overall analysis of the case study, which was synthesised to write the case study report.

4.8.2 Case study report

The multiple sources of evidence were synthesised by drawing together themes and concepts from the research into an integrated pattern for report writing to explain the study phenomena (Braun & Clarke, 2006a; Collis & Hussey, 2014; Eisenhardt, 1989; Gray, 2014; Miles & Saldaą, 2014; Thomas, 2006). After coding the data set with the categorisation of the themes, a within-case and cross-case analysis approach was used for writing the study report (Eisenhardt, 1989). The combination of within-case and cross-case analysis is a rich technique in case study analysis. Within-case analysis allow individual case to be treated as a single entity and is central in theory building in case study research. It also helps us deal with the large data volume in case study research. The overall idea of within-case analysis allows the researcher the opportunity to familiarise themselves with each case as a standalone case, as well as obtain a detailed account of each case (Eisenhardt, 1989). Cross-case analysis, on the other hand, allows for the emergence of distinctive themes and patterns before researchers can generalise themes across cases to quicken cross-case observation and comparison to identify divergences and similarities across cases (Eisenhardt, 1989). Yin (2014) notes that with cross-case analysis an individual case study is observed as a separate study and also offers the possibility of categorising an individual case in a more uniform format using tables to capture findings. Cross-case analysis has enabled a similar replication approach for all cases. This approach also enabled me to apply a similar analytic approach to all cases and, by doing so, it gave room for the emergence of distinctive themes and patterns before generalising themes across cases.

Synthesising evidence from multiple data sources enables the thesis to be written in a way which highlights the chronological historical growth and development process of the case companies (Yin 2014). The data analysis technique also enhances the case study report with an overview of the factors that have impacted Nigerian firms' domestic growth, the motivation for internationalisation and the location patterns of their foreign investment.

The findings of this research have been presented in the form of tables, figures, matrices, a theoretical construct, a conceptual framework and a research proposition (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). The initial findings were presented at the University of Huddersfield postgraduate conference (2016) and at the Global Strategy and Emerging Markets conference at Northeastern University, Boston, USA (2017). A journal article has also been published in the Thunderbird International Business Review.

4.9 Chapter Conclusion

This chapter began by restating the research aim, objectives and questions. The philosophical position of the study and its methodology were also outlined. A case study research strategy was adopted because it enables answering the research questions and achieving the research aims and objectives of the research project. The contemporary nature of the phenomena under study demands that real-life insight is sought within the context of the study; hence a case study research was adopted. The detailed rationale for conducting case study research and the data selection process were discussed. How rigour was achieved in the study was also described.

The next two chapters (5 and 6) provide an individual and cross-case analysis, and also present the thesis findings in the context of the research objectives.

CHAPTER FIVE: INDIVIDUAL CASE ANALYSIS

5.1 Introduction

This chapter analyses the individual cases of the four companies that form the basis of this thesis. This study empirically investigates the internationalisation process of four Nigerian multinational companies, which is the process of how the Nigerian firms evolved from being local companies to becoming multinational organisations. The study draws on the integrated theory of the internationalisation process model (the Uppsala model) and the OLI eclectic framework (Johanson and Vahlne, 1977; 1990; Dunning, 1988).

This chapter is organised as follows. First, the case companies are introduced, followed by a discussion of their industries' evolution and an overview that positions the case firms within an industry context. Then the backgrounds and domestic expansion processes of the companies are analysed. This approach to the data analysis is undertaken because understanding a company's early stages is important, since an organisation may be exposed to stimuli at the initial stage in the domestic market that may influence its decision to engage in foreign expansion (Tan et al., 2007).

This approach allows the data to be analysed from the perspective of the research question, research objectives, theoretical positioning and research framework. The last section of the chapter analyses motivations towards internationalisation and the location patterns of the case companies, before drawing the chapter to a conclusion.

For ethical reasons, pseudonyms are used to keep the companies and interviewees anonymous. The four case firms' pseudonyms are presented in table 5.1.

Table 5. 1: The Case firms

Case firms	Pseudonym	Industry/Sector
Case firm 1	Alpha	Industry
Case firm 2	Beta	Banking
Case firm 3	Gamma	Insurance
Case firm 4	Delta	ICT

The four cases were selected based on purposive and theoretical sampling (Gray, 2014; Yin, 2014). The cases were chosen from different sectors of the Nigerian economy; namely the manufacturing, banking, insurance and information technology sectors. The cases were selected based on the following criteria: (a) the firms were incorporated in Nigeria; (b) the firms were pioneers of successful internationalisation in their respective sectors; (c) the firms owned foreign subsidiaries and had engaged in foreign expansion for at least five years, (d) the firms were established between 1980 and 1992 (a difficult period in Nigerian history); and (e) the cases could form the basis for extending internationalisation theory.

A qualitative case study approach is adopted for this study, because of its relevance to the research question, objectives, context, theoretical positioning and the study sample size (Silverman, 2013; Yin, 2014). The case analysis adopts a within-case and cross-case analysis technique, which allows cases to be analysed individually and comparatively. The overall purpose of a within-case analysis is to give a researcher an opportunity to become familiar with each case as a standalone entity, drawing on multiple sources of evidence to write a detailed report of all the cases (Eisenhardt, 1989). In addition, within-case analysis is fundamental in theory building, as it also helps us deal with a large data volume in case study research (Eisenhardt, 1989).

The primary data source for this study is semi-structured in-depth face to face interviews with the executives of the case companies. The primary data is then supported by secondary data from both published and unpublished sources, namely the organisation; private documents, annual reports, financial reports, documents and data from the public domain; databases, aggregated data, statistics and reports from the Central Bank of Nigeria, the National Bureau of Statistics, the National Investment Promotion Commission, UNCTAD, the World Bank, and the Africa Development Bank.

The next section analyses the internationalisation process of Alpha, starting with a general overview of the Nigerian manufacturing sector. This is important in order to place Alpha within the context of the study.

5.2 Case Firm 1: "Alpha"

Alpha is the largest and most internationalised Nigerian manufacturing firm. The company is an example of how a company can grow from being a one man business to becoming a multinational company. The firm's domestic expansion and internationalisation can be attributed to the firm's expansion strategy, sectorial growth manufacturing sector growth and the economic growth of Nigeria in the past 15 years (Interviewee Alpha_g1 September 2015).

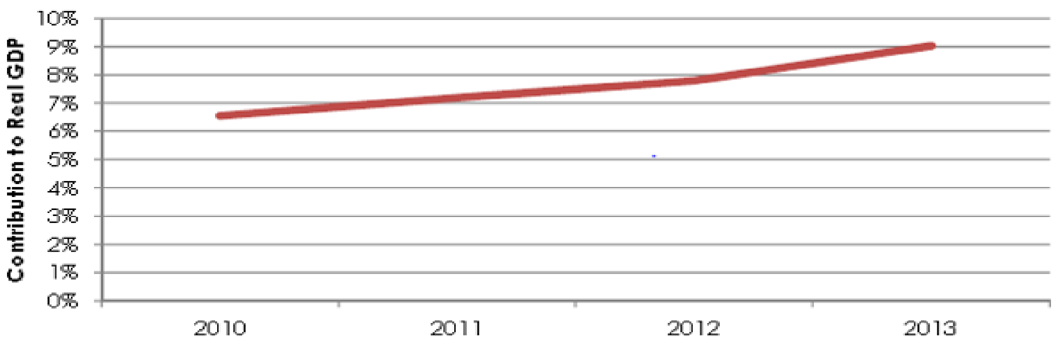
5.2.1 An overview of the Nigerian manufacturing sector

The Nigerian manufacturing sector dates back to a pre-independence era, when production in the country was minimal. After independence in 1960, the sector grew, with a 10% contribution to the Nigerian economic output prior to the 1970s oil boom. However, with increased oil revenues, the manufacturing sector growth declined. Several factors are attributed to the decline in the sector, which are linked to a series of unfavourable economic policies, such as the "economy indigenization policy" in the 1970s, and the Nigerian Enterprises Promotion Decrees of 1972 and 1977, whereby the majority of foreign-owned firms were taken over by the Nigerian government (Ogbuagu, 1983). This resulted in capital flight, as inward foreign direct investment (IFDI) into the country declined when several foreign investors divested from Nigeria.

The restrictions placed on capital inflow, coupled with a high dependence on imported goods, technology deficiency and the vulnerability of the Nigerian manufacturing sector in comparison to the global economy led to a further downward trend in the size of the manufacturing industry in the 1970s. As the country went into a recession, due to a fall in global oil prices in the 1980s, the Nigerian government turned its attention to enhancing local steel, salt and soap production (NBC, 2014), as well as offering import subsidies geared towards intermediary input products. This policy approach resulted in a temporary increase in manufacturing output, especially in the assemblage sub-sector. The enactment of Structural Adjustment Programs (SAPs) in 1987, as advised by the World Bank, led the Nigerian government to place an embargo on the import of raw materials, with a view to encouraging import substitution to local manufacturers (National Bureau of Statistics, 2014).

Despite the above, the contribution of manufacturing to the economy was generally still on a downward trend. The import subsidy approach of the government had discouraged domestic manufacturing, and coupled with a lack of investment in human capital and infrastructure development, this resulted in the stagnation of the manufacturing sector. Nigeria’s reliance on oil exports, production inefficiencies and an increase in the import of consumer goods saw a further decline in the manufacturing sector throughout the 1990s and early 2000s (National Bureau of Statistics, 2014), as illustrated in Chapter 3. Figure 5.1 shows the manufacturing industry contribution to Nigeria’s GDP between 2010 and 2013.

Figure 5. 1 Manufacturing contribution to GDP 2010-2013



Source: (NBC, 2014)

As shown in Table 5.2, cement manufacturing in Nigeria dates back to 1957, when the first cement factory was built, followed by the opening of new factories in the 1960s (Mojekwu, Idowu, & Sode, 2013).

Table 5. 2: Nigerian first generation cement factories

Companies	Date of establishment	Capacity at establishment (MT)
NIGERCEM	1957	120,000
EWEKORO	1960	700,000
BENDEL	1964	150000
CALCEMCO	1965	100000
CCNN	1967	100000

Source: Cement manufacturers Association of Nigeria (CMAN).

Source: CMAN

Despite local production, cement imports have been high over the years, due to outdated domestic manufacturing technology, high-interest rates and exchange rate fluctuations. These factors have contributed to a manufacturing overhead, both in terms of the high cost of raw materials and other inputs in the manufacturing and distribution process. The ease of access and low cost to acquire an import license in comparison with the difficulty in acquiring an import license for manufacturing equipment spare parts also discouraged local manufacturing (Mojekwu et al., 2013). Table 5.3 shows the trend in imports and local production over time.

Table 5. 3: Cement imports and local production 1986-2011

Appendix. Supply of cement into the Nigerian Market and Real GDP 1986 – 2011.

CEMENT consumption figures 1986 - 2011					% Change	GDP
S/N	Year	Imports	Local	Total supply	in Consumption	(USD Million)
1	1986	800,000	3,500,000	4,300,000		1,320.33
2	1987	700,000	3,400,000	4,100,000	- 4.65	1,312.86
3	1988	688,341	3,400,000	4,088,341	- 0.28	1,409.46
4	1989	543,621	2,950,000	3,493,621	-14.55	1,517.50
5	1990	905,595	3,030,000	3,935,595	12.65	1,715.06
6	1991	1,693,200	2,924,072	4,617,272	17.32	1,701.15
7	1992	1,985,655	2,797,202	4,782,857	3.59	1,739.52
8	1993	2,085,826	2,622,218	4,708,044	-1.56	1,761.75
9	1994	859,886	2,619,908	3,479,794	-26.09	1,765.71
10	1995	1,091,232	2,610,752	3,701,984	6.39	1,803.89
11	1996	1,060,300	2,530,998	3,591,298	-2.99	1,882.98
12	1997	1,304,582	2,517,413	3,821,995	6.42	1,936.04
13	1998	1,992,588	2,206,355	4,198,943	9.86	1,987.76
14	1999	3,112,685	2,472,099	5,584,784	33.00	2,001.18
15	2000	3,336,134	2,285,506	5,621,640	0.66	2,110.07
16	2001	5,937,000	2,168,000	8,105,000	44.18	2,288.43
17	2002	6,041,000	2,071,000	8,112,000	0.09	2,776.95
18	2003	6,437,000	1,981,000	8,418,000	3.77	3,022.65
19	2004	5,920,000	2,337,000	8,257,000	-1.91	3,381.90
20	2005	6,629,000	2,849,005	9,478,005	14.79	3,602.12
21	2006	6,753,000	3,209,722	9,962,722	5.11	3,819.37
22	2007	6,327,000	4,642,668	10,969,668	10.11	4,065.71
23	2008	6,977,000	6,425,880	13,402,880	22.18	4,326.21
24	2009	6,719,000	7,955,144	14,674,144	9.49	4,563.39
25	2010	5,716,000	10,114,000	15,830,000	7.88	4,819.28
26	2011	5,182,000	11,921,000	17,103,000	8.04	5,040.00

Sources: Cement Manufacturers Association of Nigeria (CMAN) and Central Bank of Nigeria (CBN).

Source: CMAN

Between 1999 and 2008 the importation of cement into Nigeria was in excess of local production, with millions of metric tonnes per annum. This was due to continued high demand in the domestic market as importation reached its highest peak in 2008 with the import of 6.9mtpa. The lack of investment in the sector, coupled with infrastructure disadvantage and production inefficiencies, resulted in a heavy reliance on imports.

The upward importation trend in early 2000 had forced the new democratic government to take drastic measures through the enactment of the Backward Integration Policy (BIP). The BIP was designed to restrict the importation of some goods. It was also the aim of the government to transform Nigeria as a country, which was mainly dependent on the importation of cement, with a view to become self-reliant in cement production. This policy, however, had attractive incentives attached for firms, who were poised to transition into local manufacturers. Such incentives entailed that (a) a cement import license should only be allocated to importers with proof of constructing a cement manufacturing factory; (b) a five-year tax break on the commencement of production; (c) an import ban and embargo on some goods, especially cement and; (d) to phase out the importation of cement within a few years, as well as grant export incentives to local manufacturers. Other incentives under the BIP included a VAT and import duty waiver on cement production equipment (Elijah, 2014). The next section discusses Alpha's background and its domestic expansion process.

5.2.2 Alpha's early and formative years

Alpha is a fully integrated cement manufacturing company with Headquarters in Nigeria and subsidiaries in 16 African countries and Nepal, where production is proposed to start in 2018. The company's business operations span many business sectors; the most expansive of which is cement manufacturing, which is the focus of this study. The firm was established as a one man trading business in 1981, specialising in commodity trading, with a focus on varieties of products ranging from consumable commodities, such as rice, flour, sugar, fish, and later, cement. The internationalisation process of Alpha can be grouped into three distinct stages - the early and formative years 1981-1999, the rapid domestic expansion years 2000 –2012 and the internationalisation period from 2012 – present.

The years between 1981 and 1999 are regarded as the formative years of the business because it was the period in which the firm evolved and expanded into a large trading firm. It was also the period in which the firm diversified and ventured into bulk cement importation, a division that was incorporated in 1992. The entrepreneurial ability of the owner transformed Alpha into the largest bulk cement importer and supplier in Nigeria. The rise in cement demand in Nigeria through the late 1990s and early 2000s is due in part to economic growth, which was observed after decades of economic stagnation. The lack of investment in local production also contributed to the increased importation of bulk cement by Alpha. The business approach boosted Alpha into a large cement importer and a supplier with national coverage. It also strengthened the firm's competitiveness at a time when most of the local manufacturers were confronted with production inefficiencies and an inability to meet local demand. At one time, Alpha had a 46% market share in cement supply in Nigeria (Akinyoade & Uche, 2016). Excessive importation into Nigeria resulted in wharf congestion, which became a burden on the foreign exchange since the balance of trade was continuously negative, as described by one executive:

- ✓ This is one of the problems, a symptomatic Nigerian problem, that a country with numerous natural resources, but lacking the entrepreneurs who are tapping those natural resources as Nigeria and its citizens were basically importing everything even toothpicks (Alpha_g2 September 2015)

5.2.3 Rapid domestic expansion period

The Nigerian transition to democratic rule in 1999 was buoyed by the new democratic government's drive to protect Nigeria's infant industries, through various economic measures, for example, through the Backward Integration Policy (BIP). The BIP was introduced in 2000, as the government realised it would be sustainable and economically viable to encourage and enhance domestic manufacturing industry. The policy, however, was geared towards import reduction, since Nigeria was becoming the world's biggest cement importer. The BIP policy's aim was to provide incentives to importers or businesses that could transition to local production to encourage domestic production, as discussed in section 2.2. The incentives included a five-year tax break for new manufacturers, import restrictions to encourage domestic production and slowly phase out importation with time. This is detailed by an executive below:

- ✓ ….. Yes, is the Government policy, enabling an entrepreneur with access to funds and a very large vision….Yes, Government policies have been helpful, we have those incentives, and we have a lot of cooperation with the State as well as the individual states (Interview Alpha_g2 September 2015)

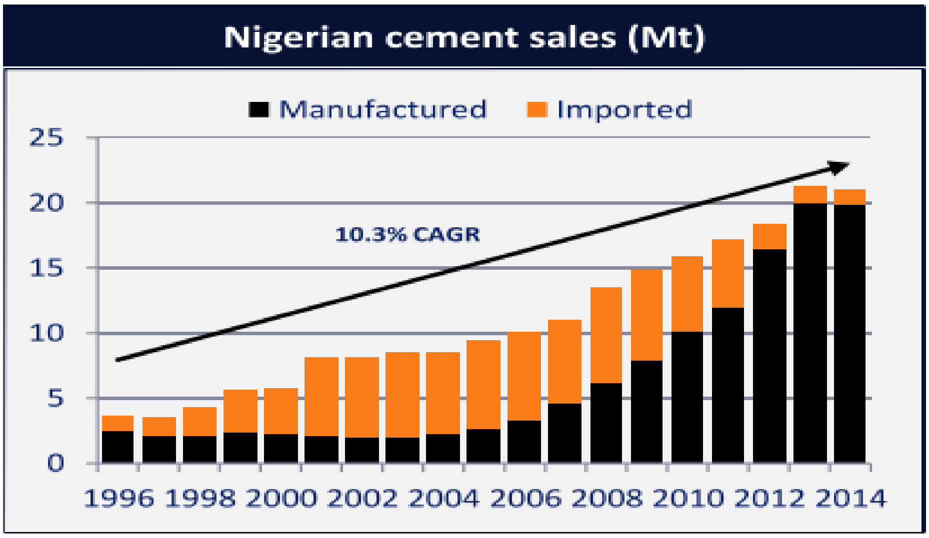
The availability of natural resources for cement manufacturing, along with growth patterns witnessed in Nigeria after the enactment of various economic liberalisation policies, influenced all aspects of the country's macro and micro economic trends. An increased income on the part of the citizens, with an emerging middle class, increased product demand. Infrastructural development in the country, both in the public and private sector, also resulted in high cement usage for construction purposes. According to Makoju (2010), Nigeria, with its large population and with the level of the country's development, is a large market in which the demand for cement has huge growth potential, suggesting that Nigeria's absorptive capacity is high with the right economic environment. This had been the situation during the last few years, since high demand in cement consumption both constituted and enhanced the rapid domestic growth of Alpha. A profitable, large home market, a strong domestic economy and increasing urbanisation all contributed to Alpha's rapid domestic expansion.

Alpha recognised an opportunity in the BIP policy and responded by transiting from being an importer to being a local manufacturer. This transition became a defining period in Alpha's growth process. Through the acquisition of a 65% stake in 2000 in an existing 0.9mpta capacity cement factory, the firm began local manufacturing. Subsequently, Alpha invested and increased its production capacity to about 3mtpa factory (interviewee Alpha_g2 September 2015). In 2002, Alpha acquired another cement factory and expanded its capacity to 13mpta when at full capacity in 2015, causing it to become one of the single largest cement factories in the world (company website; aggregateresearch.com). This is further described by an interviewee below:

✓ …looked at the situation and said there is an opportunity…acquired an existing factory from the one of the State Government… So, we refurbished it and increase the size… then started investing a big amount of money to start building factories (interviewee Alpha_g2 September 2015)

This favourable economic policy at home enabled the company owner to identify the business opportunities to become a domestic producer (interviewee Alpha_g2 September 2015). Besides government incentives into new domestic manufacturers, there was also an increased demand for cement in Nigeria, with a 10.2% compound annual growth rate (CAGR) for several years (Figure 5.2).

Figure 5. 2: Domestic growth rate 1996-2014



Source: Alpha documentation

An annual increase in demand led Alpha to expand aggressively in the domestic market. The commissioning of a 6mtpa factory in 2011 increased local production considerably. Indeed, from 2009, local production started to exceed importation, resulting in a downward trend in importation. Domestic production in Nigeria in 2011 (Table 2) was 11.9mtpa in comparison to 1.9mpta total local production in 2003 (CMAN; CBN report). Alpha alone accounted for 8mpta of the local production in 2011, as indicated by an interviewee below:

- ✓ …is profitable because … in Nigeria we have a confluence of factors… You got until recently really good GDP growth, you got the largest population, you got rapid urbanisation, tax holidays, and protection from imports and you got abundant limestones…What that means in Nigeria… we had high profitability… we have been able to generate cash, which we have been able to reinvest in Nigeria and we have also been able to use that cash to invest in other African countries, where we see opportunities (interviewee Alpha_g2 September 2015)

Alpha went public and was listed on the Nigerian Stock Exchange (NSE) in 2010, with a successful initial public offering (IPO) of 100 million shares. The firm's market capitalisation increased as a result and Alpha became the most capitalised company in Nigeria and West Africa. This capitalisation also strengthened the firm's reputation, brand and competitive advantage; as a result the firm expanded further both at home and within the region.

The image and brand recognition of Alpha was also strengthened through the firm's involvement in a series of social initiative programmes. For example, Alpha engaged in community development, provision of humanitarian relief in times of crisis, investment in educational development and rural water provision. In 2012, Alpha expanded its production capacity both locally and internationally. By 2013, Alpha accounted for about 80% of the total cement production of Nigeria, while the domestic production capacity reached 29.3mtpa in 2015, with a plan to achieve 44mtpa of domestic production in 2018 (Alpha_g2 September 2015). This is explained by an executive below:

- ✓ With the opening of these factories…we basically pull Nigeria out of cement importation to self-sufficiency in cement manufacturing; for instance… with the opening of that 11 million tonnes capacity factory, Nigeria had been the world's largest importer of cement at one point… now we hardly import (Alpha_g2 September 2015).

Alpha also established its own training academy to provide a staff development program for both current and prospective employees in technical and managerial skills and competences. This became necessary, since education institutions in the country were failing to produce employable graduates with specialised skills. This approach helped Alpha to build its capabilities and human resources and strengthen its competitive advantage. The firm's key strengths rested on the ability to identify and take advantage of business opportunities, in order to harness its resources and capabilities, while formulating a strategy to achieve success, as explained by an interviewee below:

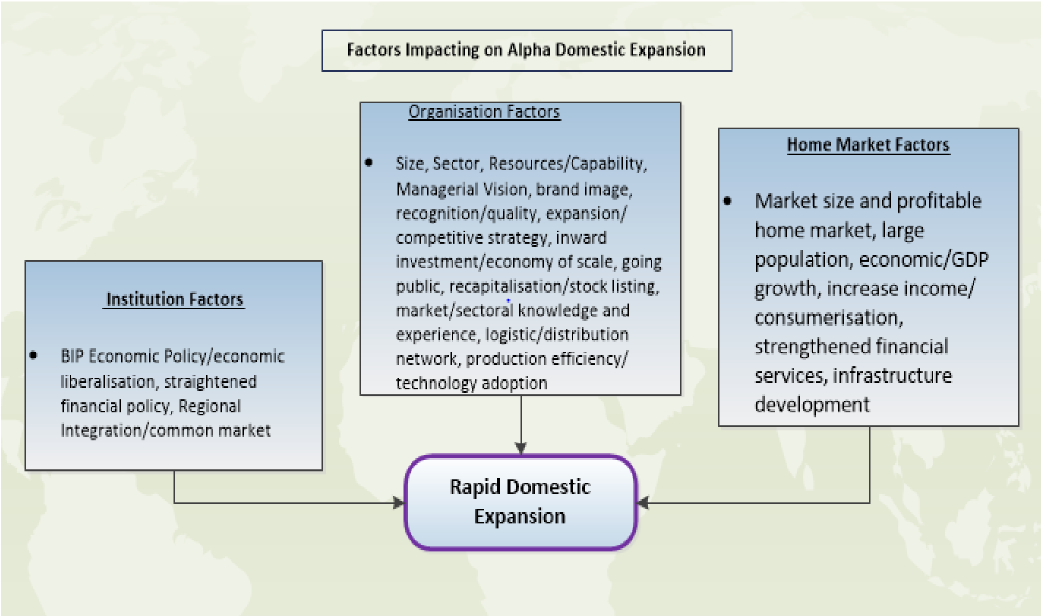
- ✓ …strategy is being brilliant, to get very big in the best market, to totally own that, build a big moat around ourselves... then use the money to expand into other markets in Africa (interviewee Alpha_g2 September 2015)

Alpha's distribution network model of bringing products closer to its end customers and distributors through a fleet of more than 6800 trucks, boosted the firm's competitive positioning. Other factors that have contributed to the domestic growth and expansion of Alpha include economic and GDP growth, political stability, population growth, an emerging middle class's higher purchasing power, rapid urbanisation and a housing deficit.

Alpha's sectoral knowledge and market experience helped the firm to respond quickly as the domestic business environment changed. The firm's knowledge of the domestic market became an ownership advantage on its path to become a market leader. The high returns on investment (ROI) stimulated further domestic investment as the firm strengthened its ownership advantage in terms of increased size, resources, capabilities and managerial know-how. Alpha's adoption of an efficient production process through advanced production technology lead to it achieving economies of scale, product quality and competitive pricing. For example, the firm invested in energy supply to reduce downtime in its production processes and mitigate the disadvantage of erratic power supplies in the country.

Figure 5.3 summarises the factors impacting Alpha's domestic expansion.

Figure 5. 3: Factors impacting Alpha's domestic expansion.



Source: Research Data

5.2.4 Alpha's internationalisation

Prior to foreign production, Alpha had engaged in the import of cement into Nigeria and Ghana. The Ghana import business was independent of its Nigerian operations. The Ghana operations were integrated into the Nigerian unit in 2011, when Alpha's management made the strategic decision to begin foreign production via Pan-African expansion. The first foreign production factory was established in Ghana, where production began in 2012. Alpha's foreign expansion strategy was to first establish foreign production in the West African markets with the best growth prospects (Alpha_g2 September 2015).

5.2.4.1 Motivation for internationalisation and location path

Several factors motivated Alpha's drive to engage in foreign expansion and establish cement production factors across Sub-Saharan Africa. At the initial stage of expansion, the opportunities available in the Economic Community of West Africa States (ECOWAS) region gave Alpha access to 15 countries with a population of 310 million people. For Alpha, the ECOWAS region was seen as a larger market for investment opportunities. The motives and the strategy were to simultaneously create local value and a value chain between Alpha's domestic operations and its regional operations.

The motive was to exploit its strong production capabilities by first venturing to markets which were similar to its home market, as a learning process at the early stage of the firm's internationalisation. This was explained further by an executive:

- ✓ Ghana, for instance, has the demand for about 6 million tonnes of cement a year, so is a fast growing large market…we look for economic growth, we look for a large population, we look for the ability to site our assets near to the demand centre where logistical costs are reduced...the other thing is exporting from Nigeria is duty free because of the regional common market (Alpha_g1 August 2015; Alpha_g2 September 2016)

The home country advantage of Alpha in the region, along with the firm's specific advantage, enabled it to build its resources and capabilities for foreign expansion. Alpha's foreign expansion strategy was to seek to invest in markets in a central location with growth potential in the region. The location centrality of the host market would accord Alpha with the ability to use the market as an export base for other neighbouring markets. Even if such a location lacks natural resources, the firm could mitigate this disadvantage by exporting an intermediary's production inputs from Nigeria to such a location (Alpha_g2 September 2016).

For example, a production factory in Ghana and Senegal is used as an export market to Mauritania, Mali, Burkina Faso, Mali, Liberia and Sierra Leone. Even though Ghana lacks the natural resources for cement manufacturing of which manufacturing inputs are shipped from Nigeria. Through local production in the host market, Alpha is able to create value to the local economy in terms of employment and other economic activities. By so doing, Alpha would be treated in a more favourable manner by the government and society, since it would be seen as embarking on domestic production, rather than being seen as exporting from Nigeria, as explained by the interviewee below:

- ✓ …when we are manufacturing cement in Ghana… we probably find that the Government will treat us a bit differently because we got a manufacturing operation rather than just importing...So again, it creates local value, it creates more employment than just importation (Alpha_g2 September 2015).

The recent economic growth and growth potential in SSA, combined with rapid urbanisation, population growth and ongoing infrastructural development created business opportunities for Alpha as a cement manufacturer. This was highlighted by an interviewee:

- ✓ The firm's Pan-African investment strategy is a competitive strategy as SSA is regarded as a frontier for future economic growth… Africa is going to be in a building phase for 30 to 40 years… as the African economies increase Alpha will be overall in a strong position to compete favourably (Alpha_g2, September 2016).

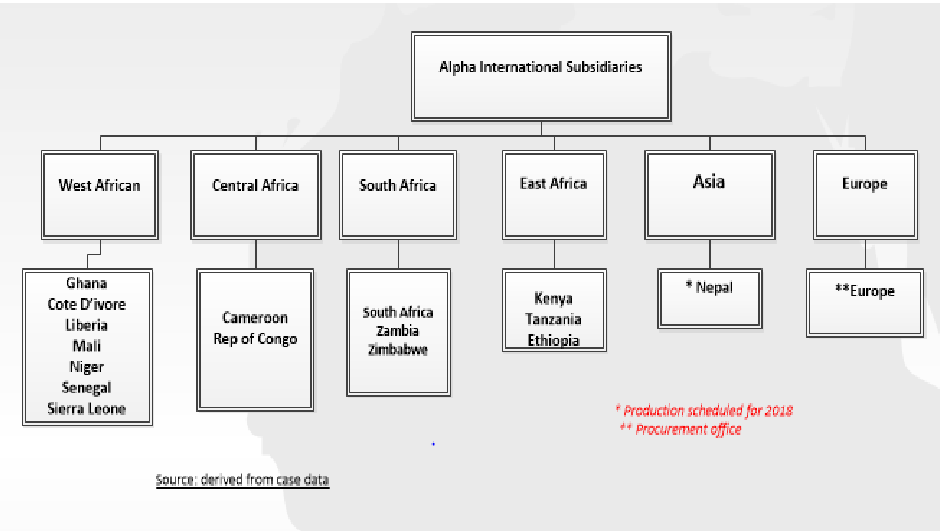
Cement production continues to drive Alpha's expansion success amidst increasing political stability and other positive macroeconomic indications in the SSA region. After an initial investment in West Africa, Alpha subsequently invested in markets in Southern, Central and East Africa and Nepal. The company's vision and strategies are to achieve a 28% market share of African cement production by the year 2019 in a continent of 1.3 billion people. This is a major ambition but Alpha now has wholly owned subsidiaries in 16 of the largest African countries, with the exception of South Africa, with an ownership stake of 64%, while further expansion is projected for 2018/2019. Alpha has capitalised on its ownership advantage, which was developed at home, to expand simultaneously in several countries, predominantly in SSA. South African investment by Alpha reflects the attractiveness of the market and it is the first time in 70 years for a new entrant into the South African cement market. Alpha's domestic and foreign production reached a total capacity of 44mtpa at the end of 2015, as the firm developed additional capacity in Kenya, Cameroon, Republic of Congo, Ethiopia, Tanzania and Nepal in 2018, to achieve 77mtpa. The firm's decision to enter Nepal was both a cultural and a strategic business model fit, as illustrated by an executive below:

- ✓ Nepal is actually a surprisingly a good fit… our business model… is right next to two states of India is a country from which you can export into an area that with an even bigger population, even faster growth that lacks limestone... So it is actually a good export base for us plus the fact that a lot of our staff are Indian… So culturally, we feel comfortable with it… Nepal really has the characteristics we see in Africa (Interviewee Alpha_g2 September 2015).

Alpha is now a reference point as an example of an African firm's inward investment and has also received national and international recognition for its contribution to African economic and growth. It boasts over 12,700 employees and subsidiaries in 16 countries; namely, Ghana, Senegal, Niger, Cote d'Ivoire, Sierra Leone, Liberia, Mali, Kenya, Cameroon, Rep. Congo, Ethiopia, Tanzania, South Africa, Zambia, Zimbabwe, Nepal, along with a procurement office in Europe.

Figure 5.4 specifies Alpha's foreign subsidiaries and locations.

Figure 5. 4: Alpha's foreign subsidiaries and locations



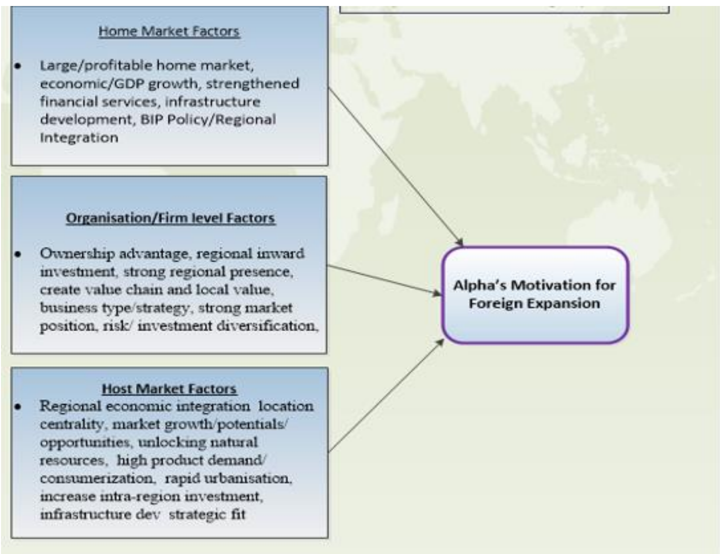
Source: Research Data

The foreign investment pattern of Alpha is driven by business strategy compatibility. All markets which the firm has expanded into have similar characteristics, such as the centrality of the location, availability or access to natural resources, market growth potential, cement production deficit, and high demand. Alpha accumulated it resources to commence capital intensive aggressive foreign expansion in the domestic market, was a motivating factor in its expansion. Alpha's internationalisation and location decisions were driven explicitly by its home country, organisation and location specific factors, particularly in seeking a diversified regional presence and becoming a major player in Sub-Saharan Africa for competitive strategy.

Therefore, the company's location decisions were based on its ability to locate its factories in a country with high demand and close proximity to the locus of demand. An increased inward investment trend in Sub-Sahara African (SSA) regional firms, identifying investment opportunities in the region, was also a determinant of the investment pattern.

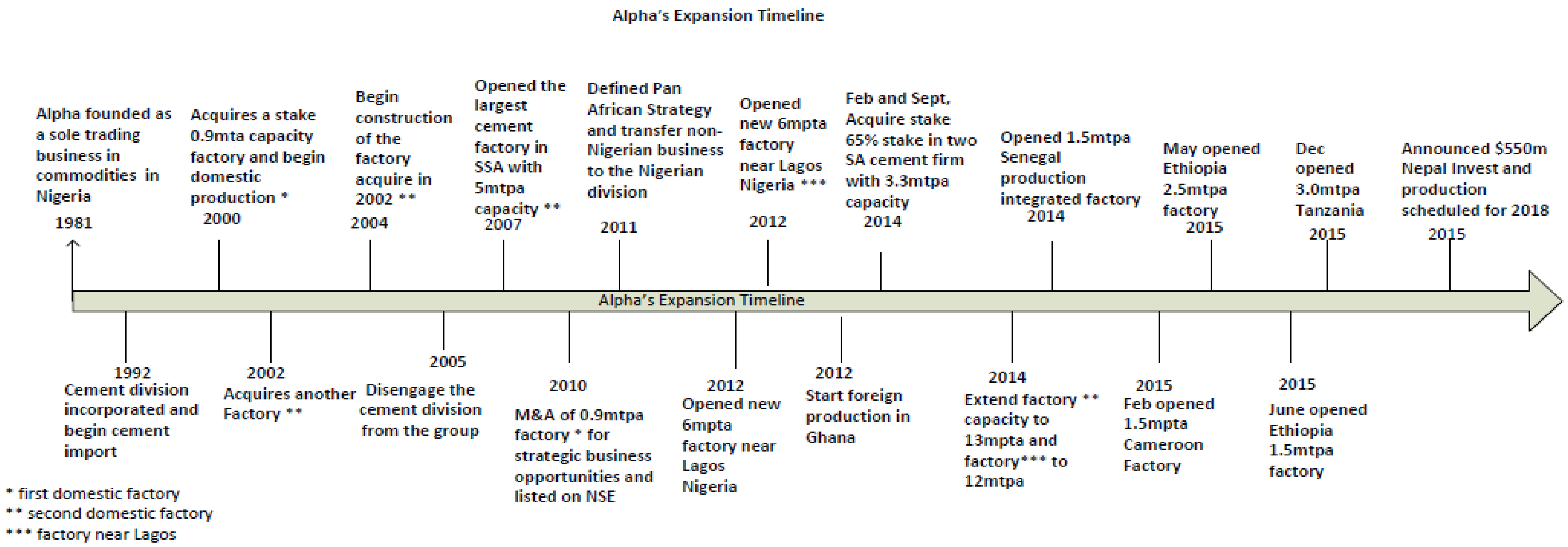
Figures 5.5 and 5.6 illustrate the factors that motivated Alpha's foreign expansion and its expansion time-line respectively.

Figure 5. 5: Alpha's motivations for internationalisation



Source: Research Data

Figure 5. 6: Alpha's expansion timeline



Source: Research Data

5.2.5 Conclusion

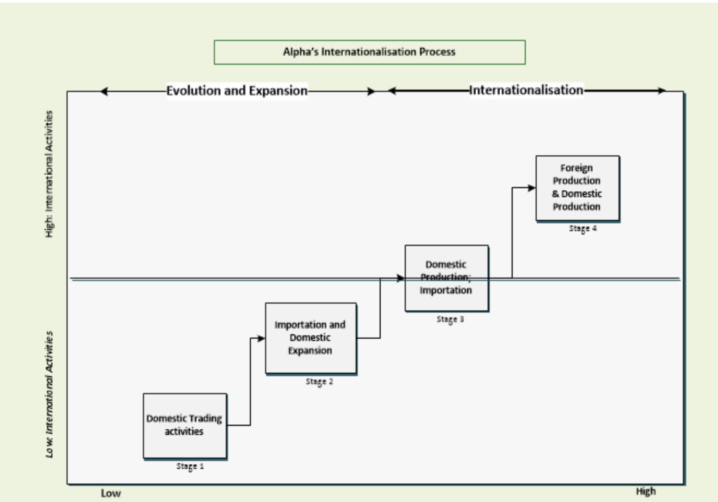
Alpha's internationalisation process presents an interesting insight into how a leading Nigerian company evolved from a small private firm into a large multinational firm. The data evidence shows that Alpha's internationalisation process was incremental and took place in four stages (figure 5.7), but its internationalisation into foreign markets was rapid once it started foreign production.

The firm's domestic growth and expansion were impacted by different factors, which are linked to the organisation level and home country. The entrepreneurial prowess and vision of the company's founder and his ability to identify opportunities and take advantage of the opportunities contributed to the domestic growth of the firm. The Backward Integration Policy played a major role in Alpha's expansion, but the firm's ability to develop a strategy in response to emerging opportunities could be regarded as a major contributor to this growth process. The firm's domestic growth has been positively impacted through the expansion strategy of transiting from being an importer to domestic manufacturing. However, Alpha's exploitation of its extensive market knowledge and experience and its inward investment strategy was significant in developing the firm's ownership advantage.

Alpha's foreign expansion was driven, however, by its ownership advantages, which it had accumulated in the domestic market. Alpha's ownership advantages include its market knowledge, sectoral experience, resources and capabilities (in both physical and financial assets), managerial know-how, brand name, competitive advantage and home market advantage.

The international expansion of Alpha was also motivated by a desire to exploit its ownership advantage in the region, coupled with continued economic integration in the region. The firm expanded to nearby regional markets at the initial stage, which shows that regional integration appears to have been the determining factor in location choice, since Alpha initially entered into Ghana, Senegal, Niger and Cote d'Ivoire, before expanding to the rest of the SSA region. The location specific factors included market attractiveness and investment opportunities in the regions of ECOWAS and SSA. Alpha's foreign expansion was also driven by the desire to have a strong regional presence in markets with growing opportunities and potential.

Figure 5. 7: The internationalisation process of Alpha



Source: derived from the case data

5.3 Case Firm 2: "Beta"

This section analyses the internationalisation process of the case firm "Beta. Beta is one of Nigeria's "new generation banks". The Nigerian new generation banks are ones that were established in the 1990s and grew rapidly to become leading banks in the country. "Beta" evolved and expanded rapidly in the 1990s and early 2000s to become one of the largest banks in Nigeria, with a strong presence in the West African region, and with a subsidiary in the UK.

5.3.1 An overview of the Nigerian banking sector

The Nigerian banking sector is regarded as one of the oldest sectors in the country, with a history that dates back to 1892, when the African Banking Corporation was established. By 1894, the now First Bank of Nigeria was established as the Bank of British West Africa, followed by the Barclays Bank (now Union Bank) in 1912. Subsequently, the Central Bank of Nigeria (CBN) was established in 1959 and the amended Act of 1969 defined the legal framework for the CBN to operate as a bank regulator (Adeleye et al., 2015). The period leading up to 1992 in Nigerian banking history is regarded as a static, stable, regulated and deregulated period (Soyibo & Adekanye, 1992). Prior to the deregulation of the sector in 1986, only a few local banks existed, because most of the banks were foreign owned with a minority stake by local partners.

However, the emergence, evolution and growth of local banks accelerated in the late 1980s, resulting in the establishment of 70 commercial and merchant banks between 1986 and 1992 (Brownbridge, 1998). The period between 1993 and 2005 is dubbed the era of bank distress phase in Nigeria, a period which saw bank failures and liquidations that resulted in the withdrawal of the operating licenses of many banks by the Central Bank of Nigeria (Brownbridge, 1998). By 1999 about 144 banks were in operation and by the end of 2003, a total of 89 banks, with a network of 3,282 branches across Nigeria. According to Adeleye et al., (2015), these banks were weak in both structure and operations, had a low capital base, insolvency, illiquidity, poor ratings, weak asset quality, oligopolistic structure and weak corporate governance. The banks were also over-dependent on public sector funds and income from foreign-exchange trading, since they also lacked the capacity and capability to support growth in the real economy.

As a result, the sector faced many bankruptcies, which was a source of concern for the regulators and the general public, because several customers and investors lost their life savings to dubious banks. The difficult conditions leading up to 2004 compelled the sector regulator, the Central Bank of Nigeria (CBN), to intervene decisively to restore public confidence in the banking sector and the financial system of the country (Adeyemi, 2011). In 2001, deregulation of the banking sector saw the introduction of universal banking licences, which provided retail banks with the ability to expand into the foreign markets, which was not possible before. A CBN structural reform in the early 2000 aimed to create a viable banking sector. As a result, a minimum capitalisation policy from N2 billion to N25billion was enforced on all Nigerian banks. The policy aim was to provide a framework for the Nigerian financial services sector, geared towards the economic growth and development of the country, through the effective, efficient and transparent implementation of financial policies and management of the sector. The policy was also geared at maintaining a diversified, stronger and more reliable financial sector, with the ability to mobilise financial resources for real sector growth of the country's economy, as well as establishing and maintaining a strong financial system to serve as the Financial Centre for African transactions and further mobilise funds to support investment in Nigeria (nipc.gov.ng).

The recapitalisation and consolidation program of 2004/2005 resulted in the emergence of 25 banks from the 89 banks operating prior to the banking policy implementation. The recapitalisation program saw the merger and acquisition of several banks, while the operating licenses of 14 banks were revoked and 21 banks became publicly listed on the Nigerian Stock Exchange (Adeleye et al., 2015). This policy implementation not only resulted in a leaner and more robust banking sector; it also created a strong banking sector to support the growing economy. The increased capital base of the banks and a reduction in the regulatory barriers for them led to the rapid expansion of Nigerian banks both domestically and beyond Nigeria (AFDB, 2013). Nigerian banks became pioneers in Nigerian firms' foreign investments. For instance, by 2012, Nigerian banks were operating in more than 30 countries with a 38.6%

share of banks in Gambia, 40% in Sierra Leone, 26.3% in Liberia and 16.2% in Ghana respectively (Alade, 2014; Lukonga & Chung 2010) (Appendix 3.19). Today, the Nigerian banking sector has become one of the most developed financial systems in SSA. The case firm “Beta” has emerged as one of Nigeria’s top banks and was also one of the pioneers of Nigerian firms’ foreign expansion.

5.3.2 Beta’s early and formative years

Beta is one of the top retail banks in Nigeria. It was incorporated in 1990 and commenced operations in 1991 as a private limited liability company. The bank was established after the sector deregulation of 1986 that saw the establishment of many Nigerian banks between 1986 and 1992 (Brownbridge, 1998). Institutional factors have played a role in the emergence of Beta, which rose into the Nigerian banking scene in a period when the sector was transitioning away from being highly regulated and static (see section 3.2). This was a difficult time in Nigerian banking history. At the time, many Nigerian banks were weak in structure, insolvency and illiquidity and had a low capital base (Adeleye et al., 2015). Beta challenged the market environment from inception in order to expand domestically. The bank evolved and witnessed a rapid growth to attain its universal banking status in 2001, as a result of a policy of deregulation in the banking sector after operating for more than a decade. The deregulations cleared the path for Beta’s growth in the domestic market, as well as its foreign expansion.

5.3.3 Rapid domestic expansion

Beta had operated for a decade in a difficult domestic business environment, prior to Nigeria’s transition to democratic rule in 1999. Policy deregulation in the banking sector in 2001 enabled Beta to attain universal retail banking status and this policy also allowed the bank to open foreign subsidiaries that were not previously possible. This change in status also allowed Beta to redefine its business and expansion strategy. The case bank’s strategic goal was to contribute to and drive the economic growth of Nigeria, as well as redefine the country's economic landscape through the strengthening of its retail banking services (Beta_g2 December 2015; Beta_g3 February 2016). The transition to democratic rule in 1999 ushered in a favourable and conducive business environment. This resulted in increased business activities in Nigeria, as investments flourished in all parts of the country's economy (Beta_g3 February 2016). Beta took advantage of the investment opportunity, not only to expand further in Nigeria, but also in the region, and opened its first foreign subsidiary in 2001. This was explained by a bank executive:

- ✓ For many Nigerian firms, democracy brought with it an air of "business freedom" that allowed local businesses to explore growth opportunities that hitherto had remained in the shadows. It equally encouraged an inflow of foreign investors and investments alike, thus encouraging cross-border business relationships (Beta-g3 February 2016).

The 2004 and 2005 government recapitalisation policy once again forced Beta to adopt a new expansion strategy through M&A. It subsequently went public and was listed on the Nigerian Stock Exchange. A successful recapitalisation programme increased Beta's equity base, as explained by a bank executive:

- ✓ … when the shareholder's fund of Nigerian banks moved to N25 billion... we also embarked on recapitalisation moving our shareholders from 2 billion to 25 billion and in the process too, we also acquired another bank… to join us to also increase not just beyond our capital base, but also increase our network as we tried to emerge as a leading retail bank in Nigeria (Beta_g2 December 2015).

Domestic market factors also had a positive impact on the rapid growth of Beta. The large domestic market, economic growth and sectoral growth in Nigeria, resulted in high returns on investment (ROI) for Nigerian businesses. The high ROI amplified further domestic investment as the bank built its ownership advantage in terms of size, resources, capabilities and management know-how. The company's knowledge, experience and innovation was strengthened in the process. Growth in other sectors of the Nigerian economy also enhanced the bank's growth and expansion, as it strived to support the banking needs of the country, its customers, and the economy.

Beta evolved amidst a difficult period in the sector's history (1993-2005), which had resulted in many bank bankruptcies and liquidations in Nigeria. Due to Beta's integrity, leadership, competence, and its vision, it became a reputable bank. Beta's expansion strategy was enhanced specifically through its business and retail banking strategy, which was explained by an executive:

- ✓ The bank's commitment to contribute and drive the economic growth of Nigeria as well as redefine the country's economic landscape through the strengthening of its retail banking services (BETA_g2 December 2015; BETA_g3 February 2016) underline the bank's expansion strategy.

Beta's growth was also propelled by the bank's ability to constantly re-invent itself and challenge the business environment through innovative technology and new products that supported their various customers across diverse sectors of the Nigerian economy, with a view to build its brand reputation and image. The bank's domestic and sector knowledge and experience enhanced its resources and capabilities, in terms of its physical assets and know-how. These provided Beta with the capability to respond quickly to emerging business opportunities and changes in the domestic and regional markets. Beta's other ownership advantages included its resources and capabilities, in terms of the bank's financial and physical assets, which were strengthened through recapitalisation, M&A, taking the business public in 2010 and being listing on the Nigerian Stock Exchange (NSE). This paid off, since its reputation in the domestic market led to a successful Initial Public Offer (IPO) with various investors willing to invest in the bank. This strengthened the banks through the expansion of its network branches in Nigeria and in the region.

Beta's innovative technology and advanced banking products and services include mobile money and its Y'ello product, an account which combines both financial and telecommunication services which offer loyalty schemes. These innovations have enhanced the bank's competitive advantage in its domestic market and have enabled it to be the fastest growing retail bank with differentiated services that expand its business operations and a network of branches in the domestic market. While the bank prides itself on providing a differentiating and unique customer experience, its strategy has always been to support the growth of the Nigerian economy, especially with regards to its development, national income, GDP contribution and employment. However, as of January 2016, Beta had 271 branches in Nigeria and 317 across the group, in comparison to 51 branches at the end of 2004 (Beta's annual report 2004, 2014 and 2015).

The bank's capabilities were also enhanced through a continuous development and training programme for its employees, both within and outside the country, in order to maintain a high standard of excellent service delivery to its customers. As a result, Beta's reputation, market knowledge and experience, resources, capabilities and competitive advantage, as well its branch network coverage, all combined to advance the brand and image of the bank. The bank's competitive edge was also solidified in the domestic market, to see it become one of the most recognisable names in the Nigerian banking sector.

The bank's image was also enhanced through engagement in various social initiatives, such as capacity development for entrepreneurs and a programme designed to empower emerging micro-entrepreneurs annually. Other initiatives include a partnership with a University that sponsors fifty candidates each year for six months, entrepreneurial training, and start-up funds for the five best candidates.

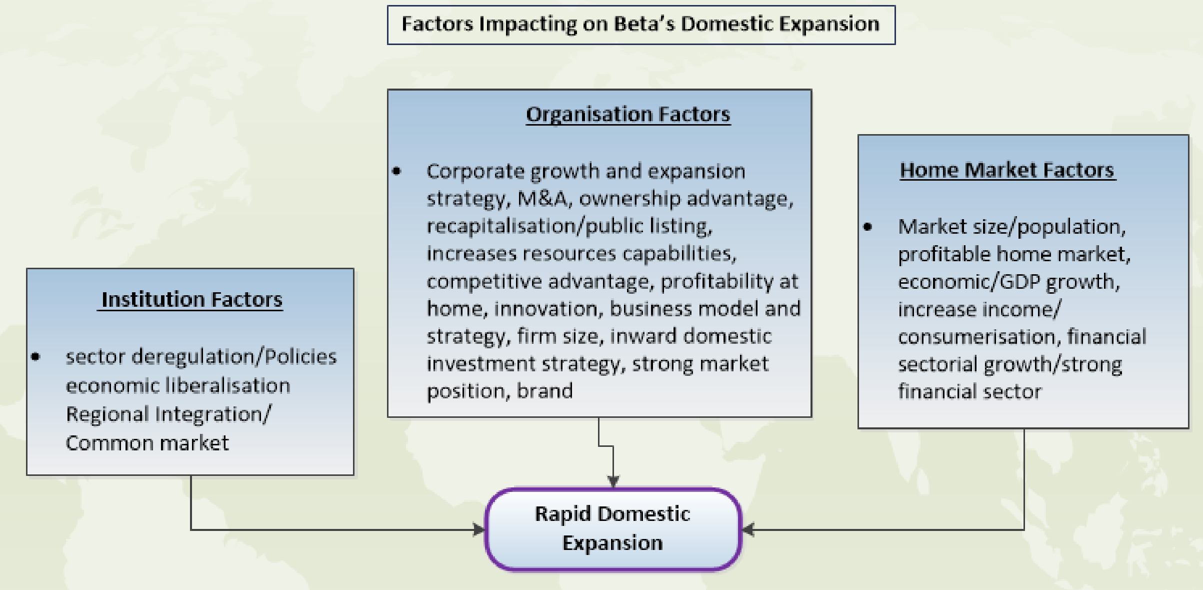
Due to intensifying competition in the sector, Beta’s strategy was to diversify its operations to strengthen its market positions, both at home and abroad. Beta’s knowledge and experience of the domestic market over the years enhanced the bank’s competitive advantage and provided it with the know-how to address the domestic market, and internationalisation, in a more informed manner, as explained by one of the bank’s executives:

- ✓ …one can't rule that Nigeria is a complex market, the demand being placed on banks on a daily basis from customers, from the regulators, from every stakeholder, of course… over the years to help us improve capacity to expand our businesses beyond the domestic market…. (Beta-g2 December 2015).

Beta furthered its domestic expansion in the process of the recapitalisation through mergers and an acquisition, went public and was then listed on the Nigerian Stock Exchange. With a successful public placement in 2005, the bank's equity and capitalisation substantially increased. Today Beta has become respected for its excellent service delivery, it is driven by innovation, and operates the most advanced banking technology platform in the market. As a result of the bank’s innovation, it has pioneered several banking services in Nigeria, including a virtual banking platform and a Visa credit card denominated naira card. The bank has won several awards, such as the “Nigerian Bank of the Year, 2009" and the "Most Improved Bank of the Year, 2007" The bank is also highly rated by Fitch London, which reflects the bank's sustainable liquidity, sound professional practices and good standing as a high investment grade institution.

Figure 5.8 illustrates the factors that impacted Beta’s domestic growth.

Figure 6. 1: Factors impacting on Beta's domestic expansion



Source: Research data

5.3.4 Beta's internationalisation

5.3.4.1 Motivation for internationalisation and location path

Prior to Beta's outward foreign direct investment in 2001, the firm had engaged in international business activities through its network of various international correspondents, mainly for international financial and banking transactions. Due to policy deregulation in the sector, Beta attained universal banking status in 2001. This status permitted Nigerian banks to operate foreign subsidiaries for the first time. This was not possible prior to this. However, this elevated status motivated Beta to become the first Nigerian bank to establish a foreign retail banking subsidiary in the region. Beta's foreign expansion was also driven by an increase in customers' expectations and an increase in the Nigerian business activities in the region. Beta, however, capitalised on the emerging business opportunities to open subsidiaries in order to provide banking services to its various customers in the region. This was done to close the gap in international banking and provide local banking services in the foreign market. This was explained by the executives:

- ✓ This was in response to the bank's customer’s needs in the ECOWAS region, particularly in WAEMU, especially as it was the strategic goal and management vision to establish foreign subsidiaries in various countries, to support Nigerian businesses abroad (Beta_g2 December 2015, Beta_g3 February 2016).

In addition,

- ✓ …in fulfilment of that vision that also led us to expand beyond the Nigerian domestic market because a lot of our customers were having transactions across the border so there was a need for us to close that gap or provide that services that will help them to continue to meet their trading obligations (Beta_g2 December 2015).

Regional economic integration fosters closer economic ties, and the relationship between the Nigerian government and the region’s government, resulting in increased cross border business. The bank’s existing customers became part of the economic activities in the region. For instance, 80% of the business transactions in Benin end up in Nigeria (Beta_g2 December 2016). Beta’s foreign expansion strategy was to invest in regional markets with growth potential, and such investments provided Beta with the opportunity to gain a strong regional presence, especially in the growing WAEMU region. The bank executive explained that:

- ✓ Not investing in the region would be a dereliction of duty (Beta_g2 December 2015)

Beta was driven to follow their customers and expand to such locations. The ease of the bank’s ability to obtain a single operating license from the Central Bank of WAEMU was also a determinant in the firm’s internationalisation location and investment pattern. The license acquisition was made possible due to the network relationships of the bank. As explained by one of the bank’s executives:

- ✓ The democratic dispensation in Nigeria only facilitated the license acquisition in terms of the relationship between the Nigerian government and the host country government, especially in the area of one trying to get those licenses from those countries …but we choose Benin first to commence our internationalisation because of the significant relationship between that region and the Nigeria Government. (Beta_g2 December 2015, Beta_g3 February 2016).

Even though Beta's first international subsidiary was established in 2001, it was not until after the Bank's recapitalisation and consolidation in 2004 and 2005 that they expanded further into the foreign market. Recapitalisation also fostered the bank's expansion strategy in the foreign market. As Beta became more capitalised, it attained the capacity to drive the bank's internationalisation programmes (Beta_g3 February 2016). It was noted by the interviewees that:

…with the additional capital that the bank brought in, it also strengthens our ability to expand our business beyond our first point of call, which was Benin because it was much later that we opened Senegal, Togo and Cote d'Ivoire and even London (Beta_g2 December 2016).

The bank's expansion strategy in the regional market was different from its expansion into the UK market. While Beta operates retail banking through its regional subsidiaries, the business strategy in the UK market was targeted at a niche market; specifically, large corporate clients through wholesale banking services (Beta_g2 December 2015). One executive described this as follows:

- ✓ We cannot compete in that space in the retail banking, we don't have one the kind of size or two the strength that will enable us to compete effectively if we are going to do retail banking there, so going to that market, we have to target some specific clients and some specific businesses… (Beta_g2 December 2015 and Beta_g3 February 2016)

Beta became the first African bank quoted on the London Stock Exchange Global Depositary

Receipts (GDR), Professional Securities in 2008, and established its Beta UK subsidiary in 2013. Beta had entered the regional market through wholly owned subsidiaries (WOS), while entry into the UK market was achieved through merger and acquisition (M&A). It was the bank's strategic intent to expand aggressively in the WAEMU region in 2010, to establish more subsidiaries in Senegal, Togo Cote d'Ivoire and subsequently in London in 2013. Table 5.4 shows Beta's overseas subsidiaries and their locations.

Table 5. 4: Beta's foreign subsidiaries and locations

Host country	Year Established	Entry
Benin	2001	WOS
Cote d'Ivoire	2010	WOS
Togo	2010	WOS
Senegal	2010	WOS
United Kingdom	2013	M&A

Source: Data sources evidence

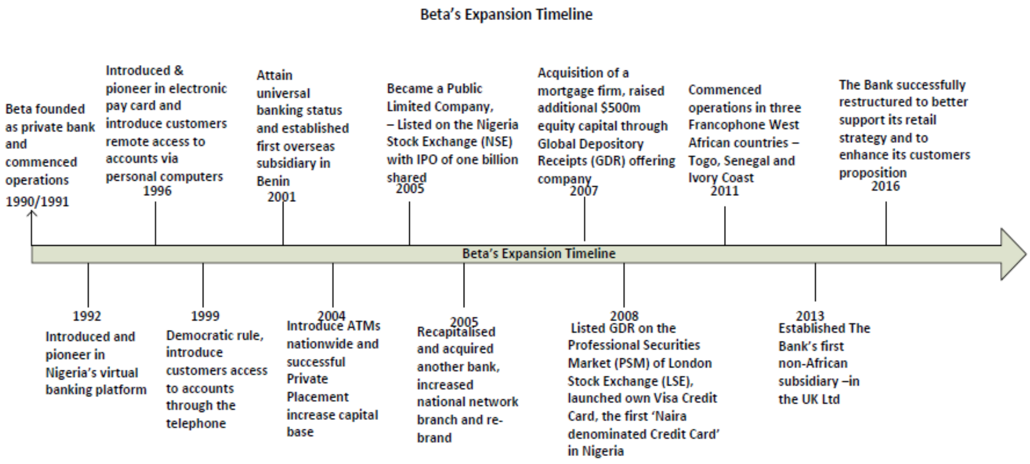
The need to diversify the bank's income base, investment, risk and foreign portfolio due to intensifying domestic competition was also a determinant of Beta's foreign expansion. Beta sought to invest in markets in the region where opportunities had been identified. This was explained by the interviewees:

- ✓ … If we look domestically, we are still in a good competitive position despite the increasing competition in the domestic space. But there was a need for us to also diversify our income base so that when we have challenges in the local market…we will have other sources of revenue coming from other places (Beta_g2 December 2015)

- ✓ In addition, we have learnt a lot over the years from the domestic market and I think this experience internally has enabled us to approach some of these new markets in an informed manner (Beta-g2 December 2015).

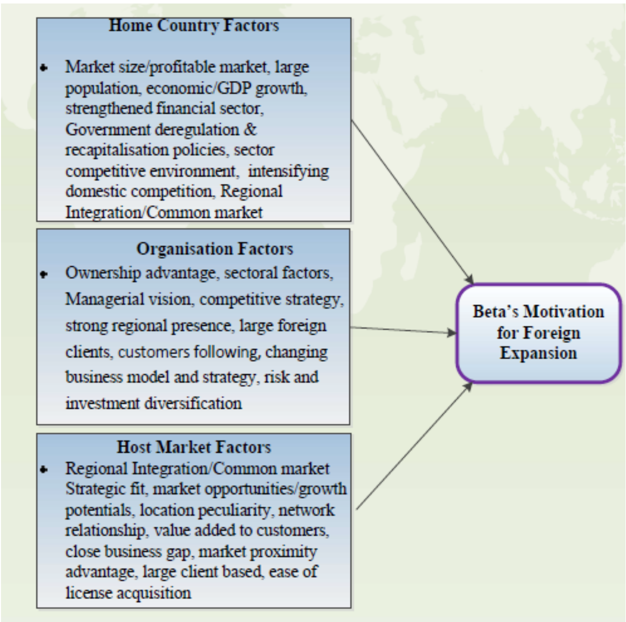
The dynamics of the Nigerian banking sector and Beta's specific ownership advantage in terms of its size, market knowledge and experience, reputation, ownership structure and network relationships, also played a role in its foreign expansion motivation. The domestic market and regional factors were key factors in Beta's foreign expansion. Figure 5. 9 shows Beta's expansion time-line and Figure 5.10 highlights the motivations for Beta's internationalisation.

Figure 5. 8: Beta's expansion timeline



Source: Research Data

Figure 5. 9: Beta's motivation for internationalisation



Source: Case study data

5.3.5 Conclusion

The domestic growth of Beta was inked to various institutional, home market and firm specific factors (Figure 5.8). In fact, its increasing profits, its large and rapidly growing home market, which aligned with the bank's vision and objectives, were all important factors in Beta's domestic and foreign expansion.

The internationalisation process of Beta was gradual and incremental, and was achieved in three stages (Figure 5.11). The evolutionary years from 1991 to 2001 was a period in which the bank had operated in the domestic market. The second stage was from 2001 to 2004, when the bank established its first foreign subsidiary. The third stage was after the recapitalisation, a period that saw rapid domestic expansion and rapid internationalisation.

Beta's foreign expansion was made possible because of the deregulation of the Nigerian banking sector, which motivated the bank to establish a foreign subsidiary, with a view to provide banking services to its numerous customers in the region.

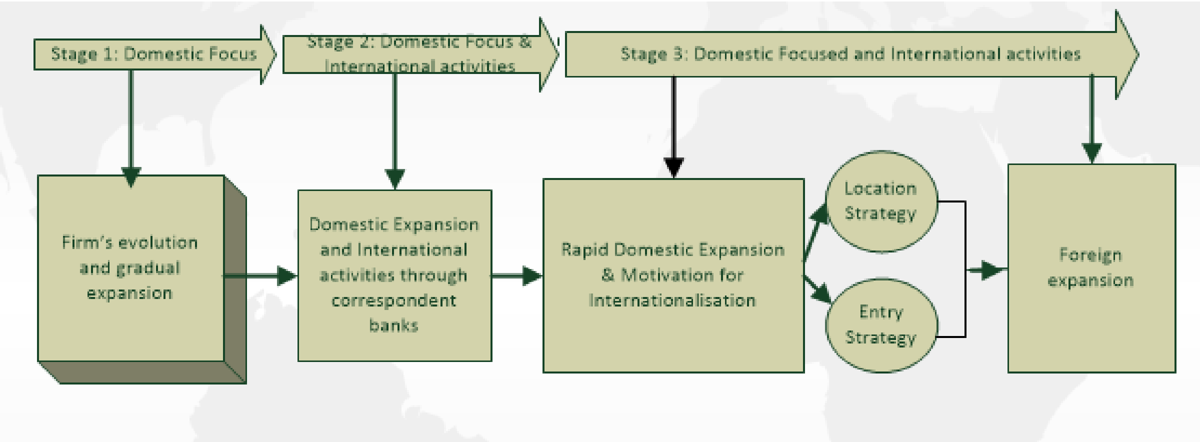
Beta's sectoral knowledge and experience, along with regional economic integration and emerging regional market opportunities, appears to have been a determinant of investment location choice. Beta's investment focus initially was in Francophone West African countries. To some extent, the host market's proximity to the home market played a role in Beta's investment in the WAEMU region.

The need to follow its customers and to diversify its risk and investment portfolio specifically motivated Beta's investment location pattern. A preference for entry into Francophone West African markets at the initial stage of internationalisation suggests a deliberate strategic decision for the Bank's foreign expansion process. It can also be inferred that Beta might have become familiar, over the course of a decade, with the business culture of Francophone West African regional neighbours. At the time of writing (January, 2018), Beta had over 4,000 employees with 317 networks of branches across Nigeria, the WAEMU region and its

UK subsidiary. The bank's strategy in the future is to expand further in the domestic market and Sub-Saharan Africa, where investment opportunities have been identified.

Figure 5.11 summarises Beta's internationalisation process.

Figure 5. 10: The internationalisation process of Beta



Source: derived from case data.

5.4 Case firm 3: "Gamma"

The following section discusses the internationalisation process of case firm 3: "Gamma". Gamma is the largest re-insurance company in Nigeria and the company underwrites non-life and life insurance to large African insurers in over 44 countries across Africa.

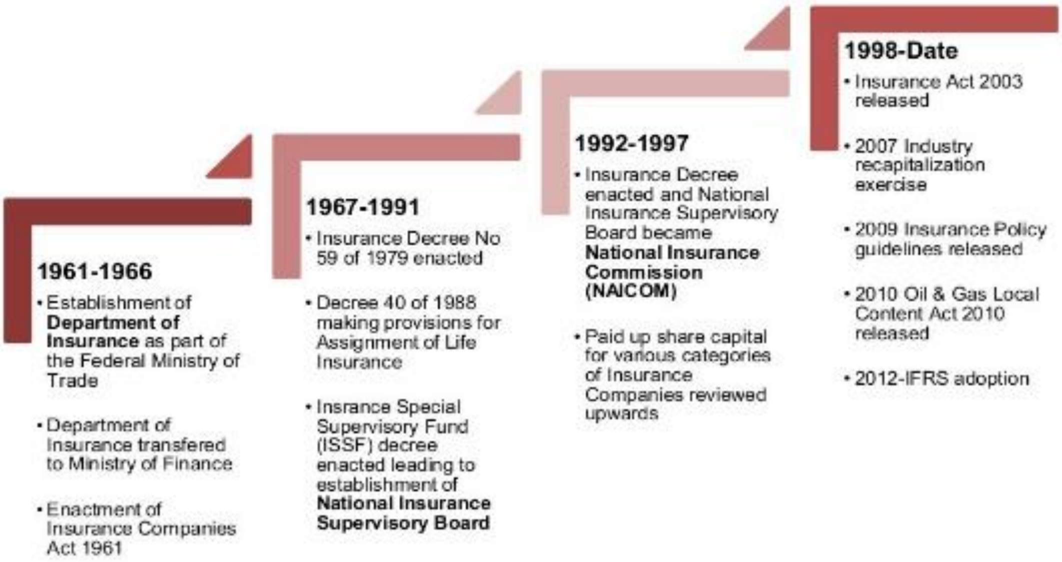
5.4.1 An overview of the Nigerian insurance sector

The history of the Nigerian insurance sector dates back to 1918, when the Africa and East trade companies established the Royal Exchange Assurance Agency (REAG), an affiliate of the British trading companies in the region. Subsequently, the British Assurance Firm was established (Jegede, 2005). The increase in trade and commerce in the country at the time led to increased activities in shipping and banking, and as a result, insurance licenses were granted to the trading companies by foreign insurance companies to act as insurance agencies (Adeyemi, 2005). The agencies were therefore given the permission to issue local insurance coverage and assist in claims supervision. The sector was dominated by British companies from the beginning until 1958, when the first Nigerian indigenous insurance company was established - the African Insurance Company Limited (Ojo, 2012). Other insurance agencies established afterwards were the Patterson Zochonis (PZ), Liverpool, London and Globe, BEWAC's Legal and General Assurance, and the Law Union and Rock (Jegede, 2005; cited in Ojo, 2012). The sector experienced slow growth between the 1920s and 1940s and then modest growth during the 1950s.

At independence in 1960, there were only four Nigerian indigenous insurance companies out of the 20 operating in the country. By early 1976, however, the indigenous insurance companies outnumbered the foreign companies. However, the sector was plagued with incessant low operating capital, risk of abuse, low level awareness and poor market penetration, as well as low capacity for customers' retention and acceptance of foreign risks (Ezekiel, 2005). These factors impeded the growth of the sector, even though the insurance companies had to strive to improve their service delivery capabilities and overall collective public image, which had been hampered by negative occurrences in the sector.

At one point, the total sum of claims was greater than the paid-up capital of all the insurance companies, suggesting that most of the insurance companies were weak in terms of liquidity and financial capabilities, and therefore would struggle to meet customers' claims. This caused a situational crisis, whereby there was a lack of confidence in the industry from the entire society. This may be one of the reasons why the reinsurance business was introduced in Nigeria, in 1976 (Adedoju et al, 2008). The 1976 insurance decree provided new guidelines for the sector's mode of operations, enforcement guidelines and penalties. As a result, the number of insurance companies operating in Nigeria increased from 70 in 1976 to 110 in 1990. Subsequent legislation and policy amendments saw the establishment of the National Insurance Commission in 1997, which was the sector regulatory body (Yinusa & Akinlo, 2013). Figure 5.12 highlights the key sectoral regulatory changes between 1961 and 2015.

Figure 5. 11: Key sectoral regulatory changes 1961-2015

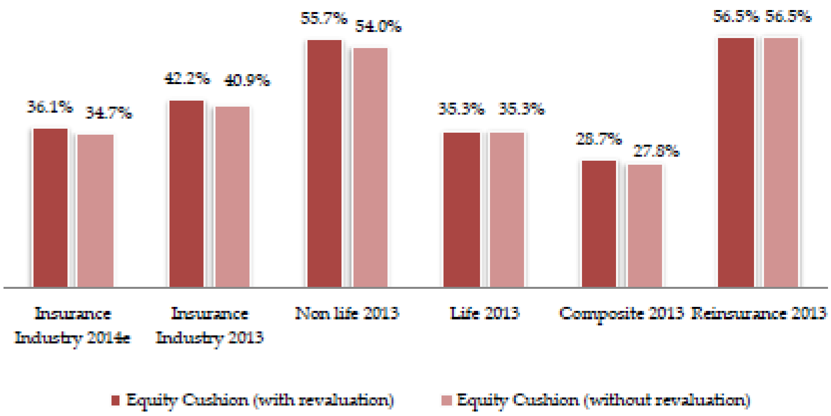


Source: Agusto & Co, (2015)

The Nigerian business environment in early 2000 saw some positive changes as a result of the transition to democratic rule in 1999. The insurance regulators were forced to embark on a process to strengthen the sector. This is because the financial services sector is essential for a country's economic development and stability. In addition, re-insurance firms form part of this growth process in which they cover and underwrite and accept participants' aggravated business risk. This was achieved through the mandatory recapitalisation policy of all insurance firms in Nigeria by the government, in order to establish a minimum market capitalisation increase that represented about a 1,400% increase for general insurance and a 2,757% increase for reinsurance companies.

In Nigeria, government intervention has continued in the insurance sector; with the aim of positioning the emerging firms for better service and to enhancing their capacity to acquire a larger market share. The rapid evolution and increasing complexity of products that now exists in the financial markets also calls for regulatory amendments to keep up with the changes in the sector (Aduloju et al., 2008). This resulted in the recapitalisation directives, which required all insurance companies that could not comply with the legislative directive to be forced to either merge or liquidate. After two rounds of the recapitalisation programs in 2002 and 2007, the sector was streamlined from 117 insurance firms in 2002 to 49 in 2007. The recapitalisation drive to strengthen and reposition the insurance and reinsurance companies by the government seems to have been beneficial - both to the organisations themselves, and to Nigerian society (Aduloju et al., 2008) - since the sector attracted diversified investors afterwards (Figure 5.13).

Figure 5. 12: Nigerian insurance sector equity cushion 2013

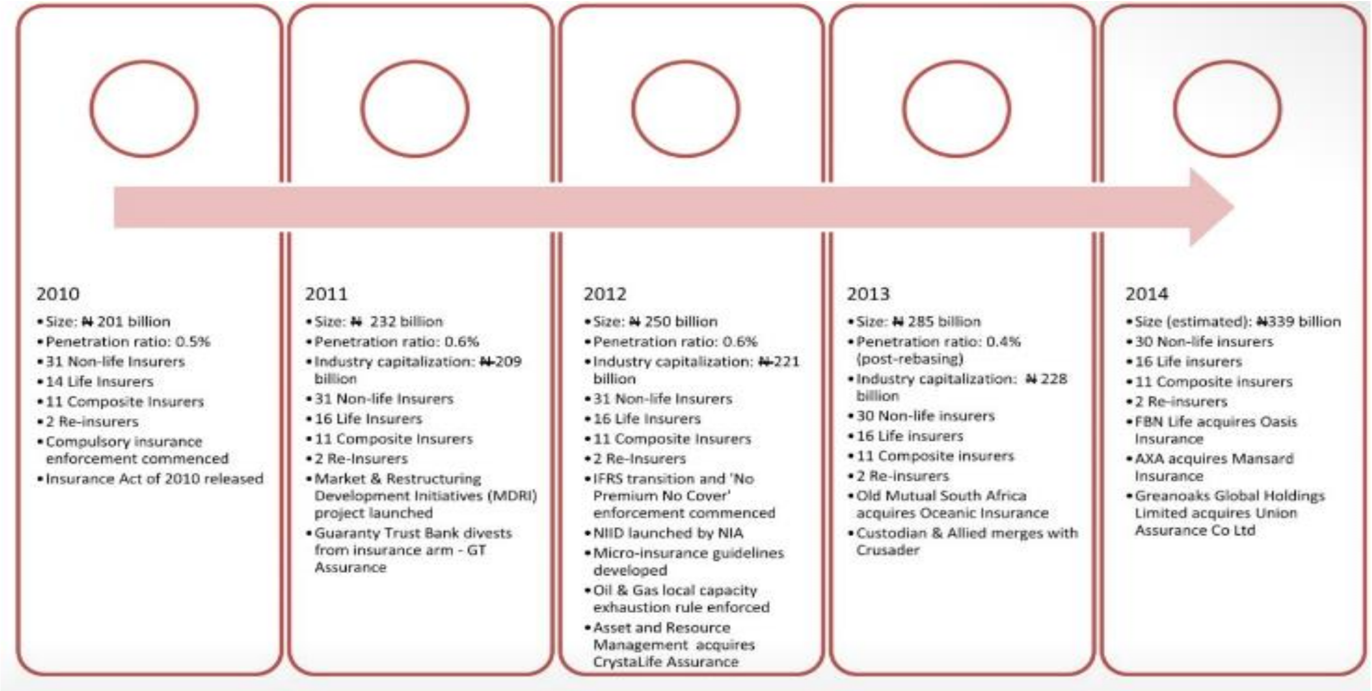


Source: Agusto & Co, 2015

Recapitalisation not only strengthened the sector's growth prospects; it also enhanced the sector's capacity, public awareness and confidence, strategic business acquisition, improved its visibility, and enhanced its expansion (Akanro, 2008; Yinusa & Akinlo, 2013). The Nigerian insurance sector's size and its growth is still low in comparison with that of the banking sector. The sluggish sectoral growth is in part associated with retail consumer apathy toward insurance products, poor/negative perceptions regarding claims and payment, cultural constraints, fraudulent practices, a lack of product innovation, a lack of awareness, and insignificant views of insurance coverage (Agusto & Co, 2015).

However, sectoral evolution in the last decade occurred due to a series of acquisitions, consolidations, recapitalisation, sectoral branding programs, and recently, an influx of foreign operators, resulting in improvement and growth. The growth that was anticipated in a sector with a low market penetration has attracted an influx of foreign players. The foreign investors brought into the market not only a wealth of experience, but challenged the existing players in the market in terms of innovation and product offering, technological advancement and global practices. The country's demographic profile, with an emerging middle class, young and growing population, also created investment and growth opportunities for the foreseeable future (Figure 5.14).

Figure 5. 13: Evolution of Nigerian insurance sector 2010-2014



Source: Agusto & Co (2015)

The country's primary insurance market comprises of 25 non-life/general insurers, 10 life insurers, eight composite insurers and two re-insurers, including Gamma, as well as over 1500 licensed operators in the secondary market (Agusto & Co, 2015, 2017).

5.4.2 Gamma's early and formative years

Gamma, the largest re-insurance company in Nigeria, was established in 1985 as a private reinsurance company under the Companies Act of 1968. The period between 1985 and 1999 could be regarded as the formative years of the firm, because it was a period of gradual growth and expansion. This period is also considered to be the firm's evolutionary years, in which it gained the necessary knowledge and experience to operate subsequently as a large reinsurance business. Gamma emerged in the Nigerian insurance sector after the indigenisation period and the insurance policy decree of 1976. At the time, the sector was confronted with persistent operating difficulties. The aforementioned policy opened the sector to new entrants as reinsurance was introduced in the country (Adedoju et al, 2008).

From its inception, Gamma strived to expand in both the domestic and the regional market. In 1987, Gamma started operating as a general reinsurance company, and in 1990, became a composite re-insurer. Therefore, it offered both treaty and facultative life and non-life reinsurance to support a diversified customer business base in different sectors: energy, life, general accident, fire and engineering, motor, marine and aviation.

5.4.3 Rapid domestic expansion

Gamma's growth process accelerated following the transition to democratic rule in Nigeria in 1999. The open business environment led to increased business activities in the country, which resulted in rapid economic and GDP growth. The financial services sector particularly witnessed sectoral deregulation, which boosted its growth. A favourable business environment also enabled Gamma to capitalise on emerging business opportunities, as the company's overall strategic goal was to become a recognised and leading reinsurance firm in Africa. Gamma, therefore, became a public limited company in 2000, with increased regional business activities, especially as the region became more integrated economically, with an opportunity to underwrite insurance, both in Nigeria and in the regional markets.

Gamma's successful recapitalisation in 2007, as required by the National Insurance Commission (NAICOM), became a defining period in the company's expansion process. The recapitalisation changed the insurance landscape, as many insurance companies were forced to merge to meet the government requirements directive (Ojo, 2012). Gamma's growth process was positively impacted by a significant domestic market, economic growth and sectoral regulatory policies. The effective regulation of the Nigerian insurance sector was important for the stability of the country's economy, because business risk can only be mitigated in an environment in which there exists a robust insurance sector. Sectoral regulation increased public awareness of the importance of insurance and strategic business acquisition, which in turn led to the enhancement of the sector's growth prospects (Akanro, 2008; Yinusa & Akinlo, 2013). The profitable domestic market led to further domestic investment, which strengthened the company's ownership advantages, in terms of market knowledge, size, resources, capabilities, managerial know-how and subsequent foreign expansion.

Gamma started as a general insurance company, then quickly evolved to become a re-insurance firm. Gamma became a public liability company at a time when the Nigerian business environment was witnessing rapid change. This enabled Gamma to quickly build its image as a reliable company. Offering diversified business solutions diversified its customer base, in addition to its reinsurance services, which also strengthened the company's capabilities.

Gamma's ability to underwrite businesses across over 50 African countries, providing a full spectrum of non-life and life business lines, allowed its customers to enjoy a diverse range of reinsurance underwriting, advisory, claims and training services. These capabilities also demonstrated the firm's commitment to accountability in the risky reinsurance sub-sector. As a result, Gamma became the first African reinsurance company in 2012, outside South Africa, to become a signatory to the United Nations Environment Program Finance Initiative (UNEPFI).

To increase its market capitalisation, Gamma went public, then became listed on the Nigerian Stock Exchange in 2007, with a successful initial public offering (IPO). This is highlighted by one of the executives below.

- ✓ What the consolidation did for us was to substantially increase our capacity (GAMMA_g2 December 2015).

Recapitalisation, however, strengthened Gamma's expansion drive, as well as increasing its shareholders' base. Recapitalisation also boosted Gamma's ability to take advantage of the continued overall up-trend of Africa's economy and investment climate, with a view to define a long-term growth and expansion strategy for the company's profitability and competitiveness (Gamma documentation and annual report, 2007).

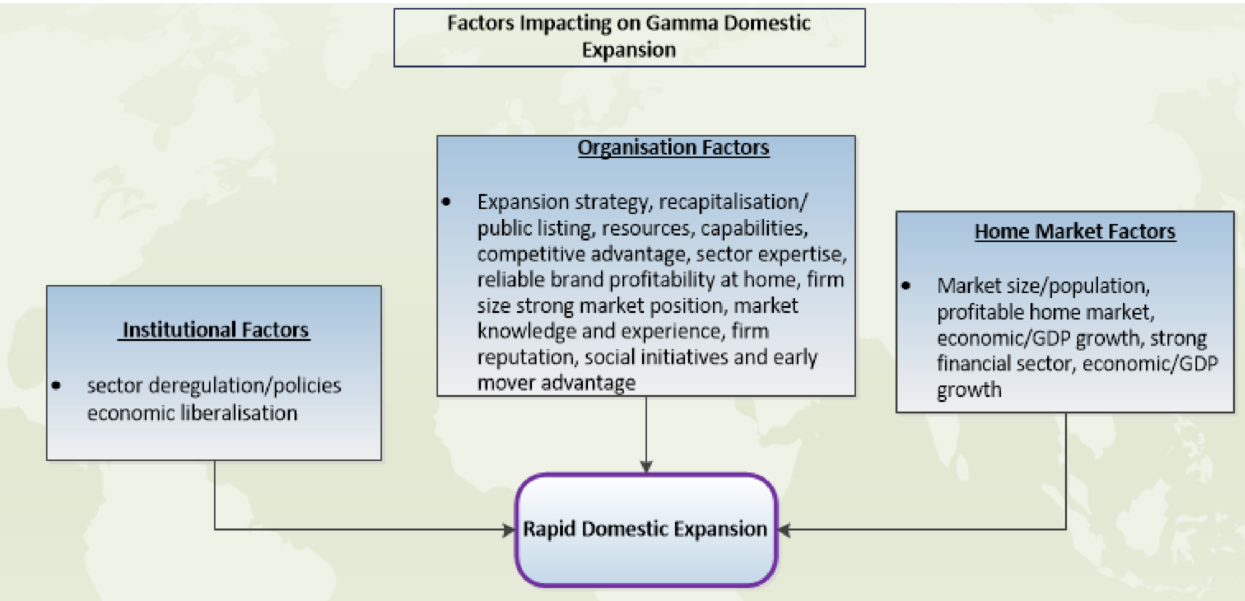
The firm's domestic growth was also impacted by strong macro-economic factors and economic growth, strengthening the firm's competitive advantage. Gamma's management by professionals also impacted positively on the firm's growth, reputation and brand. Several years of market knowledge, sectoral knowledge, and experience enabled Gamma to acquire the know-how to respond swiftly to the changing reinsurance needs of the domestic market. Gamma's competitive edge, with a dominant position in the home market, leveraged its ability for further expansion beyond the domestic market.

Gamma's reputation, brand, size, and competitive advantage were enhanced as the firm evolved from being a large Nigerian reinsurance company to become a multinational firm. The adoption of an Enterprise Risk Management (ERM) framework in both strategic and risk assessments helped the organisation to minimise the effects of risk as a re-insurer, especially since Gamma continued to transform and develop an effective business strategy to become a successful international company (Gamma documentation, Gamma documentation and annual report, 2014).

The company had also strengthened its image and reputation through its engagement with social initiatives such as an annual client development program and local training across markets to support the advancement of re/insurance skills across the continent, as well as create value for the business and the industry. Other social initiatives on the part of the organisation included the sponsorship of the SOS Children's Village, health costs, physical needs, and educational needs of the children. Other programs included support of several schools, such as a school for the Blind, and Partially Sighted Children, Hearing-impaired Children and the National Handicap Carers Association.

Figure 5.15 summarises the factors impacting on Gamma's domestic expansion.

Figure 5. 14: Factors impacting on Gamma's domestic expansion



Source: Research Data

5.4.4 Gamma's internationalisation

Gamma's expertise as a reinsurance business, with over 30 years as an insurance underwriter, had specifically allowed the company to develop enduring partnership across Africa, creating value to business operations in various countries. Gamma has also been a champion and a frontier in the Pan-African vision to enhance and develop sectoral growth on the continent.

5.4.4.1 Motivation for internationalisation and location paths

There were several motives behind Gamma's drive to engage in foreign expansion through foreign direct investment, having chosen Cameroon as the first international market entry point. Prior to establishing its first foreign subsidiary in 2004, Gamma had always been involved in international business activities, underwriting business in West Africa and Central Africa through a network of partners. In the process, Gamma had developed a large customer base, as explained by an executive:

Due to Gamma's diversified business mix and customer base, it was natural that it engaged in international business activities (Gamma_g2, December 2015).

Gamma was also driven to embark on foreign expansion in an endeavour to achieve the firm's overall business strategy and vision of becoming a Pan-African re-insurance firm. This was also made possible as a result of the open business environment in the domestic market in early 2000, which enabled Gamma to establish itself strongly in the domestic market. This growth also enabled Gamma to develop its resources and capabilities for further expansion in the process. A gradual perspective facilitated the international learning process of Gamma at the initial stage. This is because Gamma had operated in the domestic market with business activities in the region. This approach also enabled the company to develop the knowledge, experience and network of business relationships during that process. Gamma's regional knowledge and business network relationship was also a determinant in the firm's foreign expansion pattern as the company identified investment opportunities in markets such as Cameroon.

Gamma's motivation to invest in the Francophone country of Cameroon was directed to break the perceived language barrier between Gamma, an Anglophone Nigerian firm and its neighbouring Francophone regional market. This is further explained by an executive:

- ✓ When we decided to establish an office outside Nigeria, Cameroon became the first choice basically…to break the language barrier because…Cameroon and the

> whole of Central Africa are Francophone. So the idea of establishing an office in Cameroon was to break the language barrier…because the Cameroon office covers the whole of our business in Central Africa.

As a result, Gamma opened its first regional office in Douala, Cameroon, in 2004, to serve its Central Africa business operations. Cameroon was a market with a robust insurance sector, compared to several countries in the region, and with a central location that served both Central Africa and the Francophone West Africa countries. This is illustrated by the executives:

- ✓ As to why probably we internationalised when we did, we needed to be able to establish ourselves very strongly in Nigeria before going abroad that probably explain why it took that time for us to be able to go out (Gamma_g2 December 2015)

It is important to note that the location centrality of a foreign market played a key role in market choice and the foreign investment determinants of Gamma. Such central locations provided Gamma with its ability to obtain access to several markets and allowed them to be closer to their numerous customers in several countries in the region (Gamma_g2 December 2015).

Gamma established its first regional office in 2004, but it was not until 2008, after the mandatory recapitalisation requirement of all insurance companies in Nigeria, that Gamma opened its second regional office. The increased capacity resulted from the recapitalisation in 2007, and motivated Gamma's further rapid international expansion. This was followed by the opening of the Nairobi, Kenya regional office in 2008 and that of Abidjan, Cote d'Ivoire in 2012. In furtherance of its strategic positioning in Africa, the Tunis, Tunisia and Gaborone, Botswana offices were opened in 2013 and 2014 respectively.

As part of Gamma's diversification strategy, a specialist subsidiary was opened in South Africa in 2015 to provide services for the emerging Property and Engineering Risk Services (CPERS). This subsidiary essentially operates as a technical 'referral' competence within Gamma, to meet a growing demand for specialist engineering risk advisory services driven by growth in infrastructure development and investment.

Gamma has built an international reputation, an expanded footprint in Africa, with business operations in more than 44 African countries, and five regional offices and subsidiaries across Africa (company documents). Gamma's Pan-Africa strategy aims to use the regional offices in Abidjan to service all of Francophone West Africa, while the Nigerian head office is designated as the Anglophone West Africa regional office.

Nairobi provides services for the Eastern African countries, while Botswana caters for the Southern Africa business operations. The Tunisia regional office is designated to serve the Maghreb and North African market, since Gamma envisages playing a significant role in the region's insurance sector, with a view to deliver value added services and localise its product offerings to its numerous clients and partners in the region (firm documentation). This was described by an executive:

- ✓ The realisation of our vision statement and the need to localise our niche area and get closer to the clients was particularly a factor in the establishment of offices in various foreign locations (Gamma_g2 December 2015).

The need to achieve the firm's Pan-African strategy and take advantage of its strong domestic capability, management vision and corporate strategy, to build an African brand, and have a strong African presence, were all determinants of the firm's investment in several markets across Africa, as emphasised by one executive:

- ✓ The re-insurance business is naturally international…so, you are allowed to go to any part of the world to do business and that basically was the main driver for going out...even before the first office was established in 2004 outside Nigeria that is, we have always done business outside (Gamma_g2 December 2015).

Gamma's foreign expansion was also driven by risk and investment diversification, where it sought to invest in locations wherein doing business was smooth, where there was sector viability, growth opportunities and growth potential. Even though the firm had opened its first subsidiary in Cameroon (Francophone Central Africa), the initial strategy was to first invest in

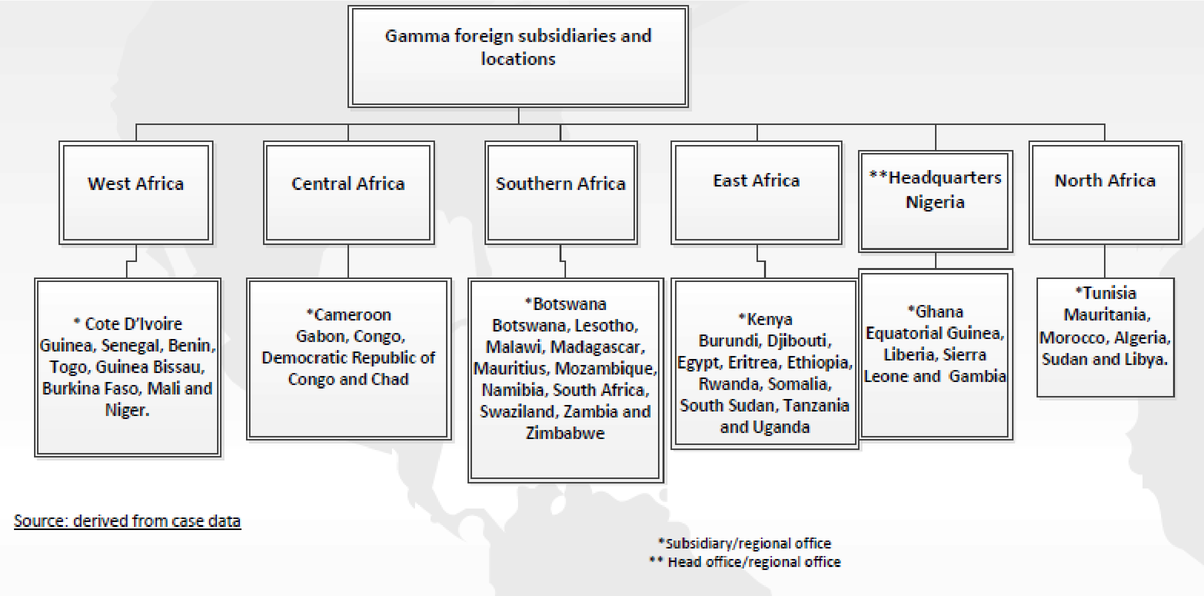
Cote d'Ivoire (Francophone West Africa). This was averted because of the political instability in Cote d'Ivoire, which then made Cameroon a more viable investment choice. This is highlighted by an executive:

- ✓ …we settled for Douala at that time because of the Civil War was that on-going in Abidjan…the choice was actually between Abidjan and Douala… actually, Abidjan was the first choice. But we couldn't go to Abidjan at that time because of the war. But as we speak today, of course, we already have an office in Abidjan (Gamma_g2 December 2015).

In an effort to realise and strengthen its Pan-African strategy, Gamma continued to develop its profile across Africa as it became one of the largest Pan-African reinsurers outside South Africa. Gamma's expansion in Africa was also driven by the emerging new market frontier in the reinsurance business in Africa, as well the desire to enhance the firm's long term growth and competitive strategy within African insurance markets.

The network/business relationship which Gamma had developed also enhanced its expansion in markets such as Tunisia and Botswana. This network relationship helped the firm to diversify its portfolio with high quality service and technical capability. The ease of market entry into foreign locations, friendly investment and conducive business environments were also determinants in the location choice. Regionalisation also contributed to the choice of Cote' D'Ivoire, because of the continued regional economic integration in the ECOWAS region. As a result, in 2008, Gamma established its East Africa regional office in Nairobi, Kenya, in furtherance of the company's Pan-African strategy. Figure 5.16 indicates Gamma's foreign regional offices and subsidiaries.

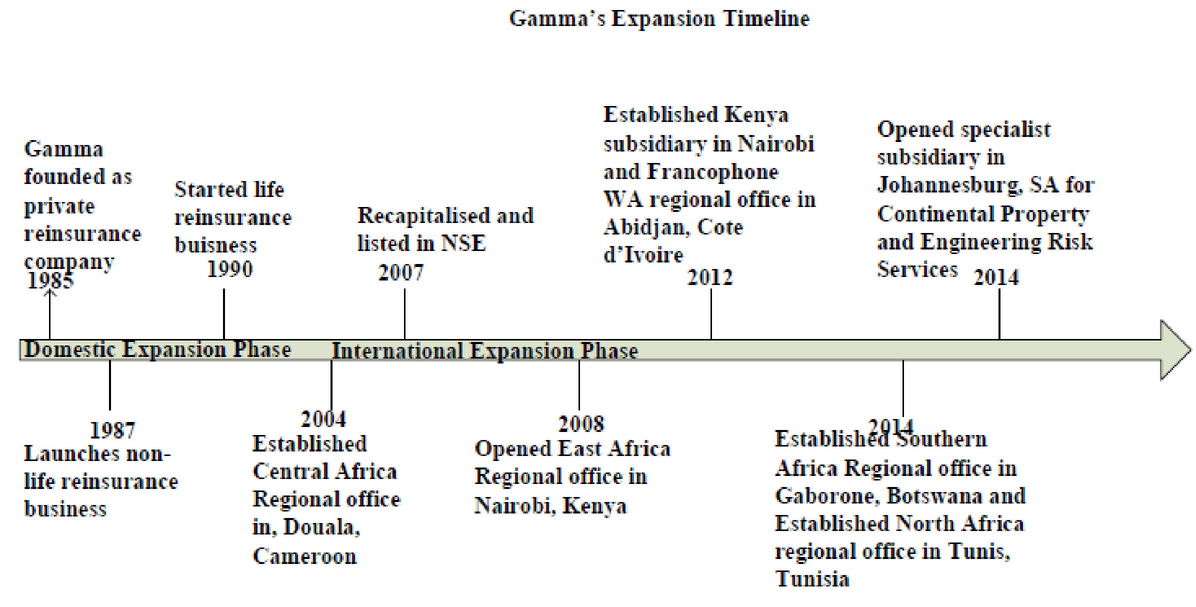
Figure 5. 15: Gamma's subsidiaries' locations



Source: case data

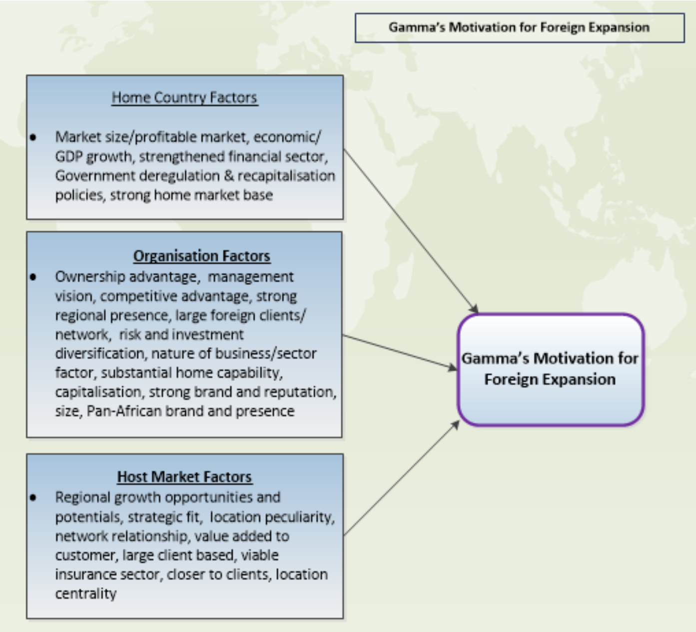
The motivation for Gamma's foreign expansion is attributed to factors in the home country, organisation and host market level. Figure 5.17 shows Gamma's expansion timeline and Figure 5.18 summarises its motivation for internationalisation.

Figure 5. 16: Gamma's expansion timeline



Source: Research Data

Figure 5. 17: Gamma's motivation for internationalisation



Source: Research Data

5.4.5 Conclusion

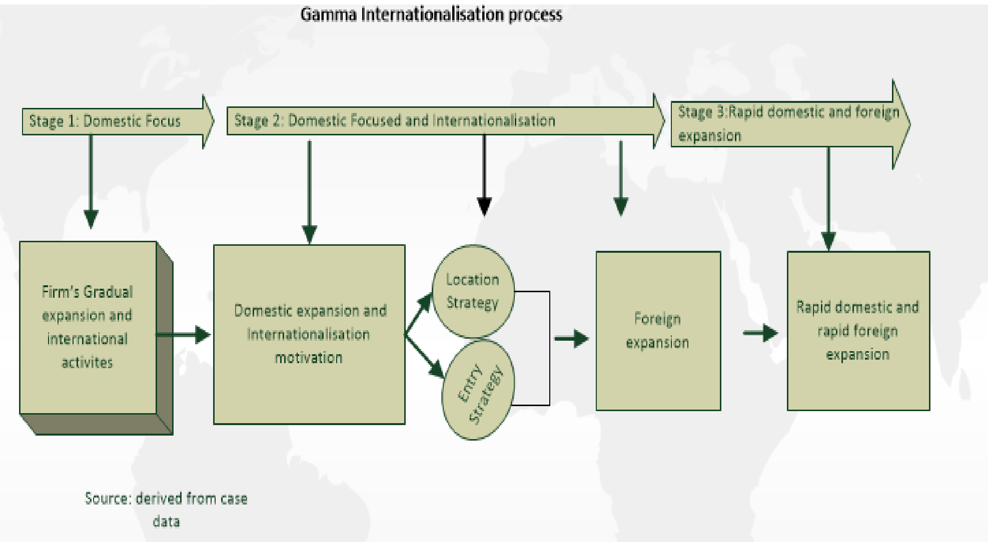
Gamma's internationalisation process was gradual, but then accelerated after the firm established its first foreign subsidiary. The domestic growth focus of the firm in its first 15 years of existence enabled Gamma to build the necessary knowledge and experience needed to manage a reputable re-insurance company. In the midst of difficult home business in its early years, Gamma had emerged as a reputable insurance firm. The transition to democratic rule in Nigeria and the open regulatory policies in the sector accelerated the firm's domestic expansion. Gamma exploited its ownership advantage and became a regional player in the sector, capitalising on market opportunities both domestically and in the region.

Prior to foreign expansion through FDI, Gamma was involved in international reinsurance business activities. Subsequently, after its recapitalisation and its public listing in 2007, Gamma expanded further into the foreign market. Gamma's foreign expansion and its location pattern were motivated by market growth opportunities in the region and the viability of the insurance market. The firm was also motivated to invest in the region as the propensity for intra-regional investment continued to increase. Its sector knowledge and experience, coupled with regional economic factors, was a determinant of Gamma's foreign expansion and investment location choice. The need to get closer to its numerous clients and network (specifically to provide a value added service) motivated Gamma to invest in central locations in the region, with the ability to service several markets simultaneously.

In a nutshell, several factors impacted both the firm's domestic growth and its regional expansion, including to both institutional and market factors in Gamma's home country. Other factors included the firm's ability to build its ownership advantage, with over 30 years' experience in the sector, which in turn motivated the company to expand beyond the domestic market and became a regional player.

Figure 5.19 summarises the internationalisation process of Gamma.

Figure 5. 18: The internationalisation process of Gamma



Source: derived from case data

5.5 Case firm 4: "Delta"

The following section discusses the internationalisation process of case firm 4 "Delta". Delta is one of the largest ICT companies in Nigeria and is the most capitalised ICT firm in Sub-Saharan Africa.

5.5.1 An overview of the Nigerian ICT sector

Information Technology (IT) is a relatively recent phenomenon in Nigeria, because computer usage and awareness only became prominent in the 1990s (Ogunsola & Aboyade, 2005). The Nigerian information, communication, and technology (ICT) sector is an emerging one, which has seen rapid growth since the early 2000s. The evolution and growth of the Nigerian ICT sector, to some extent, is associated with the promulgation of the Nigerian Enterprise decree of 1977 (see chapter3). The decree led to an increase in the number of indigenous computer dealers and merchants in the country, which prompted more aggressive marketing by retailers. This stimulated a significant awareness of computer technology and usage in the country (Ministry of Communication Technology, 2012).

Prior to 1992, the legal framework guiding the telecommunications and broadcasting industry in Nigeria was the Wireless Telegraph Act (WTA), promulgated by the British colonial government in 1935 (Odufuwa, 2012). From the 1950s, the telecommunications sector began to see substantial expansion and development as the Nigerian government strived to enhance its telecommunications quality. In 1984, the government owned telecommunications company, the Nigerian Telecommunications Limited (NITEL), was established. This resulted in the growth of both national and international exchanges. While much attention was given to improve communication with the outside world, less attention was paid to enhance internal communication (Ogunsola & Aboyade, 2005).

Prior to Nigeria's transition to democratic rule in 1999, the ICT sector was still undeveloped, and the need to reform the sector hastened the new democratic government to launch major reforms..

Subsequently, the policies of deregulation adopted by the government in the early 2000s (the National Telecommunications Policy (NTP) 2000 and the National Information Technology Policy (NIT) 2001 resulted in several policy enactments and the implementation of the Information Technology Act in 2001. The National Information Technology Development Agency (NITDA) Act 2007 saw the establishment of NITDA, with an aim to implement the policy and co-ordinate and regulate information technology development in the country (Ministry of Communication Technology, 2012). The NITDA was mandated to promote IT penetration and growth of the sector in Nigeria. The policy liberalised the ICT sector market, which enabled private firms and investors in the lagging IT industry to catch up with telecommunications. For example, in 2001, there were only about 25,000 mobile telephone lines in the country. In 2011, there were 90 million active mobile subscribers, 127.6 in 2013 and 140.8 million by 2015 (NCC and NIPC website). Today, the Nigerian ICT sector is fully liberalised, highly competitive and has evolved since the amendment of the ICT law in 1992, which changed the face of ICT in Nigeria (Odufuwa, 2012). The policy removed the restrictions on the sector from the government ministries to two new regulatory bodies (National Broadcasting Commission (NBC) and the Nigerian Communication Commission (NCC).

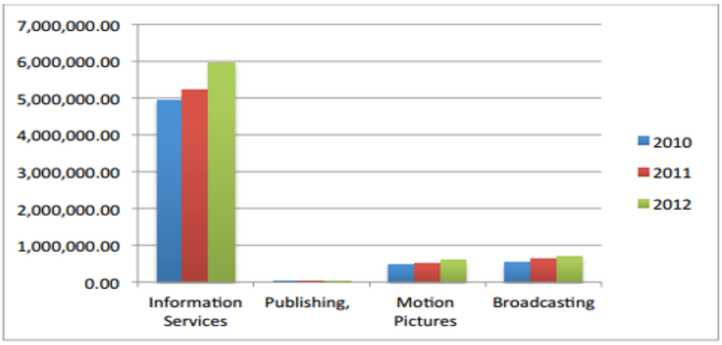
In Nigeria today, extensive ICT deployment exists in both the public and the private sectors. The deployment of ICT has contributed largely to the rapid development of other sectors of the country's economy and has been a backbone of the growth witnessed in the financial services and telecommunication sectors. The growth observed in the sector was largely driven by rapid expansion in the telecommunications sector due to the policy deregulation in 2001. ICT sector liberalisation attracted local and foreign investors alike, while domestic firms also capitalised on the opportunities to expand and grow their businesses.

The Nigerian ICT sector has seen the fastest growth of the Nigerian economy, with an average annual growth rate of 35% in the past ten years (NBS). For instance, the ICT sector contributed less than 0.5% to the country's GDP prior to the deregulation in 2001 and information services have the faster growth in the sub-sector (Figure 5.20). In 2010, the sector was valued at 10.90% of the GDP. Private investment in the sector increased from US$50 million in 1999 to US$18 billion in 2009 and $25 billion in 2010 respectively (Ministry of Communication Technology, 2012) and Nigerian Communications Commission, NCC).

The Nigerian ICT sector has the potential to drive future economic growth in Nigeria due to the country's large population of 178 million, youthful population demographic structure and rising per capita income. Through a wide range of regulatory policies and initiatives in the sector, the ICT sector has undergone a major positive change to open its market to private operators and provide products and services across the entire spectrum of the ICT market.

Figures 5.20 summarise the ICT sector's contribution to the GDP 2010-2012.

Figure 5. 19: ICT sub-sectoral contribution to GDP



Source: National Bureau of Statistics

The future growth and development prospects of the ICT sector appears to be healthy, even though much is still needed to be done in order to expand the sector, since growth is expected in the foreseeable future. The ICT sectoral growth potential is large, due to the large market size and the public's proven ability as early-adopters of new technologies, which is the backbone of any modern sustainable socio-economic development. Moreover, growth in the ICT sector should have a positive impact on Nigeria. The sector is currently estimated to employ over six million Nigerians, both directly and indirectly. The pace of service integration in the ICT industry is gaining speed, leading to the emergence of high profile firms, such as Delta, which have the capability to manage different, complicated ICT platforms (myfinancialintelligence.com).

5.5.2 Delta's early and formative years

Delta is a leading Nigerian ICT firm, established in 1991, as a result of the founder's ability to convince his friends to invest in his business plan. This conviction resulted in the birth of a partnership business of six friends, with a focus on buying, selling and supporting customers with regards to computer hardware and components. From the beginning, Delta had engaged in a service differentiation strategy, with the aim to provide value added services to customers, which were lacking at the time in the country. The period between 1992 and 2000 were the formative years of the business, in which it evolved from a small private enterprise. This was during a period when computer knowledge and awareness had started to gain popularity in Nigeria, and a time when IT services were lagging behind in meeting customers' needs and expectations. It was also the period in which Delta acquired knowledge in the domestic market and became one of the largest ICT firms in the Nigeria region.

However, Delta's early breakthrough came as a result of a government supply contract, and later, a contract with a large oil company in Nigeria. After five years in operation, the communications unit of the business was established to provide VSAT, Metropolitan, Wide Area and Local Area Networks to corporate organisations. Demand from customers for more IT related services increased due to Delta's ability to meet customers' expectations, which in turn led to Delta's increased business activities. The firm quickly became a value added partner for Dell in Nigeria and West Africa. The regional value added to the reseller's status, however, and validated Delta as a viable IT firm. This also resulted in a continuous steady increase in demand and growth for Delta's services.

Delta's subsequent partnership was with other associates with network and software development competences, due to an increased demand from customers for IT related network and software services. This business approach resulted in the acquisition and merger of the associate company's software, as explained by an executive:

- ✓ As a business oriented individual… saw a new business opportunity and contacted a friend with network connectivity knowledge… These business opportunities prompted the founder to solicit a partnership with friends with network, software and application development knowledge (Delta_g1 April 2016).

After a slow start, the business evolved rapidly, and led to the formation of complete ICT firms with different divisions in sales, networking, software development solutions, systems and training, since Delta envisaged long term growth in the Nigerian ICT sector (Delta_g1 April 2016; Delta website).

5.5.3 Rapid domestic expansion

The transition to democratic rule in 1999 opened a new phase in the growth and evolution of Delta as an ICT company, because various sectors of the Nigerian economy, especially the banking and telecommunication sectors were liberalised. As discussed in section 5.2, the Nigerian ICT sector was undeveloped prior to the transition, while the telecommunications sector was still in its infancy. This forced the government to facilitate a major reform of the sector, in which the telecommunication sector was deregulated, liberalised and opened to foreign telecommunication providers and operators. Through a wide range of regulatory policies and initiatives in the sector, the ICT market in Nigeria has undergone major changes that opened it to private operators across the entire ICT spectrum.

The rapid growth of Delta since 2000 is attributed to growth in all sectors of the Nigerian economy, especially growth in the banking and telecommunication sector. In early 2000, the Nigerian telecommunication sector opened to both local and foreign operations and there was an explosion in the growth of the sector. This sectoral growth had a positive impact on the rapid growth of Delta in the domestic market. Nigeria, with its large population and its level of economic development, provided an opportunity for investment and growth in the ICT sector. An increasing demand in the domestic market, coupled with economic growth, led Delta to embark on aggressive domestic expansion. Other home country factors that have contributed to the expansion of Delta include a large domestic market, an emerging middle class, youthful population demography, a profitable home market, and increased private investment and infrastructural development.

A favourable economic policy, growth, and the emergence of new sectors, enabled Delta's expansion strategy that included ICT service delivery, to be achieved. The increasingly high demand for IT services in the country led to growth in all aspects of the economy. Delta responded to the changing needs of the sector, its market and its business environment through strategic changes, as its business approach moved away from a being just a value added reseller to managed IT operations. Changes in the Nigerian business environment also demanded a new approach to Delta's business strategy in the early 2000s. Delta's business model and strategy resulted in its rapid growth, because different integrated services were offered to their corporate customers.

The recapitalisation of the banking sector in 2004 and 2005 also created new growth and business opportunities for Delta, because several banks emerged more capitalised and with the ability to expand both domestically and regionally, as well as invest in a more robust IT infrastructure. As a result, 11 of the 25 Nigerian banks were operating on a Delta software platform, while also managing the telecommunication and IT infrastructure for several large local and international companies in Nigeria. Business opportunities enabled Delta to develop and accumulate its specific ownership advantage as an ICT firm, in terms of resources and capabilities towards its competitive advantage.

In the midst of the changes to the emerging ICT industry, Delta was at the heart of the sector's evolution, as it emerged to become a leading international ICT company. Delta also understood the need to change its business strategy. As result, in 2005, a division was established to co-ordinate, monitor and manage the business activities of the three different divisions of the business.

Open economic policies attracted foreign investors into the country and the foreign companies brought in foreign ICT expatriates from the home countries to support their ICT operations in Nigeria. This business approach proved to be expensive for the companies and limits on the number of expatriates allowed into the country was also a burden on these companies (Delta_g1 April 2016).

Through partnership, collaboration and innovation, Delta was able to achieve high-end technological knowledge transfer to its local engineers to manage various complicated ICT platforms. This knowledge transfer was also made possible, since the Nigerian immigration laws demanded that local engineers shadow foreign expatriates in delivering their services in the country (Delta_g1 April 2016). In addition, Delta regularly provided foreign training and technical development to its engineers, by sending them to India, Europe and the USA. This strategic approach to technological knowledge development seems to have worked to enhance Delta's ownership advantages. This was true, in particular, in terms of brand, innovation and the company's entrepreneurial ability to become a profitable business in a large domestic market, such as Nigeria. Delta's partnership with foreign IT firms also enabled knowledge transfer from foreign experts to Delta's local engineers (Delta_g1 April 2016). Delta, as a proactive and innovative company, had always solicited the services of its foreign partners when they needed to deliver high end quality services as a way to create value added services to its customers. This was explained by an interviewee:

- ✓ In the light of the increased ICT need in Nigeria, especially in the banking and the emergent telecommunication sector, Delta yet again turned to foreign technology firms such as Infosys, Sun Systems, and Oracle for partnership and knowledge transfer from the foreign experts to Delta's local engineers (Delta_g1 April 2016).

Delta's technological know-how, market knowledge, experience and track record in managing IT infrastructure for diverse large corporate customers meant it was able to fill that gap for foreign companies in the country. The Nigerian banks and telecommunication firms needed a high level of technology innovation and management to support the network backbone and services. The knowledge and experience of the domestic market over the years enabled Delta to understand the market, customers and provide technological services that met the need of all stakeholders.

This understanding also propelled Delta's rapid domestic growth, because the large domestic market created an opportunity for the firm to become very profitable. Working in partnership with several foreign IT firms, such as Oracle, IBM, Sun Microsystems, VMware and Infosys, Delta was in a position to deliver and manage IT operations for several large firms in all sectors of the Nigerian economy, using its increased technical competencies and reputation. The innovative and proactive ability of Delta to understand customers' needs and respond to them by surpassing customers' expectations also enhanced the company's brand image as a reputable and reliable IT provider.

Strategic partnerships, particularly with Infosys, an Indian global IT firm, resulted in Delta becoming the preferred IT solutions provider through offering payment processing solutions for many leading Nigerian banks and companies. Such services included network backbone management, internet banking, mobile banking and mobile money services. In addition, Delta managed one of the largest data centres in Africa for MTN, with over 57 million mobile subscribers in Nigeria. The firm's rapid growth led to Delta becoming one of the largest ICT firms in SSA. In 2012, Delta merged three separate subsidiary entities into one unified organisational umbrella to become a leaner, efficient and more customer focused firm. This business approach was appropriate, because Delta became more visible with increased resources and capabilities in delivering high-tech IT integrated services and turnkey IT solutions to its corporate clients.

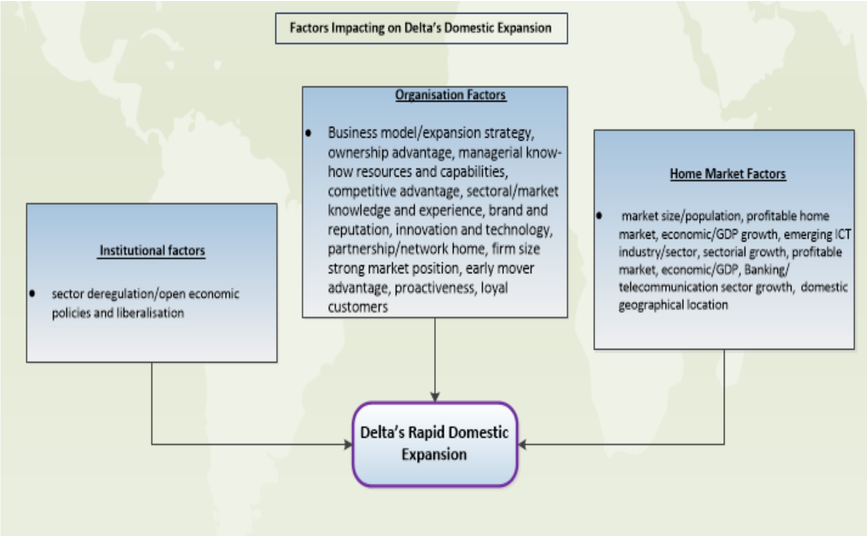
The future growth strategy of the company is to move towards cloud services for e-commerce and banking, especially with a view to explore opportunities in SMEs because the Nigerian informal SMEs sector (with more than 34 million SMEs) could be strengthened and brought into the formal economic sector. This business strategy will allow Delta to get ahead in the market for services with high social impacts and financial inclusiveness.

In spite of the difficult business environment in Nigeria, Delta continues to be a profitable company. This has resulted in the growth of the firm in terms of its size, resources and capabilities. Delta's visibility, brand and image in the domestic market is also strengthened as a value added trainer, with training and examination centres in different IT technology platforms in the country. The company contributed to the growth of the ICT sector in the country, through providing quality training to fresh graduates in preparation for the job market.

The firm's early mover advantage as a pioneer in an emerging sector led to it acquiring its extensive experience and knowledge of the domestic market, and enabled Delta to gain a competitive advantage as a market leader in the Nigerian ICT sector. The increased capitalisation of Delta, due to going public and its stock listing in 2013, strengthened the firms' market capitalisation, causing it to become the most capitalised ICT firm in the country. Its competitive advantage rested on its proactive business approach, technological innovation, competence and expertise, and its partnership with internationally renowned IT firms to deliver high quality services to its various customers. The firm's capabilities and resources in terms of physical assets, finances, human resources and technological know-how, were vital to the rapid domestic growth of the company.

Figure 5.21 summarises the factors impacting on Delta's domestic expansion.

Figure 5. 20: Factors impacting on Delta's domestic expansion



Source: Research Data

5.5.4 Delta's internationalisation

Prior to Delta's establishment of its first foreign subsidiary in Ghana, in 2002, the firm gained international business exposure as a regional value added partner for reputable international IT companies. This business partnership enabled Delta to build a relationship with large corporate firms in Nigeria, which was helpful in securing large IT services contracts in the region. Moreover, Delta's technical competence and reputation also created an opportunity for the firm to secure and successfully implement several large IT contracts in neighbouring countries; namely, Benin, Ghana, Chad and Cameroon. This success also enabled the firm's drive to expand in the region, as it secured more contracts and identified the market growth potential in SSA.

5.5.4.1 Motivation for internationalisation and location path

The establishment of Delta's first foreign subsidiary is linked to an open economic policy in Nigeria in the early 2000s, which opened the country's banking and telecommunication sector to rapid growth and development. The recapitalisation program in the banking sector created business opportunities for Delta, as several banks emerged more capitalised with the ability to invest in more robust IT infrastructures. As a result, Delta became a favourable ICT infrastructure provider for several Nigerian banks and telecommunication companies. For example, Delta's expertise in ICT infrastructure management enabled the organisation to gain the trust of its corporate customers.

Delta's corporate clients had solicited the company's services to follow them to foreign markets as they internationalised. The need to follow customers seems to have been a location determinant in Delta's initial outward foreign direct internationalisation as a location determinant, in the opening of its first foreign subsidiary in 2002, in Ghana. This was explained by an executive:

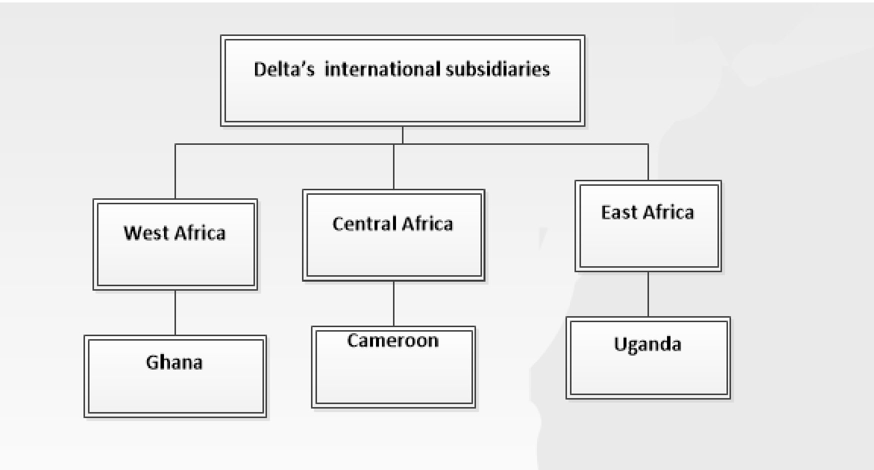
- ✓ …embarked on foreign expansion to follow their corporate customers to provide the same ICT services that were being provided in the domestic market as well as to create value and high quality services (Delta_g1 April, 2016)

In addition, Delta followed its corporate customers abroad to create value added and high quality services to customers in foreign locations (Delta_g1 April 2016). Delta's continuous evolution, reinvention, innovation and partnership with various international technology firms also contributed to Delta's internationalisation, and it became one of the largest IT systems integration companies in SSA. Delta's specific ownership advantage, which was developed in the domestic market, in terms of its knowledge, experience, capabilities and resources, were drivers of the firm's internationalisation. The motive to internationalise was also driven by Delta's Pan-African expansion strategy, which was to invest in locations in SSA with growth and growth potential, as the firm penetrated new markets, gaining large contracts afterwards. As a result of the realisation of the Pan-African vision and strategy, Delta had established subsidiaries in several countries - namely Ghana, Cameroon and Uganda - which handled business interests and operations in West, East and Central Africa, which was established in 2003, 2010 and 2012 respectively. Delta had emulated and transferred its successful Nigerian business model to foreign countries in Africa. Working with partners across Africa, Delta established hubs and operations in 28 countries. These markets had a consolidated population of over 600 million people in a trading block with considerable economic power (Delta documentation and Website), as illustrated by one executive.

- ✓ …We have what we called hubs in other states and other countries in Africa… we may not have a physical office…but we have operations either with partners or with some other organisations (Delta_g1 April 2016)

Figure 5.22 shows Delta's foreign subsidiaries and their locations.

Figure 5. 21: Delta's foreign subsidiaries and locations



Source: Data sources evidence

The market opportunities available in SSA motivated Delta to internationalise in the region. Regional economic integration in the midst of market growth and prospects created an opportunity to seek markets in the region. Delta's ownership advantage at the firm level, amongst home country factors, contributed to its drive for foreign expansion, as illustrated by an executive below.

- ✓ …The large Nigerian market and competitive environment have enabled our firm to acquire the experience and the know-how needed to move forward and invest in foreign markets (Delta_g1 April 2016).

In addition, another executive explained:

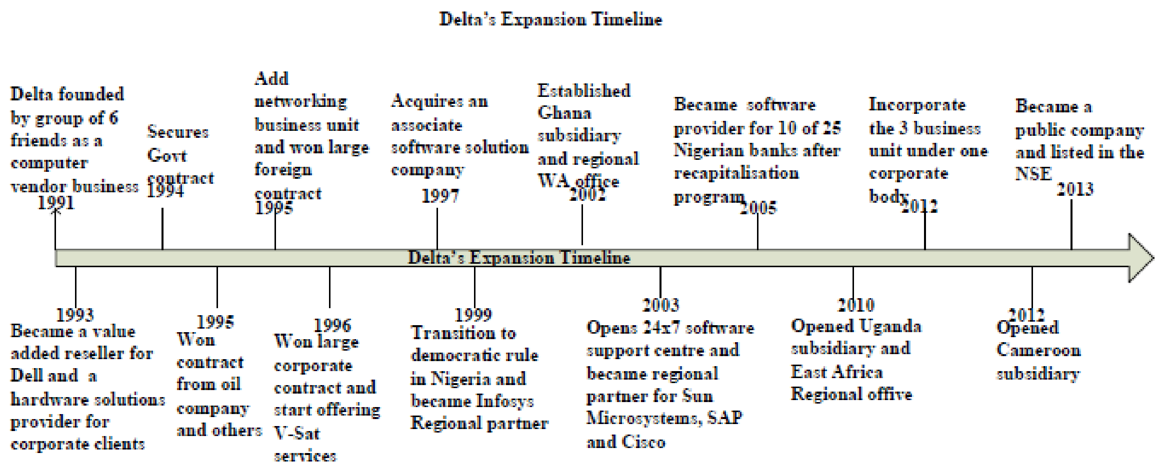
- ✓ Now we are building a world class company and we are building a global brand

(Delta_g1 April 2016)

The need for investment and risk diversification, as well as the need to build a global brand, also played a role in Delta's foreign expansion. Others factors identified in Delta's case analysis includes domestic competition, regional market and investment opportunities in the region.

Figure 5.23 shows Delta's expansion timeline.

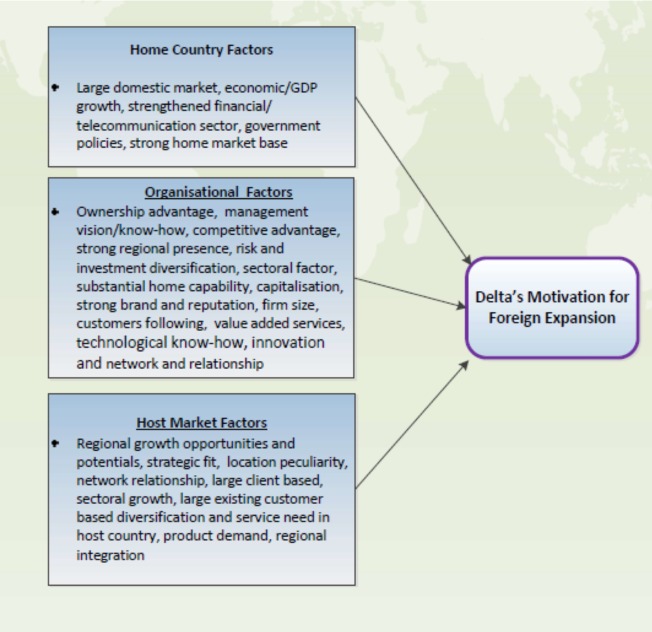
Figure 5. 22: Delta's Expansion Timeline



Source: Research Data

Figure 5.24 summarises Delta's motivation for internationalisation.

Figure 5. 23: Delta's motivation for internationalisation



Source: Research Data

5.5.5 Conclusion

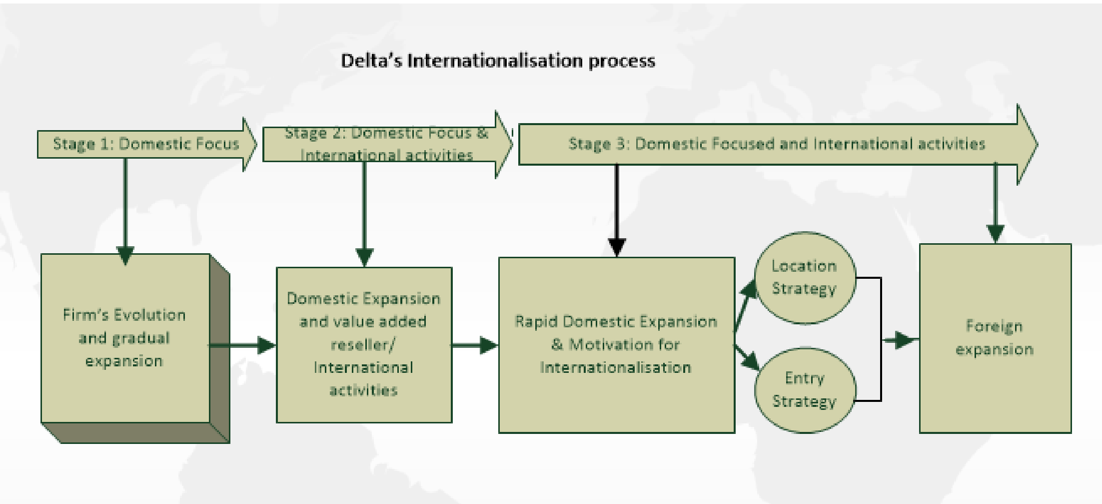
The internationalisation process of Delta, a Nigerian ICT company, was achieved in three stages. The company began as a computer vendor, selling and supporting customers, and then became a value added partner and reseller for international IT firms, and subsequently evolved to manage IT services. Delta's domestic growth and expansion were impacted upon by a combination of factors that can be classified into: home country institutional, home market, and firm specific factors (Figure 5.22). Delta's international expansion was also motivated by factors that can be categorised into home country factors, firm level factors and host market factors (Figure 5.23). The favourable business environment in the country, along with growth in all sectors of the Nigerian economy, also had an impact on the rapid domestic expansion of Delta. Rapid domestic expansion enabled Delta to build its ownership advantage as the company became a major player in the region.

The main strength of Delta as an ICT firm rested on the company's managerial know-how and its ability to identify and take advantage of emerging business opportunities. Firm specific factors, such as market knowledge, experience, reputable brand, innovation, technological know-how, business relationship, and its resources and capabilities, were all determinant factors in the company's domestic expansion and internationalisation.

Delta's internationalisation was driven by a business network and partnership with various international IT firms, including dedicated, loyal domestic corporate customers, which motivated Delta to follow its customers to foreign markets. The investment opportunities in the SSA region, in addition to the need to diversify its investment portfolio, were a factor in the firm's foreign expansion. With over two decades of ICT knowledge, experience and expertise, Delta has remained as a benchmark for ICT excellence in Africa and this has earned the firm both local and international recognition, along with several awards, such as the Global Growth company recognition from The World Economic Forum (WEF).

Figure 5.25 summarises the internationalisation process of Delta.

Figure 5. 24: The internationalisation process of Delta



Source: derived from case data

5.6 Chapter Conclusion

The purpose of this chapter was to analyse and explain the internationalisation process of the four individual case companies of this thesis; namely, Alpha, Beta, Gamma and Delta. The chapter started by providing a sectoral overview of the individual case companies. The factors that had impacted on the evolution and growth process of the companies were also discussed. Then, the motivation for the case firms' internationalisation and the patterns of their internationalisation were also analysed.

The primary data were analysed thematically and Nvivo 11 qualitative software package was used for coding and documents from secondary data sources were also analysed for data convergence and triangulation (Yin, 2014). The key themes were identified and categorised, using the extant literature as a starting point, and these expanded as a new themes emerged from the data. The key theme was then categorised into three main sections, with sub-subsections. The chapter concludes by analysing the implications of the case evidence.

5.6.1 Domestic expansion of the case firms and implications for the thesis

The above individual case analysis presents interesting insights into how the four case firms evolved and expanded from being domestic firms to becoming multinational companies.

The research data shows that similarities and dissimilarities exist between the internationalisation processes of the case companies. All the companies were established within a decade of each other, as small private firms, and grew organically in the domestic market before experiencing rapid growth in early 2000s. The companies were all involved in some kind of international business activities prior to their outward foreign direct investment. The firms' internationalisation process was gradual, but the stages reveal a different sequence in the evolutionary process. Each of the four case companies transitioned from being a private company to a public company, and then went public, recapitalised and were listed on the Nigerian stock exchange during the domestic growth process. Three of the case companies internationalised within three years. However, Alpha a manufacturing company began its foreign production a decade later. The dissimilarities of the case firms' internationalisation process are most for Alpha.

The factors that impacted positively on the case companies' domestic growth include open economic policies, large domestic market size, large population, sectoral growth, political stability and profitable home market. These factors also gave the companies the leverage to build their ownership advantages for competitive advantage at home and in their foreign expansion. The firms' ownership advantages were derived from various internal and external sources, such as managerial know-how, extensive market knowledge, experience, strong brand names, assets, and international knowledge and partnership/business networks.

The case companies' market positions as early movers gave them enough of a time-frame to sufficiently build and accumulate industry knowledge and experience. The domestic knowledge and experience which the firms had developed over the years also enabled the companies to build and accumulate their resources both in physical and financial terms.

5.6.2 Internationalisation of the case firms and implications for the thesis

The data evidence shows that various factors motivated the foreign expansion of the four case companies. These were specifically derived from firm specific factors, home country factors and host market factors (Figures 5.5, 5.10, 5.18 and 5.23). Another determinant of the case firms' internationalisation was their resources and efficiency, especially for Alpha as a manufacturing company. Risk and investment diversification was an important motivation in all the cases for foreign expansion.

The case analysis suggests that the open economic policies adopted in Nigeria in the early 2000s resulted in increased economic activities and growth in all areas of the country's economy. In reaction to emerging business opportunities, Nigerian firms developed expansion and growth strategies to capitalise on the emerging domestic market opportunities and build their firm specific ownership advantages, with a view to emerging as large domestic firms. This also strengthened the firms' abilities to expand their operations beyond Nigeria, especially in the financial, service, telecommunication, entertainment and retail sectors. The aforementioned factors were also a determinant in the four case firms' international investment pattern. It can be inferred, therefore, that home country factors could be seen as a motivation for the internationalisation of Nigerian firms. Nigerian firms are therefore motivated to seek investment opportunities in their region in order to build sustainable competitiveness as they leverage their home country advantage in the process.

The four case companies invested in the region with closest physical proximity. Indeed Beta and Gamma initially invested in Francophone countries with a direct border with Nigeria, despite Nigeria been an Anglophone country. Such an investment approach demonstrated how the sector and existing customers can shape the foreign expansion strategy of Nigerian companies. It also shows that firms would expand to markets in which their capabilities will be utilised to the best of their abilities. For example, Delta had followed its customers to foreign countries; the network relationship had allowed Beta to obtain a single operating license in the WAEMU region. Gamma, on the other hand, had invested in several countries in order to be close to its business clients and such business networks had helped to build up Gamma's capabilities.

A conclusion is therefore drawn from the within-case analysis that the internationalisation process of the four firms in this thesis is influenced by home country, firm specific, , regional and host market factors. These factors have impacted the firms' domestic expansion process, their internationalisation process and internationalisation patterns. Finally, it is recognised that the case companies were all established from a need to service the local market in a difficult and transitional period in the country's historical and economic development.

CHAPTER SIX: CROSS-CASE ANALYSIS

6.1 Introduction

This chapter cross analyses the findings of the four case studies. The research findings are explained within the context of the aims, objectives and research questions of the thesis (chapters 1, 3, 4 and 5). The cross case-analysis represents a key element of this study and the findings are incorporated into the research conceptual framework. A cross-case analysis provides an opportunity to compare data between cases in an attempt to identify similarities and differences (Eisenhardt, 1989). The findings are then presented in the form of matrices, tables and diagrams for data reduction and data visualisation (Braun & Clarke, 2006a; Eisenhardt, 1989; Gray, 2014; Mills & Birks, 2014; Thomas, 2006; Yin, 2014).

Following the introduction, section 6.2 provides a brief overview of the four case companies. Then a comparison of the case companies domestic evolution and growth process is discussed is examined in sections 6.3. Section 6.4 examines the motivation for internationalisation and the location patterns of the case firms' internationalisation. Section 6.5 outlines the theoretical implications of the findings within the context of the research objectives stated in (chapters 1, 4 and 5). Section 6.6 discuss the how generalisation was achieved. The research conceptual framework is revisited in section 6.7. Section 6.8 concludes the chapter.

6.2 A brief overview of the four case companies

A brief overview of the four case firms reveals that they were among the largest and early internationalised firms in Nigeria. Alpha, for example, is one of the largest cement manufacturing companies in Nigeria. The company was established as a one-man trading business, then became a major cement importer. The firm became the largest domestic cement manufacturer in Nigeria before embarking on foreign production in 2012. Beta, on the other hand, is one of the largest Nigerian banks, a pioneer of the regional foreign investment of Nigerian banks and is the fastest growing retail bank in Nigeria. Beta has extensive coverage in the domestic market, with a network of 317 branches and subsidiaries across Nigeria and West Africa, and has a subsidiary in the UK. Gamma is a top re-insurance company in Nigeria. The firm was established as a private company in 1985 and subsequently became a public limited liability company. Today, Gamma has a strong African presence, with five regional offices and subsidiaries and business operations in more than 44 countries across Africa. Delta is the most capitalised ICT firm in Nigeria. It was established as a private firm and grew rapidly in the domestic market to become one of the largest ICT firms in the region. Table 6.1 provides a summary of the case profiles.

Table 6. 1: Summary of the case companies' profiles

Case Companies	Alpha	Beta	Gamma	Delta
Company Ownership and Status	Private and Publicly listed	Private and Publicly Listed	Private and Publicly Listed	Private Publicly Listed
Industry	Manufacturing	Banking	Insurance	ICT
Year Established	1981	1991	1985	1992
Year of 1st FDI	2011	2001	2004	2002
Country of 1st FDI	Ghana	Rep Benin	Cameroon	Ghana
Number of Employees	10,000+	4000+	1000+	+1000
Number of countries in which investments held	16	5	5 regional office and subsidiaries and operations in 50 African countries	3 and operations and business network in over 28 countries
Locations of Subsidiaries	Ghana, Senegal, Niger, Cote d'Ivoire, Sierra Leone, Liberia, Mali, Kenya, Cameroon, Rep. Congo, Ethiopia, Tanzania, Zambia, Zimbabwe and South Africa, UK** and Nepal*	Benin, Togo, Senegal, UK and Cote D'Ivoire,	Kenya, Botswana, Cameroon, Cote D'Ivoire and Tunis and Operations in 50 countries	Ghana, Uganda, and Cameroon
Investment focus	Africa focus with future Asia plan	Africa focus	African focus	African focus

*Operations commence in 2018
** Procurement Office

Source: Research data

Although Alpha was the first firm to be established among the four case companies studied, Beta was the first to be internationalised. However, Alpha's internationalisation was the fastest and most aggressive, resulting in subsidiaries in 16 countries. This is followed by Gamma, with five subsidiaries and regional offices and operations in over 44 African countries. Beta and Delta also have five and three foreign subsidiaries respectively. The internationalisation pattern of the case companies reflects the characteristics of the sectorial changes and growth in the financial services, ICT and manufacturing industries in Nigeria.

6.3 Evolution and early years of the case firms

This section analyses how the four case companies evolved and expanded domestically before taking the initial step towards international expansion. The factors that had impacted their domestic expansion, are also discussed. At the early stage, according to Meyer and Thaijongrak (2013), firms have no interest in international expansion and no knowledge about internationalisation, whereas at the final stage there is a greater push towards foreign investment. The four companies were established between the years 1981 and 1992 as small private firms, following the economic policy of deregulation in the 1980s during a transitional period in Nigeria's history and economic development (Chapter 2). The economic policy of deregulation directly impacted the domestic growth of all the companies - especially Alpha and Gamma - given that the firms were established immediately after the end of the indigenization economic policy era (see Chapters 2 and 5).

It is not coincidental that the four case companies were established within a decade of each other - between 1981 and 1991. The case firms' internationalisation also occurred within a decade of each other - between 2001 and 2011. Several political and economic policy changes seem to have impacted the firms' evolution, domestic growth and internationalisation. The economic policies of the 1970s and early 1980s encouraged active participation by Nigerians in the economic activities of the country (Chapter 2 and 5). The policy, as a result, led to an increased number of local insurance companies - from 70 in 1976 to 110 in 1990 (Yinusa & Akinlo, 2013). The deregulation of the banking sector in 1986 saw the establishment of many local banks between 1986 and 1992. In the case of Delta, the evolution of the Nigerian ICT sector in early 1992, and the ICT policy enactment of 1992, saw the rise of several domestic IT firms

(Odufuwa, 2012). All the case firms were domestically focused during their inception, with a specific need to serve a homogeneous local market before embarking on foreign business activities.

The internationalisation process of all the case companies was gradual, but involved a distinct and different sequence. The domestic growth of the companies was not as a result of serendipity, but due to the strategic growth approach of the firms. The initial delay in the foreign expansion of Alpha, for instance, was due to the fact that the company wanted to become a strong domestic cement production company, with the capability to make Nigeria self-reliant and self-sufficient in local cement production. The next section compares the factors that impacted the case companies' domestic expansion.

6.3.1 Home country factors impacting on the case firms' domestic expansion

6.3.1.1 Home institutional factors and domestic expansion

The home country's institutional environment may explain the case companies' internationalisation process (Cui & Jiang, 2009; Cui et al., 2014). The thesis findings show that key home country factors, which are categorised into institutional and home market factors, have impacted the domestic expansion of the case companies (Tables 5.3 and 5.4). Prior to the transition to democratic rule in 1999, Nigeria was under a military government for several decades, from the 1960s to the 1990s. During this military rule, there was a high level of Government regulations and restrictions in the country, which impacted negatively on domestic firms' growth and expansion. The structural changes and economic policies that followed the democratic transition in 1999 opened up the Nigerian business environment (see Chapters 3 and 5).

6.3.1.2 Economic policy deregulation and liberalisation

The open economic policies and ease of regulatory control are to a large extent responsible for the rapid domestic growth and expansion of the four Nigerian case companies, which is consistent with previous studies of Latin and Asian emerging markets (Athreye & Kapur, 2009; Child & Rodrigues, 2005; Deng, 2012a; Gammeltoft, Barnard, et al., 2010; Gaur & Kumar, 2014; Liu et al., 2011; Luo & Tung, 2007; Sim, 2005; Verhoef, 2011a). The four companies experienced rapid domestic growth after Nigeria's transition to democratic rule. The transition also led to a shift in institutions, economic systems, economic reforms, management orientation and industry changes. Through different economic policies, the institutional environment actively accommodated Nigerian companies through regulations and supporting institutions that allowed the companies to grow in a way that was not possible previously.

Insights from the interviews with key executives from the four case companies show that political stability and the open business environment of Nigeria in the early 2000s enabled companies to develop growth strategies as a reaction to the emerging business opportunities in the country. For example, prior to the economic reforms of the 2000s, Nigerian banks were restricted from establishing foreign subsidiaries as retail banks. The Nigerian Financial Services Act of 2000 enabled Beta to attain universal banking status as a retail bank with the capacity to establish a subsidiary in a foreign country (Beta_g2 December 2015 and Beta_g3 February 2016).

Gamma and Delta benefited from the policies of economic deregulation in the insurance and ICT sectors, through the National Information Technology Policy (NIT) Act 2001 (Chapter 5), which resulted in the rapid growth of the ICT sector (Odufuwa, 2012). In particular, the Backward Integration Policy (BIP) was a defining moment in the domestic growth of Alpha (Alpha_g1 August 2015; Alpha_g2 September 2015). The BIP policy and the emerging business opportunities in the country, coupled with the entrepreneurial drive of the management, motivated Alpha to embark on local cement production (Alpha_g2 September 2015).

The executives of the four case firms also highlighted the positive impact of recapitalisation on their domestic growth process. For Beta and Gamma, the recapitalisation and consolidation of the banking and insurance sectors were mandated by the government. In fulfilment of the capitalisation policy, Gamma and Beta went public and listed on the Nigerian Stock Exchange to recapitalise. In the process, Beta acquired and merged with another bank to emerge stronger as a bank with greater capacity to drive its domestic and international agenda (Beta_g2 December 2015). Re-capitalisation also substantially strengthened Beta and Gamma's capability to engage in rapid expansion and support other sectors of the Nigerian economy (Gamma_g2 December 2015; Beta_g3 February 2016).

6.3.1.3 Home market specific factors and domestic expansion

Home country specific factors, such as resource endowments and a favourable domestic business environment, enabled the firms to develop their specific advantages (Elango and Patnaik, 2007). The research data indicates that domestic growth and home market factors played a key role in the Nigerian firms' growth, expansion and the accumulation of their specific advantages. Such factors include a large domestic market, population size, economic/GDP/sectorial growth, their geographical regional location, a stable business environment, home market profitability and natural resources endowment. The home market specific factors strengthened the firms' specific advantages, in terms of their resources and capabilities to embark on rapid domestic growth and foreign expansion.

The companies' ability to embark on rapid domestic expansion was also heightened due to the stable political environment, emerging middle class, strengthened financial sector and strong competitive business environment. The experience acquired internally in the Nigerian domestic market was advantageous for the case companies to build their capability, which translated into competitive advantages, both at home and abroad. Their domestic experience enabled the companies to approach international markets in an informed manner (Beta_g2 December 2015). Other domestic factors included a housing deficit and infrastructural development, both in the private and public sector. The regional geographical location of the Nigerian market was also a factor in the domestic expansion of the firms. For Alpha, natural resources endowments, its labour force and rapid urbanisation, were all determinants of the firm's expansion process (Alpha_g2 September 2015).

Table 6.2 summarises the home country factors which impacted on firms' domestic expansion.

Table 6. 2: Comparison of home country factors impacting on firms' domestic expansion

Home Country Factor	Alpha	Beta	Gamma	Delta
Deregulation/Economic policy	√	√	√	√
Economic growth	√	√	√	√
Recapitalisation policy		√	√	
BIP Policy	√			
Stable political environment	√	√	√	√
Large population/market size	√	√	√	√
Emerging middle class	√	√	√	
Profitable home market	√	√	√	√
Country Geo-location	√	√	√	√
Sectoral growth	√	√	√	√
Natural resources endowment	√			
Infrastructural dev/urbanization	√	√		
Strengthened financial sector	√	√	√	√
Strong Competitive environment		√	√	√

Source: Research Data

6.3.2 Firm specific factors impacting on the case firms' domestic expansion

Institutional and home factor markets may help companies to capture profitable economic opportunities in line with previous study (Hoskisson et al., 2013). However, these factors do not have an impact in isolation. The companies' ability to have developed a strategy to capture and take advantage of the emerging opportunities in a market was a factor in the domestic growth. The firms' specific advantages were derived from various internal and external sources, such as management know-how, market capitalisation, merger and acquisition (M&A), extensive market knowledge, market/sector experience, strong brands, reputation and firm size. Other factors include innovation, financial and physical assets, human resources skills, network relationships, distribution skills, technological know-how and organisation structure. These factors were also a source of competitive advantage for the firms, because they enabled them to harness their resources and capabilities to become large domestic firms.

6.3.2.1 Expansion and growth strategy

The country's business environment in the early 2000s transformed the case companies' managerial orientation, vision, business strategy and ownership structure. There was also a transformation in the firms' behaviour, influenced by external factors, such as emerging opportunities and an increasingly competitive business environment.

The pre-internationalisation phase of firms needs to be understood in order to know where the learning process of the firms' internationalisation process begins (Tan et al., 2007). Such an understanding may provide an explanation of the firms' subsequent decisions early in their internationalisation phase. Although, all the firms, had been established as small private companies, they took further steps to transition from being private companies to becoming public limited liability companies, then went public to recapitalise and were subsequently listed on the Nigerian Stock Exchange. All the cases, except Gamma, had used M&A as an expansion strategy in the domestic market, but a private equity fund acquired a stake in Gamma in their pre-international stage.

This may as well have had an impact on the internationalisation strategic approach of the firms, because Alpha and Beta used M&A as entry strategies into foreign markets where the opportunities were present. As a result, the domestic experience of the M&A growth strategy was a learning process and a subsequent impact factor in the decision of both firms to enter international markets through M&A. This is an example of how what happened in a firm's pre-internationalisation phase in the domestic market can have an influence on its subsequent internationalisation pattern and strategy. This was central to a decision that triggered Beta's internationalisation into the UK market and that of Alpha into the South African market.

The firms' specific growth strategies also altered the companies' ownership structure and reputation by becoming public liability companies. Re-capitalisation, for instance, strengthened the companies' brand image, size, resources, and capabilities, as well as their competitive advantage. This is because the firms were able to leverage their underlying advantages and strengths to become market leaders with intensified rapid domestic expansion. Alpha, for example, embarked on domestic production, built new factories and expanded existing ones to achieve economies of scale and scope. In addition, Alpha's effective distribution network model enabled goods to be delivered to (or closer to) customers across the country, enabling the firm to overcome the distribution and logistics constraints in the country in order to obtain a competitive edge in the market.

6.3.3.2 Domestic knowledge and experience

The case firms' business operations were domestically focused at the beginning. As a result, the firms developed and accumulated local market knowledge and experience (Blomstermo et al., 2004; Cavusgil, 1980; Johanson & Vahlne, 1977; Meyer & Thaijongrak, 2013). The domestic market experience also helped the firms to identify emerging business opportunities and develop growth strategies that resulted in the firms' physical and financial growth, with other specific advantages such as brand name and image, competencies and innovations. The contemporary nature of the Nigerian business context means that the case firms evolved during the country's economic evolution and development. At the same time, the companies also developed the know-how to navigate the difficult local business environment, utilising their first mover advantage in their respective business sectors.

The interviewees affirmed that the firms' knowledge and experience of doing business in the complex Nigerian market had prepared them to strategically approach the home and foreign markets. Alpha, for example, became a large importer of cement and subsequently became the largest cement producer, with a near monopolistic position in its market in 2014. Delta, on the other hand, was one of the first local IT firms in the country. Having a range of corporate clients, Delta evolved with the sectorial growth in the country as a result gained domestic market knowledge, sectorial knowledge and experience. Beta and Gamma's many years of doing business in the local market and consequent knowledge of the regional markets have been an advantage in their growth process.

6.3.3.3 Quality products and services/brand image/reputation/recognition

The case companies achieved a reputable brand image through the offering of high quality differentiated products and services with value-added services. Alpha's cement brand, for example, became a household name in the country, due to its high product quality, competitive pricing and its supply chain model. Beta's innovative bank products and services, such as online, mobile banking and mobile money enhanced its brand and image. Delta's technological competencies, with its ability to manage organisations' high-end IT infrastructure platforms, enhanced the company's growth process. Gamma has the ability to underwrite insurance, as well as to develop a client program.

The companies have exploited their familiarity with the local market, the needs of their consumers, their capital markets and labour markets, and developed customised products and services to meet the idiosyncratic needs of the Nigerian market and its consumers. For example, Alpha's products are specific to the needs of Nigeria's tropical weather (i.e. heavy rain) and Beta's innovative bank products and services are specific to the technological needs of the Nigerian and regional markets. These factors were also a significant factor which influenced the subsequent internationalisation pattern of the firms in the SSA regional market and are a limitation to markets outside Africa.

In an effort to improve the companies' brand image and reputation and be recognised for their moral leadership as socially responsible firms, all the firms have engaged in various social initiatives in Nigeria. Alpha, for example, is known for its community development initiatives, humanitarian support and investment in education across the country. Beta's social initiatives include Capacity Development for Entrepreneurs, micro entrepreneurs and start-ups, empowerment training and awards for young entrepreneurs. Gamma's social initiatives are focused on health and education sponsorship programmes for children in need and Delta is involved in the educational, technical and intellectual development of the ICT sector. Through these initiatives, the case companies have gained positive media coverage, resulting in improved reputation and brand recognition.

6.3.3.4 Resources/capabilities

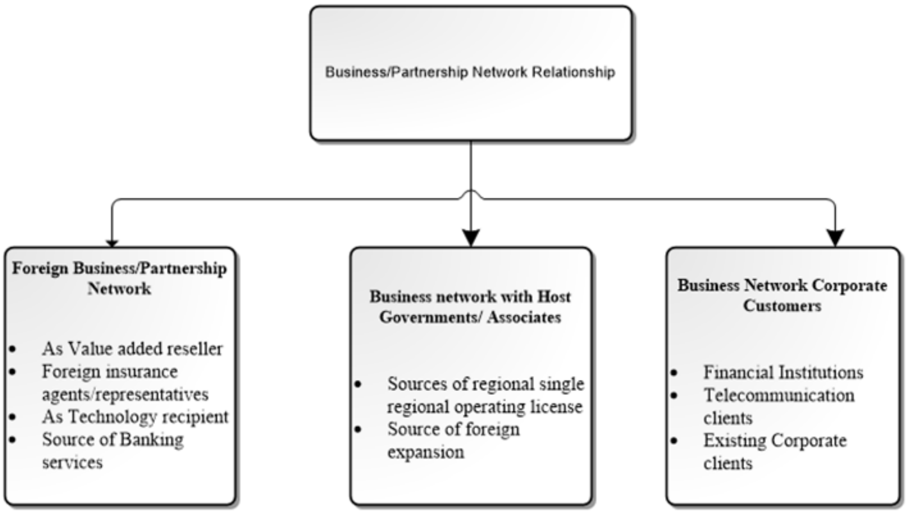
The shortage of highly skilled and talented employees remains a problem in Nigeria. In an attempt to mitigate skills disadvantages, all the case companies invested in development and training centres. Alpha established staff development programmes for vocational and technical skills and managerial competencies, while Delta has an IT training division and centres as part of the organisation. Beta has developed training and development programs for its staff, while Gamma's annual client development programme addresses the insurance training needs of staff, agents and associates to advance re-insurance skills and sectorial growth. These developmental programmes have enhanced the firms' resources, in terms of highly skilled human resources and the capabilities of the organisations to efficiently and effectively deliver their services with high competencies. The resources and capabilities of the firms have also eased the disadvantages of doing business in a weak institution and complex market environment, by approaching the market from a strong strategic position.

6.3.3.5 Business network relationships

A network is a conduit in the internationalisation process model (Johanson & Mattsson, 1988). Beta, Gamma and Delta utilised business network relationships in their domestic growth process. In an imperfect market such as Nigeria, network strategies are often used whilst designing and implementing firms' growth strategies. Network relationships played a large part in Delta's formation, because the firm was established by a network of friends and colleagues. Delta's business network relationship with foreign IT firms was also a source of knowledge of technological advantage that allowed it to become a regional value-added reseller and a preferred trainer for various international IT firms. Delta's business relationship with large corporate domestic clients was a source of motivation for the firm's foreign expansion, and technological partnerships enabled both Delta and Beta to create and build new capabilities, innovation and technological competencies. This is in line with previous studies, which show that a firm's network relationships enable it to enhance its resources, capabilities, knowledge and technological advantage (Amal et al., 2013; Dunning, 1988; Johanson & Vahlne, 1977; Polesello et al., 2012; Rugman & Collinson, 2012).

Figure 6.1 summarises the types of individual network relationships deployed by the case companies.

Figure 6. 2: Business/network relationships of the four case companies



Source: Research data

6.3.3.6 Innovation and technology

Through innovation and technology, Delta was able to deliver new technology and incorporate technology for the service needs of local customers. This enabled Delta's various customers, such as banks, telecommunication and energy companies, to become more efficient and innovative in their service delivery. Beta as a bank delivered cutting edge banking services and differentiated products, offering products and services such as mobile money and Y'ello accounts to customers. Alpha achieved efficiency and economies of scale and scope through investment and the adoption of modern production technology. This is atypical of many African manufacturing firms that are plagued with poor production performance. Alpha also invested in power generation to mitigate erratic and shortages of power supply to reduce production downtime in order to enhance efficiency, domestic growth and competitive advantage.

6.3.3.7 Managerial vision and know-how

Entrepreneurial ability, managerial orientation and the management's vision to become a large domestic player have reinforced the firms' evolving strategic focus to be successful in achieving their growth objectives and long term sustainability. The companies are managed by diversified, experienced management teams and this has been an advantage for them. The firms' knowledge of the dynamic local business context has also been an advantage in their growth strategies to manoeuvre through a complex domestic market. For instance, all the firms went public and raised funds by listing on the Nigerian Stock Exchange in order to increase their market capitalisation.

6.3.3.8 First mover advantage

The case companies have used their first mover advantage of experiential domestic market knowledge for their growth advantage. More specifically, the companies exploited their domestic market positions as early movers in their respective industry/sector to give them enough time to sufficiently build and accumulate market and industry knowledge and experience to increase their efficiency and competitive advantage.

Table 6.3 summarises the firm factors impacting the companies' domestic growth.

Table 6. 3: Firm factors impacting the case companies' domestic growth

Firm Specific Factor	Alpha	Beta	Gamma	Delt
Early mover advantage	√	√	√	√
Market Knowledge and experience	√	√	√	√
Going public/Market capitalization/Stock Listing	√	√	√	√
Merger and Acquisition	√	√		√
Size, resources and capabilities	√	√	√	√
Inward investment strategy	√	√	√	
Network/business relationship		√	√	√
Quality products/services, brand, image and reputation	√	√	√	√
Sectorial growth	√	√	√	√
Innovation and Technology	√			
Managerial vision/know-how				

Source: Research data

6.4 Internationalisation Motivation and Location Patterns

This section compares the internationalisation motivation of the case companies' internationalisation and their location patterns. The case companies were motivated by three key factors, which are grouped into home country specific factors, firm specific factors and regional/host market factors. In other words, the firms were driven to internationalise to leverage their specific firm-level advantages and home country advantages in a foreign market (Johanson and Vahlne, 1977; 1990; Dunning, 1988).

All the case companies seem to have a common sequence in their internationalisation process, but dissimilarities are evident in the case of Alpha, a manufacturing company. The case companies were all large private companies in leading market positions in the domestic market prior to their internationalisation. The case firms were also among the first to internationalise in their respective sectors. Alpha was the only company listed on the Nigerian Stock Exchange before embarking on foreign production. Beta, Gamma and Delta only listed on the stock market after their first foreign subsidiaries were established.

The pace of internationalisation is relevant for all firms, both traditional and those born global (Tan et al., 2007). Firm level characteristics and industry characteristics are, however, prominent explanations of the speed in the internationalisation of firms born global versus the traditional (slow) internationalisation path. Born global multinational firms internationalise very quickly after their establishment compared to traditional firms, which take a gradual approach to internationalisation. Both traditional and born global firms experience a similar learning process through their pre-internationalisation phase. Firms' readiness to internationalise is mostly linked to the pre-internationalisation phase as a learning stage (Tan et al., 2007). The born global firms' readiness level to internationalise is generally higher than that of traditional firms. Their learning process is also much shorter, due to the short time it takes to internationalise after having been established as a multinational firm (Tan et al., 2007; Vanninen et al., 2017). The thesis observation reflects a different pace and scope for the internationalisation process of the four Nigerian multinational firms studied. Although some of the firms expanded quickly, while others were slower once their internationalisation began, none of them fit the description of born global firms, because they all possess the features, pace and speed of traditional firms.

The manufacturing firm studied (Alpha) was slower to internationalise, but the pace of its internationalisation was faster than that of the other case companies. The differences in internationalisation speed are attributed to the timing of external events. The firms' exposure to external factors in the domestic business environment, such as the transition to democratic rule and business and market opportunities, triggered Alpha's readiness to internationalise. The firms' motivation to internationalise was both reactive and opportunistic and utilised the strategic proactive decision making of its executives, which is consistent with previous research (Vanninen et al., 2017). The delay in the internationalisation of the manufacturing firm was due to the level of import dependence in the Nigerian market. As a result, internationalisation was delayed.

However, all the firms' internationalisation processes seem to contradict the Uppsala model's notion that firms will internationalise first through exporting, before establishing foreign subsidiaries. Prior to their internationalisation, the case companies had all engaged in some form of international business activities. In the case of Alpha, its first international experience was as an importer, rather than as an exporter - before domestic production and subsequently foreign production. The other three companies (Beta, Gamma and Delta) also had some international experience distinct from exporting, before establishing foreign subsidiaries. Delta's experience was as a value-added reseller and a regional representative for several international IT firms, which had undertaken large contracts in the region prior to establishing its first foreign subsidiary. Beta's experience was gained primarily through international correspondence banks' relationships and Gamma had underwritten insurance in foreign markets through foreign partners/affiliates (Chapter 5). Delta gained much experience through partnerships with various international IT firms A gradual perspective facilitated the international learning process of all the firms at the early stage of their internationalisation, except for Alpha (Johanson & Mattsson, 1988; Johanson & Vahlne, 1990). Alpha's internationalisation was aggressive after its first subsidiary had been established, which contradicts the Uppsala model's notion of a gradual process.

6.4.1 Home country factors

The home country specific factors which influenced the firms' domestic expansion are grouped into institutional and market factors (Table 6.2). These factors were also a motivation for the case firms' internationalisation and location patterns. The economic policy of deregulation in Nigeria was responsible for the acceleration of Nigerian firms' internationalisation, which is in line with the extant literature, which suggests a policy of deregulation in emerging markets in the last two decades is responsible for the acceleration of EMNCs' internationalisation (Athreye & Kapur, 2009; Cyrino et al., 2010; Deng, 2012a; Gammeltoft, Barnard, et al., 2010; Gaur & Kumar, 2014; Olaya et al., 2012; Sim, 2005; Verhoef, 2011).

The delay in the internationalisation process of Nigerian firms prior to 2000 is attributed to a large number of government restrictions and regulations that protected Nigerian firms from internationalisation (Chapters 2, 4 and 5). The open economic policies adopted in Nigeria in the early 2000s resulted in economic growth and firm level growth opportunities in Nigeria. This also created an opportunity for Nigerian firms to emerge as large domestic entities, which fostered increased regional business activities and cross-border business relationships (Amungo in Adeleye et al., 2016, pp. 69-98; Boojihawon & Acholonu, 2013; Alpha_g2 September 2015; Beta_g3 February 2016; Gamma_g2 December 2015). For example, the deregulation of the banking sector in 2001 motivated Beta to establish its first foreign subsidiary and explore foreign growth opportunities that were previously impossible (Beta_g3 February 2016). The policy of deregulation also created a business enabling environment, which strengthened the firms' abilities to expand their operations beyond Nigeria, especially in the financial services, manufacturing and ICT sectors, which impacted positively on Gamma's, Delta's and Alpha's motivation for internationalisation.

The Government's Backward Integration Policy (BIP) fostered the transition of Alpha from an importer to a domestic manufacturer and subsequently motivated it to embark on foreign production. Home country advantage, such as the natural resource endowment of Nigeria, was a specific advantage for Alpha as a cement manufacturer (Alpha_g2 September 2015). The favourable domestic business environment, competitive business environment, large domestic market, domestic economic growth and home market profitability helped all the firms to internationalise. These factors enabled the firms to acquire and accumulate the resources and capabilities, which provided the motivation, drive and strength for them to internationalise.

The case firms were also driven to internationalise with a view to leveraging their home country advantage in the region, such as home geographical location as a regional economic powerhouse, existing customer bases, sectorial growth, and knowledge and experience. This is consistent with previous studies that have identifies that home country advantage will motivate firms to internationalise (Deng, 2004; Fortanier & Tulder, 2009; Rugman & Li, 2007). This finding suggests that the successful recapitalisation and consolidation in 2004/2005 strengthened the capabilities of Beta and Gamma for further international expansion, since both firms had already established foreign subsidiaries prior to the recapitalisation regulations.

Doing business in such a complex domestic market as Nigeria enabled the firms to build their capabilities and knowledge in the home market prior to internationalisation. This might be one of the reasons why Nigerian firms were not able to go outside Africa, since domestic market experience related advantages are by definition, mostly useful in other African countries. Such knowledge and capabilities translated to success in other countries in the region.

Table 6.4 summarises home country factors that have impacted the Nigerian firms' motivation for internationalisation.

Table 6. 4: Home country motivations' for internationalisation

Home Country/Market Factors	Alpha	Beta	Gamma	Delta
Economic policy and deregulation	√	√	√	√
Sectorial deregulation	√	√		
Recapitalisation/consolidation policy		√	√	
Sectorial growth	√	√	√	√
Market size/market profitability	√	√	√	√
Domestic competitive environment				
Strengthened financial sector	√	√	√	√
Home market regional position	√	√	√	√
Economic/GDP growth	√	√	√	√
Regional economic integration	√	√		

Source: Research Data

6.4.2 Firm specific advantages

The case firms' specific advantages of market knowledge, sectorial experience and resources were a determining factor in the firms' internationalisation and location patterns. Delta and Beta's specific advantages were derived from innovation, technology and network/partner relationships, which are both internal and external sources of advantage. The firms were large domestic firms, and as a result, had the capability and know-how to engage in capital intensive internationalisation. For example, Alpha had completed several large production projects in the domestic market by building the single largest cement factory in SSA. Beta had a network of bank branches across Nigeria, with the ability to service international customers. The case companies were all strong in human and financial resources (Chapter 5).

These specific advantages had strengthened the firms' competitive advantage and their motivation to seek market and growth opportunities in a foreign market, because the firms had perceived their ability to exploit and explore their specific advantage in the regional market. In the case of Alpha, its ownership advantages included production efficiency, economies of scale and scope and a distributive network model.

The strong market position of the case firms in the domestic market was also a motivating factor for their internationalisation. This finding supports previous studies, which suggest that firms with a strong market position in the domestic market are motivated to internationalise (Johanson et al., 2009). The market/sectorial experience and knowledge gained in the home country market enabled the case companies to develop the know-how to overcome the difficulty associated with doing business in Africa. The sectorial knowledge and experience gained in the domestic market were also crucial in the companies' successful internationalisation. Moreover, internationalisation was also vital to the firm's competitive advantage and sustainability, because international business is different from operating in the domestic market.

The case companies internationalised to utilise their competitive strengths in terms of their large size, financial resources and skill capabilities towards internationalisation, which is consistent with previous studies (Barney, 1991; Dunning, 1988, 2002; Kumar & McLeod, 1981; Wernerfelt, 1984, 1995). The study found that the case companies' management vision, know-how, managerial orientation and experience was a motivation for the firms to exploit and explore their entrepreneurial capabilities, marketing and managerial skills in the international market. This is because internationalisation enabled firms to exploit the managerial capabilities that would remain underutilised in the domestic market. This is in line with previous studies, in which managerial, strategic orientation and experience were found to influence the motivation for the internationalisation of Kenyan small manufacturing firms (Matanda, 2012). For instance, the case companies' management and founders were all educated in renowned educational institutions in both Nigeria and abroad with many years' experience of doing business both domestically and internationally.

However, the case firms were privileged to have access to capital resources, either through ROI or market capitalisation. Such opportunities and access to critical resources are believed to be lacking in most SSA economies. The firms' resources and capacities were harnessed to formulate a foreign expansion strategy in order to achieve internationalisation success and sustainable competitive advantage.

Table 6.5 summarises the firm specific advantages which contributed to their internationalisation.

Table 6. 5: Firm specific advantages

Specific Advantage	Alpha	Beta	Gamma	Delta
Financial and physical assets, size, human resources and capabilities	√	√	√	√
Management know-how	√	√	√	√
Sector/market knowledge and experience	√	√	√	√
Brand image, reputation, high-quality products and services	√	√	√	√
Competitive advantage	√	√	√	√
Distributive network	√			
Production efficiency	√			
Home market factors	√	√	√	√
Technology and Innovation		√		√
Network/Business relationship		√	√	√
Economies of scale	√			
Economies of scope	√	√	√	√
Proactive/Process				√

Source; Research data

6.4.3 Host Market /regional factors/ location proximity factors

Sub-Saharan African economic environment reflects the diversity of many African markets in terms of political systems, resources, economic structures and culture (Ajen, 2016; Initiative for Global Development & Development, 2011). As a result, Nigerian firms' internationalisation motivations and location strategy were impacted by host/regional market specific factors, especially since the case companies internationalised mostly in the SSA region. The host market factors included regional market growth, growth opportunities, growth potential and the size of the single regional market of ECOWAS. Other host market factors included existing clients' base business interests in foreign locations. The companies had all internationalised first to close proximity markets. Moreover, a regional investment strategy was adopted because of the perceived SSA regional market as a "future growth frontier".

Regional economic integration was a motivating factor in the early internationalisation of all the companies, except for Gamma, which internationalised first in the Central Africa region (Beta_g2 December 2015; Beta_g3 February 2016). In particular, the Economic Community of West African States (ECOWAS), with a combined population of over three hundred million people, presented the firms with an opportunity to access a large regional market. The case companies, except for Gamma, all internationalised first in the ECOWAS regional trading block. This is consistent with previous studies, which suggest that EMNCs would internationalise first in their home region before other markets (Cui & Jiang, 2009; Cyrino et al., 2010; Gammeltoft, Barnard, et al., 2010; Meyer, 2004). From this perspective, regional integration becomes a driving force for internationalisation, since it relates to closeness in economies, a common market, and even politics. The case companies were also driven to internationalise in order to redress any competitive disadvantage that would result from not investing in the regional market in the long term.

The geographical proximity of the host market, rather than its psychic distance, was found to be responsible for all the case firms' internationalisation patterns at an early stage. The four companies began their internationalisation in close proximity countries in which their firm specific advantages (which had been developed in the domestic market) could be utilised for competitive advantage. Alpha and Delta, for example, first established subsidiaries in the Anglophone West African country of Ghana. Beta's internationalisation started from the Francophone West African country of Benin, while Gamma's internationalisation started from the Francophone Central African country of Cameroon. All of the case companies, except Gamma, invested in the immediate region of West Africa. Gamma was the only company that first internationalised to the Central African country of Cameroon. Even so, Cameroon has a direct national border with Nigeria. The findings show that such a foreign investment strategy to close proximity regional markets or low psychic distance markets was, by all means, a strategic intent by the firms to expand in their region to allow for experiential knowledge regarding internationalisation. Gamma's internationalisation to the Francophone region at an early stage was in anticipation of breaking the language barriers with Nigeria as an English speaking country in the Francophone SSA regional markets.

Alpha's internationalisation was aggressive in comparison to that of the other three case firms, because the firm simultaneously increased its presence in West Africa as it expanded to Central, Southern and East African regional markets before internationalising to Nepal (Asia). Beta's subsequent investment was focused on Francophone West Africa, before internationalising to the United Kingdom. Delta subsequently internationalised to East and Central Africa, while Gamma internationalised subsequently to Francophone West Africa, East Africa, Southern Africa and North Africa.

The data evidence shows that all the case companies showed a strong preference for nearby locations in West Africa and Central Africa before investing in other SSA countries. Previous studies of Nigerian banks suggest that Nigerian firms are likely to invest in Anglophone West

African countries at the initial stage (Boojihawon & Acholonu, 2013). The internationalisation of Beta as a Nigerian bank contradicts the above notion, because Beta's internationalisation was focused mainly in the Francophone West African (WAEMU) countries. The motivation of the firms to internationalise in the region was not limited to their existing customer base in the region, but was as a result of their network base, as well as their easy access to the international market.

Therefore, it was natural that three of the case companies had started their internationalisation in the ECOWAS region, while only Gamma's initial foreign expansion was into Central Africa, because of the viability of the insurance sector in that particular market (Figures 5.6, 5.9, 5.17 and 5.24 highlights the firms' expansion timelines).

Perceived regional market knowledge was a factor in the internationalisation and the investment patterns of the case firms at the early stage of their internationalisation, in line with previous studies (Banalieva & Santoro, 2009; Elango, 1998; Elango & Pattnaik, 2007; Johanson & Vahlne, 1977, 1990; Johanson et al., 2009). Despite taking a regional approach to internationalisation, the companies were still confronted with constraints in the regional markets in terms of understanding the market, political circumstances, institutional systems, structural and infrastructure disadvantages and communication impediments. The language differences were found to be barriers inhibiting communication by the firms, especially for Delta and Gamma, once they had entered the Cameroonian market. As a result, Gamma spent money, time and effort in French and English language training competencies for staff, both in its headquarters and in its Cameroon subsidiary.

Operating as a Nigerian English speaking company within Ghana, an English speaking country, was difficult because there were still many issues affecting Nigerian businesses there (Delta_g1 April 2016). The realisation that the business environment and labour laws of Benin were different from those which had been anticipated slowed the pace of Beta's subsequent internationalisation. The delay observed in Beta's internationalisation after the bank established its first foreign subsidiary between 2001 and 2011 was due in part to various unexpected constraints observed in the host market, which impeded the firm's further foreign expansion. Such constraints included a lack of experience in approaching the foreign market at an early stage; returns were not quite as attractive as had been forecasted (Beta_g2 December 2015). The lack of local knowledge due to differences in business culture and work ethic was a challenge to the bank. Moreover, the negative local attitudes towards Nigerian expatriates, was a problem for Delta in Ghana. The complex labour laws, along with underdeveloped telecommunication services, were a problem for Beta and Delta. For instance, a foreign company cannot lay-off under-performing staff in Benin without securing approval from local regulatory authorities, which in most cases is likely to be refused. Such regulations were detrimental to the bank's quality of service delivery, and on top of that, there were limits to how many expatriates the bank could bring from the home country to work in the subsidiary.

These negative factors hampered rapid further foreign expansion, which in turn forced the firms to make an adjustment to their subsequent internationalisation. The findings suggest, therefore, that the early internationalisation of the Nigerian firms in the region was due to an experiential learning curve. Even though Beta, Gamma and Delta thought that domestic knowledge would be an advantage in the regional market locations, this turned out not to be the case. This is an indication that understanding the host local market, even within the same regional market, is an important factor to consider for an internationalising firm. The cases of Beta, Delta and Gamma therefore contradict the psychic distance notion of factors, such as language differences, that inhibit the flow of information between businesses and markets (Johanson and Valhne, 1977; ibid, 1990). Moreover, the greater the psychic distance the less likely that a country will be selected as a target market (Tan et al., 2007).

The firms' international expansion has grown beyond the immediate proximity countries' boundaries in the region, and continues to broaden into SSA regional markets with greater physical proximity distance. However, Alpha and Beta are the only firms with subsidiaries outside Africa. Beta was the only firm with a subsidiary in a developed economy, i.e. in the UK. Beta's strategy to invest in the UK market was geared toward specific niche trade related transaction services for its large corporate customers (more like an investment bank), which is different to the strategic approach adopted by retail banks in the WAEMU region (Beta_g2 December 2015 and Beta_g3, February 2016). The strategy was different in the UK, because the bank lacked the resources, in terms of size and capabilities, to compete as a retail bank in a developed economy. Moreover, Beta's investment as a retail bank in an advanced economy would have faced difficulties due to a lack of resource advantages to navigate such a market. This would ultimately have led to potential losses and an exit from the UK market, because the market is saturated with limited growth and expansion prospects for market entry by any new banks, let alone a Nigerian bank. This implies that the resources of an organisation are relative to the country of origin and the relative resources are a key determinant of the firm's investment location and pattern of firms. Market saturation in advanced markets was also identified by Alpha as one of the reasons why the firm's foreign expansion was mostly focused on African countries.

6.4.4 Market/efficiency/resources seeking

It is evident that market seeking and location attractiveness was a determinant of the foreign expansion of all the companies, which is consistent with Dunning (1988). The existence of ECOWAS, with sixteen member countries, boosted the regional economic size and enhanced competition (Gupta, 2015). Rapid urbanisation, population growth and ongoing infrastructural development in the SSA, which created an investment opportunity, was buttressed by Alpha as a motivation for internationalisation. Besides the positive macroeconomic indicators in the host markets, return on equity and regional integration was a motive for all the case companies to seek market opportunities in the region. This finding supports previous studies that stipulate that market seeking was a significant motivation for firms' internationalisation (Amal et al., 2013; Athreye & Kapur, 2009; Aulakh, 2007; Bianchi, 2014; Dunning, 2002). Efficiency and resources seeking were significant motivating factors for the foreign investment pattern of Alpha as a production company seeking to invest in a market where the source of raw material can best be utilised efficiently (Dunning, 1988, 2002). Efficiency and a resources seeking motivation allowed Alpha to efficiently utilise its production, transportation, distribution and logistics process advantages. This is contrary to the assertion that large plants are not economically viable in a developing economy (Kumar, 1982).

However, the case companies internationalised to a market where their specific advantages could be best utilised and exploited. For example, Beta established a retail bank in several countries in the region, while Gamma underwrote insurance in several markets across Africa. Beta's location pattern was driven by the markets in which the bank could derive a value for its products and services. Alpha exploited its strong production capability in the regional market by first venturing into the ECOWAS markets.

The growing technological demand and the need to create value-added services for customers in the SSA region were motivations for Delta's internationalisation. For Alpha, a host market is an attractive investment location if it has high product demand, a deficit in cement production, rapid economic growth, rapid urbanisation, high cement import reliance, a housing deficit, and infrastructure development. It was understandable that the firms were motivated to invest in the SSA region because of the increased regional investment trend in SSA or Pan-African strategy, since regional firms began to identify investment opportunities in the region. The pro-market reforms taking place in the regions became a pull factor for the case companies to seek opportunistic market opportunities in the region or leverage their home country advantage for internationalisation. In the midst of the market opportunities and growth potential in the SSA region, Nigerian firms were driven to seek investment opportunities in the region as a long term competitive strategy.

6.4.5 Existing customers

The need to follow and be closer to customers in foreign markets was found to be a motivation and location determinant for the internationalisation of all the firms, except for Alpha. Beta internationalised first in Benin because of its increased business operations and the presence of its existing clients. Gamma, on the other hand, had invested in several countries to be close to clients, with a view to localise its business niche area (Beta_g2 December 2015; Gamma_g2 December 2015; Delta_g1 April 2016). Such a foreign internationalisation motivation was due to investment opportunities that are industry specific, market specific and customer specific. Such an investment approach demonstrated how the sector and existing customers can shape the foreign expansion strategy of a firm.

6.4.6 Nature of business

The sectorial characteristics and the nature of the re-insurance business, in conjunction with its diversified business and customer base, was the motive for Gamma's foreign expansion to internationalise in markets with a strong insurance sector (Gamma_g2, December 2015; Gamma website). The sectorial characteristics of ICT firms were factors that enabled Delta to follow its corporate customers, in telecommunication firms and banks, to foreign markets. Such internationalisation enabled Delta to provide services in the internationalisation market, similar to those which were being provided in the domestic market, in order to create value- added services for their existing customers (Delta_g1 April 2016). This shows that an increase in internationalisation in one sector of the economy may motivate firms from other sectors to follow their clients to the foreign market. This finding is consistent with a previous study in which the nature of a business facilitated the internationalisation patterns of Chilean firms (Bianchi, 2014).

However, the viability of the insurance sector in a host market was an internationalisation facilitator for Gamma, while ease of doing business in a country was a significant motivation for all the companies. Market accessibility was a motivation for Gamma and Delta's location patterns. Alpha, on the other hand, internalised its investment to mitigate the transportation and logistics costs associated with bulk cement. Investment incentives, such as tariff reductions and tax breaks for foreign investors were a motivation for internationalisation.

6.4.7 Business network relationships

The company's executives emphasised the importance of developing good business networks/relationships as a motivation for their internationalisation and location patterns. The network/business relationships provided the companies with access to critical resources such as technology, knowledge, innovation, market opportunities and relationship based resources, which were vital and instrumental in the success of the case companies' internationalisation. This finding is in line with extant studies, which suggest that firms are motivated to internationalise due to network/business relationships (Ahmad, 2006; Amal et al., 2013; Bianchi, 2014; Frost, 2004; Johanson & Mattsson, 1988; Johanson & Vahlne, 1990; Luo & Tung, 2007; Meyer & Thaijongrak, 2013; Wu & Sia, 2002; Yiu, Lau, & Bruton, 2007). Network/technological partnerships influenced Delta to create and build new capabilities for internationalisation. Business relationships with corporate clients were found to be a motivation for Beta's UK expansion. The long-term business relationships developed with corporate customers over the years was a motivation for Delta to follow its corporate customers abroad. Delta leveraged its sectorial knowledge and network relationships to partner with various firms and institutions across 28 African countries to deliver IT services internationally (Delta documentation and website).

Business networks created access to international markets for the case companies. As a result, the firms were motivated to internationalise in foreign locations with an existing network base, such as the internationalisation of Alpha in Nepal. The latter was due to the company's network ties, with a high level Indian management team within the firm in their later internationalisation. As such the location was a good cultural fit with the firm and its business model. In the case of Beta, network relationships were especially helpful in its acquisition of a multi-country single banking license in the WAEMU region and were also a motivation for Beta's UK expansion (Beta_g2 December 2015). In the case of Gamma, network/business relationships with foreign insurance agents, associates and partners played a key role in Gamma's internationalisation to be closer to customers in foreign markets. However, exploring the network/business relationships for foreign expansion opportunities is understandable, given the sectorial characteristics of Delta as a technology company, Beta as a bank and Gamma as a reinsurer. Business network/relationships with large corporate domestic customers and foreign IT firms did, however, translate to firm specific ownership advantages for growth and competitive advantage. However, the firms' early international experience is in line with the Uppsala model (traditional stages view), which claims that firms use network partners in the early stages of internationalisation.

6.4.8 Innovation and technology

The firms' innovative abilities, especially in the cases of Alpha, Beta and Delta, were a motivation that enhanced their specific advantages for internationalisation. Through innovations, Delta has continuously reinvented and evolved its business model from being an infrastructure company to managed IT services and then from cloud e-commerce platforms to become an international IT firm (Delta_g1 April 2016, Delta documentation and Website).

The technological know-how of Delta was an advantage for the company's drive to deliver such technological services to foreign markets. Beta's innovation and technology rests on its online and mobile platform products and services, which have enabled the bank to further internationalise with specific advantages. The efficient production capability of Alpha was also an advantage and was a motivation to expand internationally (Alpha_g2 September 2015; see Chapter 5).

6.4.9 Investment and risk diversification

The case companies were all driven to internationalise for the purpose of risk and investment diversification. Internationalisation was a way for the firms to mitigate any future risk, both in political, investment and market terms, which is in line with previous studies (Luo & Tung, 2007; Wright et al., 2005). The increased and intensified domestic competition, coupled with the perceived stable regional market environment, were driving factors behind the internationalisation of all the firms. The need to increase the firms' income base was a motivation for Beta, Gamma and Delta's internationalisation.

6.4.10 Strong regional presence/pan-African strategy

The need to have a strong regional presence as a competitive strategy was a motivation for the internationalisation of all the firms. In particular, it was a motivation for Alpha's and Gamma's Pan-African internationalisation strategy. The Pan-African strategic vision enhances a firm's ability to have a competitive edge in the long term and to create value for regional growth prospects. In other words, the Pan-African or Africa-to-Africa foreign expansion strategy of Nigerian firms is anticipated as a competitive strategy in the region, because the SSA region is seen as a future economic growth frontier. The emerging economic growth potential in SSA markets and the firm's vision to become a truly Pan-African company was responsible for and evident in Alpha's rapid and simultaneous internationalisation across the SSA region. The Pan-African strategy was also a determinant of the regional strategic approach of Gamma's internationalisation across Africa. The Pan-African investment strategy gave Gamma the opportunity to be present in all the geographical locations of Africa, in order to localise its niche market and be closer to customers.

All the companies were motivated to internationalise by seeking a diversified regional presence in Sub-Saharan Africa, in order to augment their competitive strategies. This is due to the increased Africa-to-Africa regional investment trend in SSA, since regional firms have began to identify investment opportunities, as well as use foreign investment, for regional economic development and growth.

6.4.11 Strategic location centrality

Alpha, Gamma and Delta invested in strategic central locations across SSA regions, with a view to gain access to their numerous customers in the region. The strategic location centrality of a host market to other nearby markets was a motivating factor in the case of Alpha and Gamma's investment strategy. In Alpha's case, the location centrality of a foreign market allows a host market to become an export base to other neighbouring countries (Chapter 5). Location centrality, as a motivation for internationalisation, was found to be a persistent theme, in the case firms. For instance, production factories in Ghana and Senegal were used as export markets to Mauritania, Mali, Burkina Faso, Mali, Liberia, and Sierra Leone. A firm could also mitigate the disadvantage of a lack of natural resources in some locations through the export of intermediary production inputs from Nigeria. The central location strategy for Alpha was also for efficiency purposes, because the company sought to improve local production deficits and infrastructure development in the region. The ability to site a production factory in a strategic location near a high demand centre to eliminate various inefficiencies in the production process and logistics processes was also important (Alpha_g2 August 2015; Alpha_g2 September 2016).

The location centrality strategy can be observed in the case of Gamma through its establishment of regional offices and subsidiaries in all the geo-political regions of the African continent. The location centrality of the host market and the viability of the insurance market was a motivating factor for Gamma's foreign investment pattern. Location centrality was important, because it allowed Gamma to service several markets and be closer to the customers in different countries in order to render better and greater value-added services.

The above finding shows that the location centrality of a host market with growth potential, the need to create local value and an international value chain within the region, were all key determinants of the location patterns of Alpha, Gamma and Delta. This was also exemplified by Delta's investment in Uganda, which had access to all East African markets. In the case of Alpha, the motivation to invest in Nepal (Asia) was said to be the same as the motivation for its SSA investment and location centrality; in this case, by using Nepal as a base to export into two large Indian states. The motivations for the internationalisation and the location pattern of the case companies are summarised in Table 6.6.

Table 6. 6: Host country motivations for internationalisation

Host Country Factors	Alpha	Beta	Gamma	Delta
Market opportunities/growth potential	√	√	√	√
Sectorial viability			√	
Ease of doing business		√	√	
Market accessibility				√
Investment incentives	√			
Location centrality	√		√	√
Existing customers/		√	√	√
Market size/market profitability	√	√	√	√
High products demand	√			
Natural resources	√			
Rapid urbanisation/Infrastructure development	√			
Economic/GDP growth	√	√	√	√
Regional economic integration	√	√		

Source: Research data

A cross case comparison of the factors motivating Africa-to-Africa internationalisation and Africa-to-outside internationalisation the motivation and factors impacting the location pattern are summarised in Table 6.7.

Table 6.7: Africa-to-Africa investment and Africa-to-outside Africa investment of the case firms

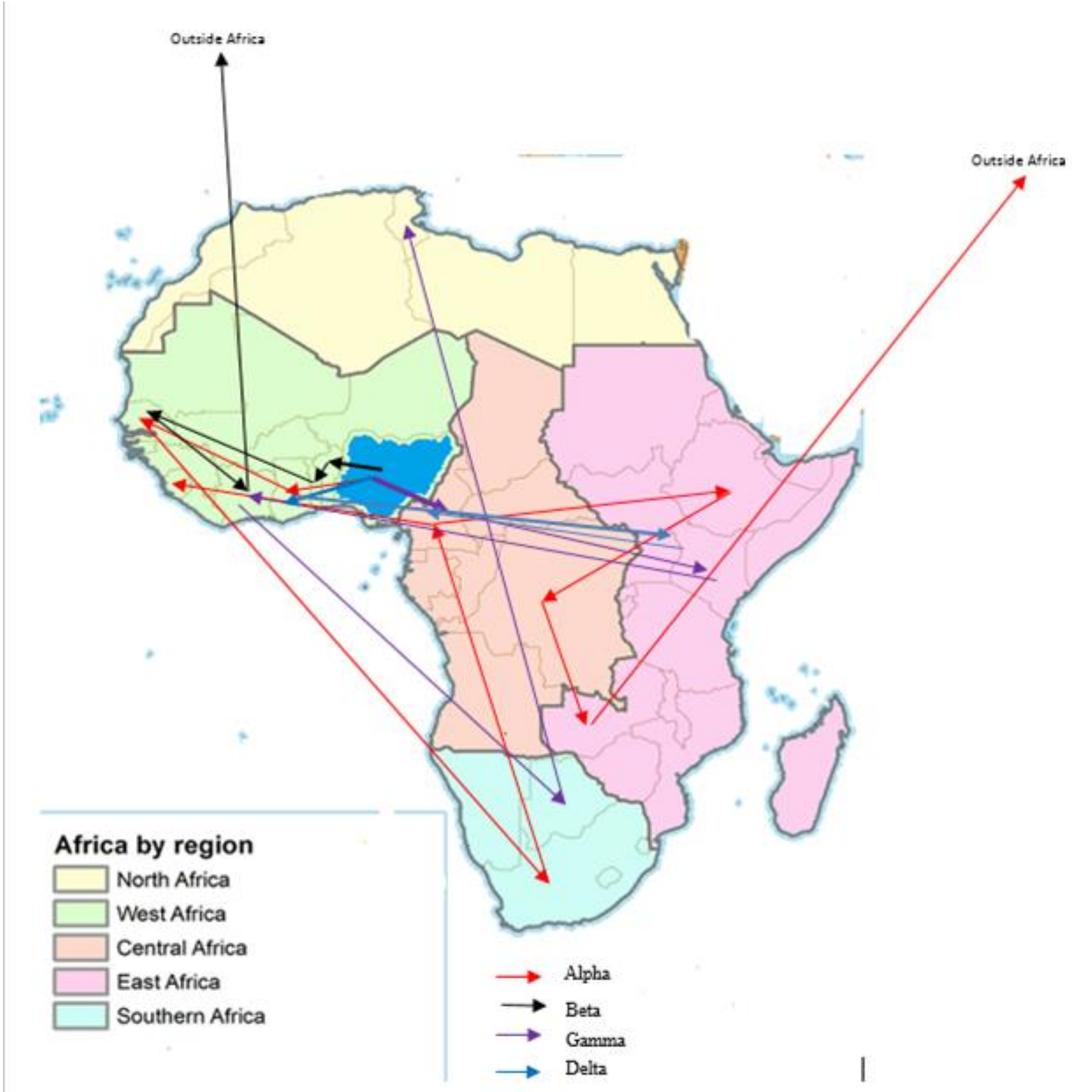
Africa-to-Africa Investment	Africa-to-outside Africa Investment
Business nature was a motivation for Beta, Gamma and Delta internationalisation	Business nature was not a motivation for outside Africa investment for any of the firms
Beta and Delta followed their customers to the regional markets	Beta followed its corporate client to the UK
Gamma internationalised to be closer to customers	None of the firms
Efficiency and resources seeking was a factor for market choice of Alpha as a manufacturer	Alpha internationalised to markets with availability of natural resources and proximity to countries with high demand centres was important
Market seeking was a motivation for all the firms	Market seeking was a factor for Alpha
The management vision and orientation to become an international firm was a motivation for the all the firms	Alpha and Beta management vision was a determinant in the outside Africa expansion
The firm's specific advantage was a factor for all the firm's motivation.	Alpha’s firm specific advantage at home was a factor for Nepal expansion
Location centrality was a factor for Alpha and Gamma’s location choice	Location centrality of Nepal to Indian market was a motivation for Alpha’s investment in Nepal
Alpha and Beta internationalised to create local value	None of the firms
Beta, Gamma and Delta were motivated to internationalised to create value added services to customers	Beta internationalised to create value added services to the corporate customers
Gamma’s motivation was to localise the business niche area in the regional market	This was not a motivation for any of the firms
All firms were motivated to internationalised for competitive strategy/ investment and risk diversification	Alpha and Beta internationalised as an investment and risk diversification strategy
Pan-African investment strategy was a motivation for Alpha, Gamma & Delta	This was not a motivation for any of the firms
The experience and knowledge in the domestic market motivated all the	Domestic experience was a factor and market compatibility was a factor for

firm's internationalisation	Alpha
Host market specific factors/regional factors were motivation for all the cases firms	Host market factor was a motivation for Alpha
To have a strong regional presence was a motivation for all the firms	This was not a motivation for any of the firms
Rapid urbanisation, population growth, and ongoing infrastructural development was a motivation for Alpha	None of the firms were motivated by these factors
Business Network relationship plays a role in Beta, Gamma and Delta's internationalisation	Cultural fit/business network relationship was a motivation for Nepal expansion

Source: Research data

The current location pattern of the case companies is shown in Figure 6.2

Figure 6. 3: The Internationalisation location pattern of the case firms



Source: Research data

6.5 Discussion in the context of the Research Objectives

Four research objectives were developed for this study. The first two objectives of the thesis were addressed through the empirical investigation and findings of the case studies. The third objective is theoretical and is addressed through the literature review and the empirical findings of this study. The last objective is addressed through the development of a conceptual framework developed based on the findings of the cross case analysis. The implications of the findings in relation to the research objectives are discussed below:

6.5.1 Theoretical implications of the research findings

The study draws on the Uppsala Model and the OLI eclectic model to investigate the internationalisation process of Nigerian (SSA) firms (Johanson and Vahlne, 1977 and 1990; Dunning, 1988, 2002). The study finds that the Uppsala model and the OLI eclectic paradigm can explain the internationalisation process of Nigeria firms to some extent. However, there are deviations from the model in terms of the processes of the case firms' internationalisation and specific ownership advantages that have impacted their internationalisation process.

The Nigerians firms' internationalisation deviates from the Uppsala model, because the case firms' preference is to internationalise in their region due to the growth opportunities and market potential in the Sub-Sahara Africa regional market. The lack of ownership advantages to compete in more advanced economies could also be one of the reasons why the firms from the banking and ICT sector were SSA focused. Only the insurance firm was internationalised into the five Africa regions.

The internationalisation process of the four selected case companies is consistent with the gradual and incremental perspective of the Uppsala model, but contradicts the notion that firms begin internationalisation through exporting. This is because all the firms experienced some internationalisation distinct from exporting before establishing foreign subsidiaries and close geographical proximity, rather than psychic distance, was a factor in the internationalisation pattern of the selected Nigerian firms.

Indeed, the study shows that the internationalisation process of selected Nigerian companies could be explained through a different theoretical lens. This is because institutional and resource based factors strongly reflect the factors that impacted positively on the domestic growth and internationalisation of the case four firms. This happened through the political environment, social conditions, economic conditions, technological changes, sectorial changes/characteristics, organisational behaviour, management orientation and the resources and capabilities of the firms.

6.5.2 Empirical implications of the research findings

Moreover, it is not possible to pinpoint a single factor that has motivated the internationalisation and the location pattern of the Nigerian case firms. The findings indicate that the internationalisation process of Nigerian multinational firms is linked to home country institutional factors, home market factors, firm specific factors and regional/host market factors.

The home country's institutional and market factors have been shown to have a significant impact on the internationalisation process of the four case companies. The institutional factors reflect strongly the firms' domestic growth processes through different economic policies. Institutional changes (especially the transition to democratic rule) transformed the domestic business and social environment. The institutional changes also transformed the firms' behaviour because they had to operate in conformity with the new regulations.

Close regional economic integration have influenced the investment locations of the case companies because the democratic dispensation in Nigeria 1999 led to stronger regional economic integration in the West Africa. The regional ties created an economic closeness, a more integrated common market, and political stability for firms in the ECOWAS region to thrive as compared to previously observed.

Host market institution factors were a determinant of the case firms' location patterns, because the companies' investment in close proximity markets at the early stage of internationalisation was partly due to the regional integration of and the continued liberalisation initiatives undertaken by many SSA countries that had created an outward-looking economic policy and business environment. Location specific institutional factors would affect the MNEs' ability to exploit their resources in host countries and thereby influence the internationalisation decisions in those countries (Meyer, Estrin, Bhaumik, & Peng, 2009).

The case firms' motivation and location patterns also reflect the eclectic model of ownership and location advantage variables, because the companies internationalised to markets in which their specific advantages were best utilised. These findings are consistent with the OLI model (Dunning, 2002). However, three of the four cases diverge from the eclectic paradigm, because the theory explains the production location of manufacturing firms rather than the internationalisation process of the ICT, banking and insurance sectors. The cross-case analysis reveals that ownership advantages were motivations for the case firms' internationalisation, namely management know-how, firm size, market capitalisation, financial resources and assets, brand image, reputation, innovation, technology and business networks.

The location advantage of the host market was also an important factor in the foreign investment pattern of all the companies. The firms internalised their operations in foreign markets in order to create value-added services, as well as become more efficient in these services. The findings also show that African firms with relative resources can use their specific ownership advantages and resources to embark on foreign investment on a large-scale, as seen with some of the selected case companies.

The research findings reveal that resources and capabilities, in terms of knowledge, human resources, know-how, financial and physical assets have had a positive impact on the case firms' domestic and international expansion, which is consistent with the extant literature (Barney, 1991; Wernerfelt, 1984, 1995; Mathews, 2006). Their resources and capabilities had enabled the companies to formulate a strategy for their competitive advantage in a foreign location. This contradiction may be as a result of the assumption that firms from developing countries are limited in resources and capabilities (Yeung, 1994). Alpha, however, had been a large domestic firm with the resources and managerial know-how to internationalise through capital intensive Greenfield international market entry.

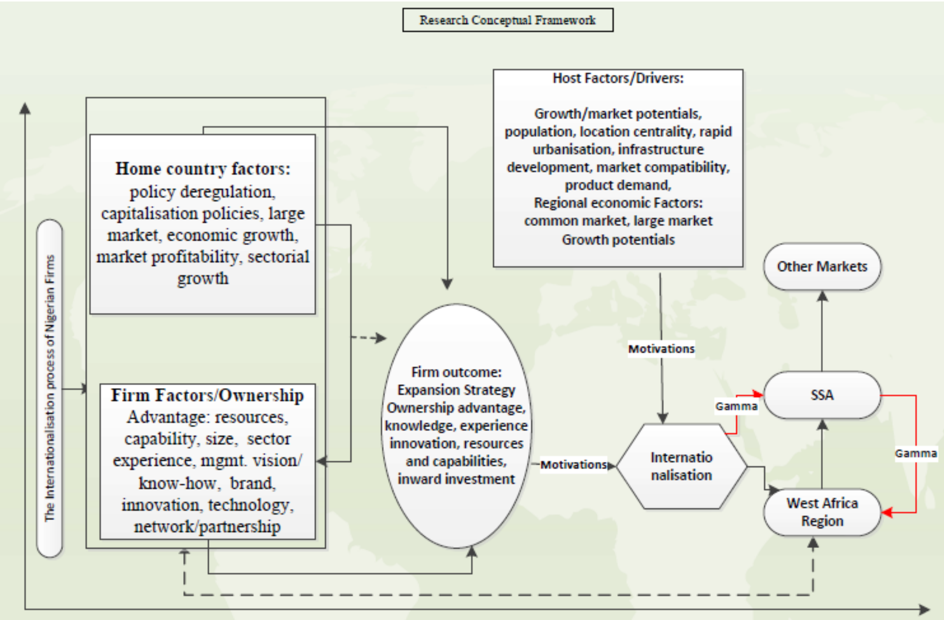
6.6 Replication and Generalisation

The research findings show that replication can be claimed, based on an analytical generalisation, because two or more of the cases have supported and contradict the theoretical proposition developed in Chapter 2 (Saunders et al, 2012; Herriott & Firestone, 1983; Yin, 2014) (see Chapter 4). As a result, the theoretical proposition has been found to support the Uppsala model, OLI paradigm, RBV and institutional based theory. Replication logic has enables replication among constructs to be verified through cross-case analysis, which has resulted in a deeper understanding of the firms' internationalisation process (Ridder, Hoon, & McCandless, 2009).

6.7 Research Conceptual Framework Revisited

The factors that have impacted on domestic growth, the motivations for and the location patterns of the internationalisation process of the four Nigerian case study firms have been identified via individual and cross-case analysis. This has enabled the development of a revised conceptual model, which encapsulates the findings of the study (Figure 6.3).

Figure 6. 4 Research conceptual framework: The internationalisation process of Nigerian firms



Source: Research data

This model indicates that government policies, in conjunction with firm specific factors, have enabled the domestic growth and international expansion of the case firms. The Nigerian firms were motivated to internationalise initially to close proximity countries, before expanding to other markets due to specific host market and regional factors. Alpha, for example, established subsidiaries and production factories across 14 countries after having one initial foreign subsidiary in 2011. The internationalisation strategy of Africa-to-Africa investment of Nigerian firms is to focus their investment in SSA, given that the sub-region is anticipated to be the frontier for future economic growth.

6.8 Chapter Conclusion

This chapter cross-analyse the internationalisation process of the four selected Nigerian case companies in the context of the aims and objectives of the study (Chapters 1 and 4). As a result, the chapter has analysed, interpreted, compared and contrasted the internationalisation processes of the four firms with regards to the research questions identified. The focus of the study was on the factors that have impacted the domestic growth process of the firms, the motivations for their internationalisation, their internationalisation process and their foreign investment location patterns. This chapter also explains the research findings within the context of the key literature (Chapters 2, 3 and 4). The chapter concludes by summarising the findings and their implications for the research.

The analysis of the four case firms reveals that the internationalisation of Nigerian firms is a recent phenomenon, but that the foreign investment pattern reflects a Pan-Africa/Africa-to-Africa firm investment strategy. Though similarities exist in all the cases, there also exist differences in the internationalisation processes of the four Nigerian firms. The Nigerian multinationals' foreign expansion was motivated and driven by three key factors, which can be grouped into home country, firm specific and regional/host market factors (Tables 6.2 to 6.6). Policy deregulation and liberalisation at home enabled the firms to emerge and operate in a more conducive business environment, which allowed them to become large domestic firms. This paved the way for the growth of the firms, which was enhanced by both key home country and firm specific factors.

The cross case-analysis supports the theoretical proposition, developed in Chapters 2 and 4, which suggests that firms will accumulate knowledge and experience in the domestic market prior to their internationalisation, and further that it is an incremental process (Jansson, 2009; Johanson & Vahlne, 1977; Meyer & Thaijongrak, 2013; Johanson& Vahlne, 1977; 1990). Indeed, this finding contains an implicit suggestion that firms will evolve and expand domestically before actually taking the initial step towards international expansion.

It was evident that market seeking, in conjunction with location attractiveness, has been a determining factor in the overseas expansion of these firms. It was also found that the close geographical proximity of the host market, rather than psychic distance, was a determining factor during the early stages of the internationalisation of the four firms.

The firms' specific advantages were derived from various internal and external sources, such as managerial know-how, extensive market knowledge, experience, strong brand names, assets and their reputation. The findings reveal that business network relationships and location centrality were motivations for the firms' internationalisation and location pattern. The findings suggest that Nigerian firms engage in a Pan-African investment strategy in their internationalisation process, with a view to gaining a strong regional presence for regional competitive strategy. The study also challenges the assertion that firms from developing countries lack reputation, technological advantages and ownership advantages to compete in a foreign market. Through these strategies, the companies attempt to remain competitive and sustainable through risk diversification, resulting in an increasing foreign market knowledge, experience, and regional competitive advantage.

It can be concluded from the case evidence of the four companies in this study that home country factors and firm factors have impacted the firms' domestic expansion process, given that they built specific ownership advantages. Secondly, the ownership advantages, which were developed at home in conjunction with the location advantage, motivated the firms to internationalise.

The next chapter summarises the key findings of the research, discusses the limitations of the study and identifies the contributions to knowledge and practice, as well as possible directions for future research.

CHAPTER SEVEN: CONCLUSIONS

7.1 Introduction

The last two decades have seen a rapid growth in outward foreign direct investment from emerging markets and this has resulted in a surge of research interest from international business scholars in the study of the new phenomenon of the internationalisation process of emerging market multinationals. This has raised many research questions, such as: how do EMNCs firms expand over time, how do EMNCs internationalise, what are the motivations for internationalisation, and does existing theory explain the internationalisation process of such firms?

Although there is a body of empirical research on the internationalisation process of EMNCs, the focus to date has been on Latin American and Asian firms. The internationalisation process of Sub Saharan African (including Nigerian) emerging multinational firms is still under-explored in the literature. The thesis aim was to investigate the internationalisation process of four Nigerian firms from different sectors of the economy, as well as contribute to the growing body of knowledge on the internationalisation process of EMNCs.

Four research objectives were developed for this study. The first objective was to determine the factors impacting the domestic growth of Nigerian firms and their role in the firms' subsequent internationalisation. The second objective was to examine the factors that have motivated Nigerian firms' internationalisation and their location patterns. The third objective was to ascertain if Nigerian firms exhibit unique internationalisation behaviours that can help extend internationalisation theory. Finally, the fourth objective was to develop a framework for internationalisation process evaluation and analysis.

The first two objectives were addressed through empirical investigation and the findings of the case study (see chapter 6 and Figures 6.2 and 6.3). The third objective is theoretical and was addressed through synthesising the relevant literature and through which the research questions, thesis conceptual framework and the thesis theoretical proposition was developed (chapters 2 and 6). It was also addressed through the empirical findings in chapter 6. The last objective was addressed through the revised conceptual model (Figure 6.3) which was developed from the empirical findings in chapters 5 and 6.

Three research questions were developed to address the study objectives and to achieve the thesis aim. The first question was: how do Nigerian firms evolve and expand over time? What are the factors that have impacted the domestic growth and expansion of the firms? The second question was: how do Nigerian firms internationalise at the early stage of their foreign expansion? What are the motivations for the internationalisation of Nigerian firms, and what are the location patterns of such foreign expansion? The third question was: Does existing theory explain the internationalisation process of SSA (Nigerian) firms? Do Nigerian firms exhibit a difference in their internationalisation processes? The nature of the research questions was appropriate for case study research. It was also important to have research with findings that would have both empirical and theoretical contributions, as well as policy impact. The study is important because research that potentially has a policy and managerial, as well as scholarly, impact has become important in the study of the internationalisation process of emerging market firms.

The scope of this study is restricted and concerned with the factors which have impacted on the domestic expansion, motivation and internationalisation patterns of the four selected case companies. An investigation of the case firms' entry strategies and international performance is beyond the scope of this study.

As discussed in Chapters 1 and 6, the SSA economic environment reflects the diversity of many African markets in terms of political systems, resources, economic structures and cultural diversity (IGD & Development, 2011; Ajen, 2016). The dearth of research on the internationalisation process of Nigerian firms has arguably led to an inability to develop a working theory within the context of SSA. Such a theory is likely to offer explanations for the mechanisms for the domestic expansion, motivation for internationalisation and the location patterns of Nigerian firms.

Although much has been written about Nigerian inward FDI, not much is known about its outward foreign direct investment, a new phenomenon which is at its early stage. As a result, this thesis highlights the importance of the internationalisation process of Nigerian firms in terms of their domestic expansion, the motivation for their internationalisation and their location patterns. The study also makes a contribution to the literature on EMNCs' internationalisation processes.

Through a case study design, the thesis examines empirically the internationalisation process of four Nigerian firms from different sectors of the economy: Alpha (Manufacturing), Beta (Bank), Gamma (Insurance) and Delta (ICT).

A case study facilitates an empirical investigation of a contemporary phenomenon within a particular context, drawing data from multiple sources of evidence for triangulation and convergence (Yeung, 1995; Yin, 2014, p. 16 & 17). Case study research also provides a platform for a fresh perspective and insight required in a new area of study, which is useful for theory development and expansion (Eisenhardt, 1989).

The next section summarises the keys findings of the thesis. Section 7.3 outlines the contribution of the thesis to the body of existing knowledge. The study's implications for both policy and practice are discussed in Section 7.4. The strengths and limitations of the study are evaluated and future research possibilities are identified in Section 7.5. Section 7.6 then draws the overall thesis to a conclusion.

7.2 The Internationalisation of Nigerian firms: Summary of the Key Findings

The study has drawn data from multiple sources of evidence, of which the primary data sources were in-depth face to face interviews supported by secondary data sources, in the form of company documents, company annual reports, company websites, published literature and institutional reports. The thesis findings show that the internationalisation process of Nigerian firms was impacted by factors relating to home institutional factors, home market factors, firm specific factors and host/regional market factors (Chapter 6).

7.2.1 Domestic growth process of the case firms

The four case companies' growth patterns show a systematic and similar trend. The companies were established during a transitional period in Nigeria's economic development, following decades of military rule, which had been an impediment to domestic growth. The companies were all established as small private companies, which transitioned to become public limited companies, then went public, and were subsequently recapitalised and listed on the Nigerian Stock Exchange. The home market environment may well explain why the internationalisation process of Nigerian firms is different from that of the traditional firms from developed economies or other emerging economies. The economics of liberalisation in many emerging markets resulted in the domestic growth and the acceleration of many EMNCs internationalisation (Athreye & Kapur, 2009; Bianchi, 2014; Gammeltoft et al., 2010; Goldstein & Pusterla, 2010; Olaya et al., 2012; Hoskisson et al., 2000). The domestic growth of the four case companies was driven by the open economic policies that followed the transition to democratic government in 1999 as suggested by the existing literature. Open economic policies created growth opportunities for many Nigerian firms to emerge as large domestic firms. This transition also resulted in an institutional shift, economic systems and managerial orientations and increased Nigerian regional business activities. The home market reconfiguration and sectorial characteristics enabled the firms to re-evaluate their business strategies and this strengthened their ability to expand their operations beyond Nigeria.

The successful mandatory recapitalisation and consolidation of the financial sector in 2004/2007 also strengthened the firms' capabilities to expand domestically and then internationally. The study found that the recapitalisation and consolidation not only enhanced the resources of the bank and their ownership advantages buts it strengthened the financial sector in particular and the Nigerian economy in general. This is because the Nigerian banks were elevated to a position in which they were able to cater for the banking needs of Nigerian businesses. The Nigerian firms could not have expanded domestically in the way they did without the ability to combine their own resources, consolidating the firms' resources and those of the public investors. It was found that this process enhanced their competiveness in the domestic market, as well as in their internationalisation motivation.

The findings also show that the Government's industrial Backward Integration Policy especially in the manufacturing sector, fostered the transition of many Nigerian firms from being importers to becoming successful domestic manufacturers, and subsequently multinational firms. Without the drastic change in economic policy the capability of Nigeria to become self-reliant and self-sufficient in cement manufacturing would not have been possible and the dependency on cement importation would have continued. The consequences would have been an increased trade balance deficit.

The finding shows that the case firms built their market knowledge, physical assets, financial resources and other valuable resources in the domestic market with the intention of being early movers in their respective sectors, as suggested by existing literature. The companies took advantage of their local market knowledge to develop customised products and services to meet the idiosyncratic needs of the Nigerian market, as well as to approach both domestic and international markets from a strong strategic position. The strong economic position of the Nigerian market as a regional power increased the Nigerian firms' competitiveness in the region. As a result the Nigerian firms were motivated to expand across their national borders

The findings refute the notion of de-scaled manufacturing, which suggests that developing countries would have the ability to serve the mass market with a low price competitive strategy, derived from cost advantage, through de-scaling manufacturing operations. The finding shows that the late entry of the Nigerian firms into manufacturing means that the company stand to gain, rely and acquire manufacturing technology through learning from both large emerging markets and developed economies. The efficiency of the companies was thereby enhanced. As a result, the type of resources that form the ownership advantages of the firms in the domestic market and subsequently in their internationalisation were enhanced.

The study also found that specific ownership advantages of the case companies that enhanced their domestic growth were derived from market knowledge, the firms experience, managerial know-how, their financial and physical assets, size, human resources and capabilities, brand and economies of scope (Table 6.5). However, these factors in combination with other factors, impacted the foreign expansion of the case companies. The findings lead to the conclusion that the change in the domestic market characteristics encouraged the Nigerian firms to have changed their growth strategies. Their growth strategies altered the firms' ownership structure, reputation, brand, size, assets, management orientation, management know-how and vision.

7.2.2 Motivation for internationalisation and location patterns

Developing a good business network/relationship facilitated the internationalisation process of the case firms (see Section 6.2 and Figure 6.1), but there exist differences between the kind of (or degree of) these relationships. However, network/business relationships were advantageous for the firms, because they enhanced the firms' specific advantages, domestic growth and internationalisation.

The four case studies confirmed the influence of network relationships as a motivation for and location choice of firms' internationalisation process. The types of business network relationship that were important to the four case companies were: relationships with existing corporate customers, close ties with domestic financial institutions; relationships with host-country government; business relationships with foreign ICT firms and management ties with specific countries. Some of these relationships, such as the relationship with ICT firms enhanced the ICT firm competitiveness in the domestic market and international market. Networks with foreign technology partners also allowed the ICT firm to skip the incremental technological accumulation process and were provided with technological advantages needed for foreign investments especially in the regional markets. Network relationships enabled three of the case companies to follow and be closer to their customers in foreign locations. The ability to combine a variety of resources from different relationships and partners allowed these firms to expand abroad in a way that would not have been possible without them. Such network/business relationships provided the companies with access to critical resources which is consistent with extant literature (Ahmad, 2006; Amal et al., 2013; Bianchi, 2014; Frost, 2004; Johanson & Mattsson, 1988; Johanson & Vahlne, 1990; Luo & Tung, 2007; Meyer & Thaijongrak, 2013; Wu & Sia, 2002; Yiu, Lau, & Bruton, 2007) (Chapter 6). For instance, network relationships enabled Beta to be present in the UK market and the insurance firm to invest in several locations in Africa and the manufacturing case company to expand to location in South East Asia. The four cases were able to internationalise but the networking capabilities served as an important source of firms' specific advantages, apart from the firms' resources and capabilities.

The location centrality of a host market to other nearby markets influenced the foreign investment pattern of the Nigerian firms. Location centrality motivation is both strategically efficient and market seeking. It also facilitated a Pan-African regional internationalisation strategy by the case companies. The centrality of location as market seeking enabled the firms to gain access to their numerous markets and customers in the region. It enabled the companies serve a larger market which would have not been possible otherwise. This strategy was both cost effective and efficient for the internationalisation of the companies with the ability to eliminate various inefficiencies associated with having several subsidiaries in different foreign locations. Location centrality was important, because it allowed the firms to service several markets and be closer to customers in different countries.

The need to have a strong, visible regional presence for competitiveness in Sub-Saharan Africa was an explicit motivation for the firms' internationalisation and Pan-African strategy. In addition, the regional investment opportunities and market potential in unsaturated SSA regional markets, coupled with a continuous striving for further economic integration by the regional government, were found to be a motivation for the regional internationalisation of the case companies.

The specific ownership advantages of the case companies were found to be a motivation for their internationalisation and location patterns and the home market factors were also drivers for their internationalisation. This insight is important because it contributes to the ongoing debate on the impact of home country on the internationalisation process of EMNCs (Cyrino et al., 2010; Gammeltoft & Filatotchev, 2012; Fortanier & Tulder, 2009; Deng, 2004, 2007; Rugman & Li, 2007; Cui & Jiang, 2009; Cui et al., 2014).

The findings especially for the manufacturing case company is incongruent with some aspect of de-scaled manufacturing as such suggested by extant literature which asserts that developing countries MNCs would exploit their production capabilities in less developed countries, but not in competitive niche markets in developed markets.

The geographical proximity of the host market, rather than its psychic distance, was found to facilitate the internationalisation location pattern of all four firms during their early stages. This was due first to the regional integration and the continued liberalisation initiatives undertaken by many SSA countries that had created an outward-looking economic policy and business environment. The language differences, though, were found to be barriers inhibiting communication for some of the firms in French speaking locations.

The internationalisation pattern of Nigerian firms into an advanced economy, or a more developed economy, reflects a relative form of specific ownership advantage, in the case of Beta's investment in the UK. This suggests that Nigerian firms are willing to internationalise to a particular location in which they can target a niche market, irrespective of the location characteristics, as long as such an investment is beneficial to the firms and their customers.

The study also suggest that regionalism influenced the foreign investment pattern of Nigerian firms which is in line with previous studies that in an era of increased globalisation, the majority of international business activities takes place within the same region rather than between distant regions (Ghemawat & Altman, 2016).

The next section articulates the contribution of this thesis to the body of existing knowledge.

7.3 Contribution to the Body of Knowledge

This study contributes to the body of knowledge about the understanding of how the internationalisation process of Nigerian firms has taken place and the factors that have impacted on domestic growth, the motivations for internationalisation and its location patterns. This thesis contributes in three key areas; theoretical, empirical and methodological. The specific contributions are outlined below.

7.3.1 Theoretical contribution

The OLI eclectic framework and the Uppsala model were used for evaluation purposes. It was also found that the internationalisation process of Nigerian firms seems to contradict the incremental perspective of the Uppsala model, because most Nigerian firms seem to have leapfrogged some stages in their internationalisation process. There is because none of the case firms began their internationalisation through exporting as suggested by the Uppsala model. The home market characteristics of Nigerian firms and the industry specificity of the firms are attributed to the deviations observed from the Uppsala model’s gradual process notion. The firms’ preference to internationalise in their region was due to the region’s growth potential and the firms’ need to have a strong and visible regional presence, as well as achieve a Pan-African vision of internationalisation.

The geographical proximity of the host market, rather than its psychic distance, was a motivation for Nigerian firms' internationalisation and its location pattern at the early stage. This new knowledge has helped make sense of the internationalisation pattern of Nigerian firms, especially in terms of language differences between Anglophone, Nigerian firms entering a Francophone speaking country. As a result, the internationalisation of Nigerian firms is driven by various factors, not a gradual process or psychic distance notion.

The internationalisation pattern of the case companies reflects the eclectic model of ownership and location advantage variables, because the companies internationalised to markets in which their specific advantages were best utilised. However, the case firms had used location specific advantage (L) to realise their ownership advantage (O), which is consistent with Dunning's OLI eclectic paradigm (Dunning, 2002). A theoretical contribution of the study is that the findings refute the notion that African firms are weak and lack ownership advantages and resources to embark on foreign investment on such a large-scale. The thesis also contributes to the idea that the resources and capabilities of a firm are relative to its origin and to its regional business environment and context. The Nigerian firms' specific advantages are relative, because the case firms' resources were sufficient for them to internationalise successfully in the African market. Such resources may be limited when internationalising to markets which are more advanced than the firms' home market. The relative specific advantages were evident in the internationalisation motivation and location pattern of Beta's foreign investment strategy in an advanced economy (UK).

Institutional and resource based factors impacted strongly on the internationalisation process of the four firms studied. This happened through the political environment, social conditions, economic conditions, technological changes, sectorial characteristics, organisational behaviour, management orientation and the resources and capabilities of the firms. Home country specific advantages, such as resource endowment, a favourable domestic business environment and home market profitability were found to have a positive impact on the firms' ability to develop their specific advantages.

7.3.1 Empirical contribution

This study contributes to knowledge by offering an in-depth understanding of the specific characteristics of the emergence of Nigerian firms. The Nigerian context is unique, because of the domestic growth path of the firms, the nature of the firms, and the contextual characteristics. This thesis challenges the results of previous studies of the internationalisation process of EMNCs, which assume that most emerging market firms originate as state-owned firms. The thesis reveals a different growth process for Nigerian firms, because the organisations studied were all established as small private firms and became large domestic (and subsequently multinational) firms through the formulation and implementation of different growth strategies.

The thesis identifies that the firms’ specific advantages may however differ both in value and in type, depending on their home country. The firms’ specific advantages were exploited differently depending on the foreign investment location. Nigerian firms may have preferred to internationalise within the SSA region because their specific ownership advantages would enable them to be successful in the region.

Another contribution concerns the assumption that African firms lack reputation. Nigerian firms have built their brand image and reputation in the domestic market through different strategies, such as inward domestic expansion strategies, quality products and customer oriented services, firm innovation, and investment in staff development training centres, resource development and engagement in social initiatives.

Another contribution is that a firm’s domestic growth strategy may be a learning process

for its subsequent foreign expansion strategy. A firm that has used M&A, for example, as an expansion strategy in the domestic market was found to adopt it as an entry strategy in a foreign market when opportunities arose. This was central to the motivation for Beta’s internationalisation into the UK market and that of Alpha into the South African market.

However, the internationalisation strategy may also depend on the host market, because the case firms preferred wholly owned subsidiaries when investing in the SSA region. Management may seek to alter its ownership structure (so long as it is anticipated for), in order for a firm to achieve, among other things, long term sustainable growth and business sustainability beyond its foundation. This is a new insight into the domestic growth pattern of Nigerian firms.

It is found that location centrality is a motivation for the foreign investment pattern of Nigerian multinational firms. Location centrality as a motivation for internationalisation is one of the novel contributions of this thesis. The location centrality of host markets has allowed Nigerian firms to centrally service several markets from a regional subsidiary for both market seeking and efficiency purposes. Location centrality also enabled the ICT and insurance firms to be closer to their customers in different countries, with a view to localise their niche markets and value-added services to customers.

This thesis contributes that Nigerian firms are motivated to internationalise in the SSA to acquire a strong regional presence for long term competitive strategy. The firms were motivated to position themselves in an unsaturated regional market due to anticipated future regional growth potential and opportunities. The Pan-African internationalisation strategy of Nigerian firms on the other hand is a strategy to focus foreign investment within Africa, with a view to foster African economic development, regional integration and to build-up the regional value chain.

This contribution considers network/business relationships as a source of domestic growth and a source of international expansion. This thesis illustrates a different process, in that a firm with a business network, technological partnership and management team network with a different ethnic background creates access to the international market beyond the home region of the internationalising firm. However, a long term business relationship with corporate clients, a partnership with international IT firms, insurance agents, associates and a management team network relationship, facilitates the firms' internationalisation process. The thesis has shown that firms' business relationships are significant factors in the explanation of the internationalisation pattern of Nigerian firms, and this implies that Nigerian firms are willing to internationalise to any market around the world given the right network relationship.

Another contribution is the identification of the successful management of African firms by African managers. This is attributed to the entrepreneurial orientation, management orientation and vision of the firms, as well as to the new economic policy and evolving market characteristics of the region. These factors also reinforce the firms' strategic growth focus to, as a result, enhance their ability to achieve their growth objectives and long term sustainability and subsequently to emerge as large multinational firms.

This contribution is towards the understanding that language is an important part of firms' internationalisation strategies. Even though a firm may internationalise to a close proximity market in the same region, the importance of language should be considered alongside other investment factors, because business communication is vital for the success of an internationalising firm.

7.3.3 Contribution to research methodology

The multiple sources of evidence in the research analysis process mean that data triangulation from various sources was an important part of this study and was used to develop, converge and validate the empirical findings of the thesis. Therefore, ignoring the various data sources would have distorted the thesis findings. The study design, the data collection technique are unique because this is the first study in the context of Nigeria to have empirically investigated the internationalisation process of Nigerian firms through a multiple case study strategy, with a view to study firms from different sectors of the Nigerian economy. The use of LinkedIn to recruit the case firms, identify interviewees and to interview participants was also a contribution to methodology. The thesis has also replicated the cases through both individual and cross-case analysis. An analytical generalisation has also been claimed, because the four case companies support the theoretical proposition developed for the study, although with some contradictions as well. Indeed, this is the first study to investigate the domestic evolution of Nigerian firms through a multiple case study design.

7.4.1 Implication for Policy-makers

The thesis could be a source of policy guidance for both home and host country lawmakers, in terms of understanding the importance and benefits of the internationalisation process of firms. This understanding should enable national governments to enact economic policies that enable firms to build their capability for domestic growth and internationalisation.

The internationalisation of firms in the region means an increased economic integration among African countries and increased investments across regional borders. Internationalisation can become a catalyst for regional co-operation, better governance and regional development in SSA. Pan-African internationalisation could also foster increased regional political stability and economic growth and could contribute to the build-up of regional economic value chains (UNCTAD 2014).

One of the study's implications is that good government policy can enhance the economic growth of a country, in terms of micro and macro-economic factors, which could invariably lead to the emergence of large domestic firms with the capability to become multinational firms. Such policies should be consistent and on-going, in order to establish sustainable economic growth.

Policy-makers should encourage supportive programmes for practitioners to set up and develop international networks for international investments, because such programmes were observed to be lacking in Nigeria. Nigerian policy makers should encourage the OFDI of Nigerian firms, rather than focus on only attracting IFDI into the country. Policy makers should also understand that the internationalisation of domestic firms can contribute to a country's economic growth and build the country's domestic economic value chain. There is still no comprehensive database in Nigeria with an overview of how many Nigerian firms have internationalised and their subsidiary locations. There should be a concerted effort by all stakeholders to develop such a database.

7.4.2 Implications for Practice

An understanding of Nigerian firms' internationalisation processes can have practical implications for firms that are thinking of internationalising, especially since they may relate to domestic growth and the identification of emerging regional opportunities. Nigerian managers should develop an orientation and vision to see beyond their immediate market and understand that regional dynamics are changing with a potential for investment, due to market liberalisation and economic policies. Managers should also understand the benefits of growing beyond the domestic market, as evidenced in the case study, because this is the only way to establish long-term regional competitive advantage and sustainability.

Finally, SSA firms which internationalise within the regional market should first understand the host market labour laws, work orientation, work ethic and bureaucracies, because such a lack of understanding could be detrimental to the firms' business performance and their further internationalisation.

7.4.3 Implications for Society

The increased internationalisation of SSA firms can be beneficial to the region and society. The domestic growth and the internationalisation of Nigerian firms has contributed both directly and indirectly to the economies of both the home and host countries. This has resulted in job creation, improved quality of life and regional economic growth.

The next section discusses the strengths and limitations of the thesis, along with possible direction for future research

7.5 Limitations and Recommendations for Future Research

7.5.1 Limitations of the Study

This thesis has helped to elucidate the factors that have impacted the case firms' domestic growth, their internationalisation motivation and location patterns. The study contributes to the extant literature on the internationalisation process of emerging market multinationals, in particular that of Nigeria. However, this thesis is not without its limitations. It is among the first attempts to study the internationalisation process of Nigerian firms and it has been hindered by limited public data, the lack of a comprehensive database and the unwillingness of many firms to participate in the study. These were constraints on research design, time and resources. Nevertheless, the sample size of four companies is appropriate for the case study design of this thesis.

7.5.2 Proposal for future research

The research findings provide openings for future research. First, it must be realised that the study of Nigerian firms' internationalisation processes is context specific, because firms' domestic growth processes and their motivation for internationalisation may vary from country to country - even within the same geographical region (Hoskisson et al., 2000). As a result, the findings cannot necessarily be generalised to all SSA firms, although analytical generalisation was achieved in this thesis through the technique of replication. Future research should, however, incorporate a multi-country study of SSA firms' internationalisation processes. It is also suggested that comparative studies between emerging SSA firms and those of the established large emerging markets in Latin America and Asia should be carried out, to ascertain the similarities and differences between their internationalisation processes.

Second, future research should also study the performance of internationalising Nigerian firms, because Nigerian firms' internationalisation is relatively recent and their internationalisation performance has not been investigated.

Third, the impact of the home country on the internationalisation of Nigerian firms should also be the focus for future research, because of the ongoing debate on the impact of the home country on the internationalisation of EMNCs.

Fourth, future research could also investigate how operating in institutional constraints in the domestic market like Nigeria can be an asset that strengthened EMNCs capability and capacity to navigate a challenging and institutionally weaker business environments**.**

Finally, the firms studied in this thesis are large and publicly listed on the Nigerian Stock Exchange. This was mainly because of the difficulty of identifying small and medium private listed firms and the unwillingness of many firms to participate in the study. This should be an area to explore in the future. The case companies were from only a few industries: manufacturing, ICT, banking and insurance. Future studies should extend to other sectors of the Nigerian economy, such as small manufacturing firms, transport and service firms.

7.6 Thesis Conclusion

This chapter has provided a summary of the key findings relating to the factors that have impacted on the domestic growth, motivation and location patterns associated with the internationalisation process of Nigerian firms. The chapter has also outlined the key contributions of this thesis to the body of knowledge and has provided suggestions for future research. The policy impact of the study also is outlined.

The thesis reveals that the internationalisation process of Nigerian firms is a recent phenomenon, but the pattern of internationalisation reflects an Africa-to-Africa/Pan-African investment strategy. The thesis confirms that existing international business theories can, to some extent, provide an explanation for the internationalisation process of Nigerian firms, but new emerging factors and characteristics need to be integrated with existing internationalisation theories.

One of the strengths of this study is its replication logic (Chapters 4 and 6), which enables replication among constructs to claim analytical generalisation in order to have research findings with a deeper understanding of the phenomenon under study (Saunders et al, 2012; Herriott & Firestone, 1983; Yin, 2014). As a result, the construct and external validity of the case studies was strengthened (Eisenhardt, 1989).

The use of LinkedIn to recruit the case firms and to interview participants was also a creative and innovative part of the case study design. The thesis originality, its contribution and its rigorous methodological case study process gives a credible construct validity, reliability and external validity (Yin, 2014; Eisenhardt; 1989; Huberman & Miles, 2002)

Finally, the study has contributed to a richer understanding of the dynamic new phenomenon of the internationalisation process of Nigerian firms in particular, and that of the emerging markets literature in general.

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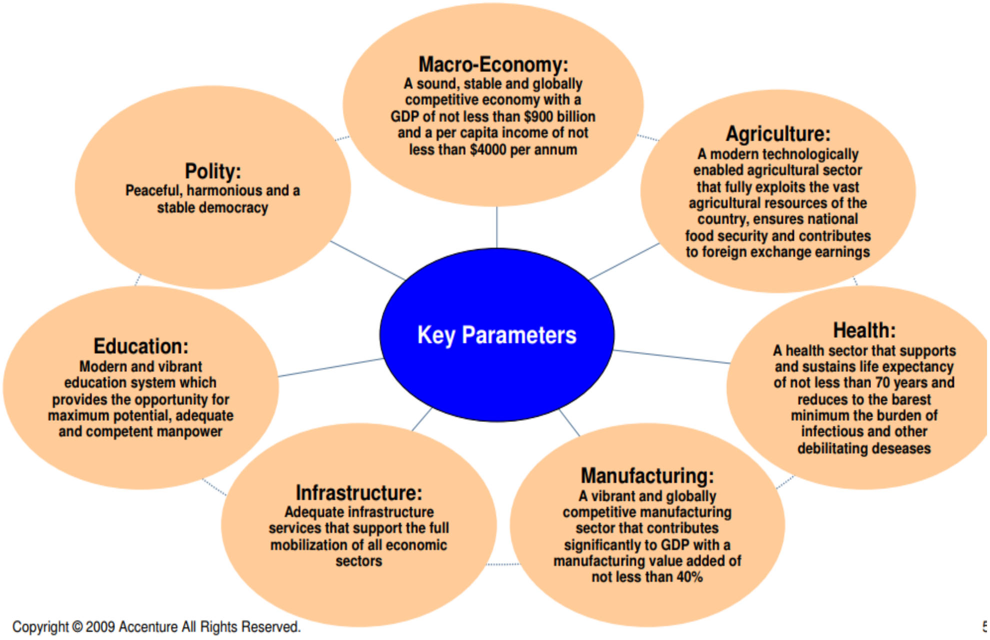
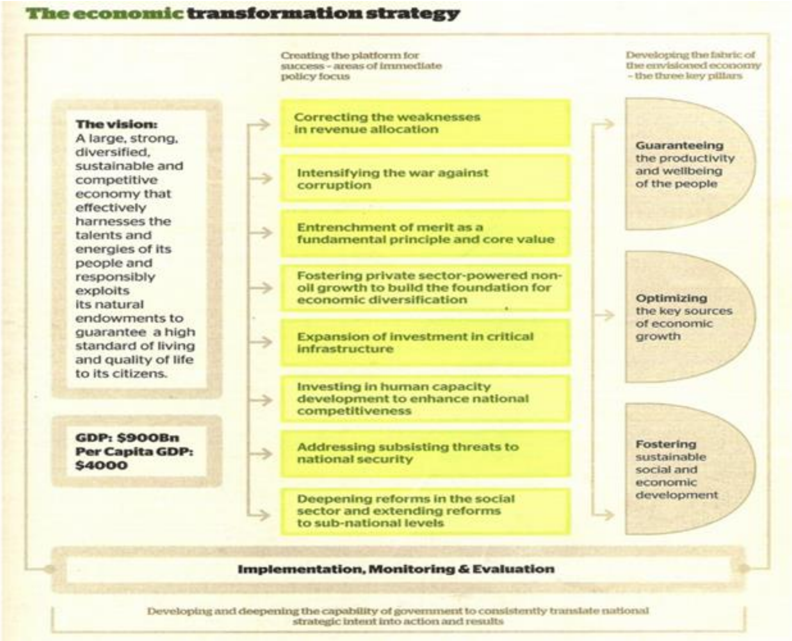
Appendices

Appendix 3.1 Key parameters of Nigeria Vision 20:2020



Source: NBS DATA STAT

Appendix 3.2 Nigerian Transformation Agenda Framework



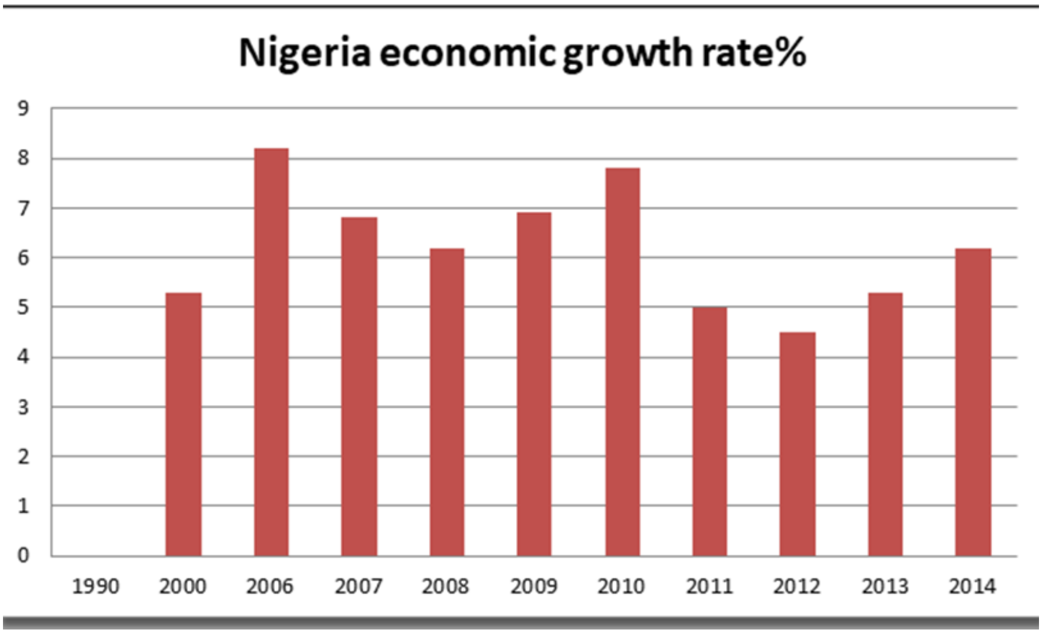
Source: NBS DATA STAT

Appendix 3.3 Nigeria economic growth trend 1990-2014

Year	Annual growth rate (%)
1990	12.7
2000 **2006**	5.3
2007	8.2
2008	6.8
2009	6.2
2010	6.9
2011	7.8
2012	4.8
2013	4.2
2014	5.3
	6.3

Source: Dataset World bank (2016)

Appendix 3.4 Nigeria's economic growth rate from 1990 to 2014



Source adapted: Dataset World Bank (2016)

Appendix 3.5 Nigeria GDP growth trend 1970 to 2013

GDP of Nigeria, 1970-2013

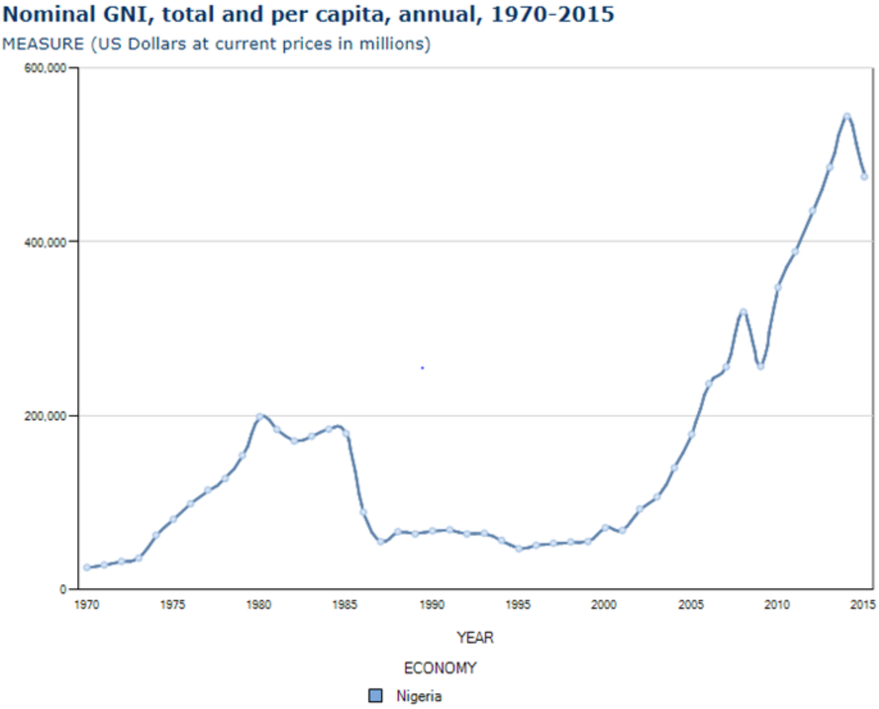
Year	GDP, bln. dollars	GDP per capita, dollars	GDP, bln. dollars	growth rate of GDP, %	share, %		
	current prices		constant prices 1970		in the World	in Africa	in Western Africa
1970	25.4	452	25.4		0.75	23.7	72.1
1971	30.7	535	27.8	9.4	0.82	25.5	74.4
1972	36.9	627	29.5	6.1	0.86	26.8	76.6
1973	46.3	769	31.7	7.5	0.89	27	78.6
1974	71.7	1158	34.3	8.2	1.2	31.3	83
1975	87.2	1371	34.5	0.58	1.3	33.7	83.6
1976	106.2	1623	37.8	9.6	1.5	36.7	85.3
1977	118.7	1761	39.3	4	1.5	36	84.9
1978	132.8	1911	37.3	-5.1	1.4	35	83.9
1979	164	2289	37.2	-0.27	1.5	36.9	84.6
1980	204.3	2772	38	2.2	1.7	36.8	85.9
1981	183.6	2424	37.2	-2.1	1.5	35.2	85.5
1982	180.4	2321	36.6	-1.6	1.5	35.3	85.9
1983	181.6	2278	34.1	-6.8	1.4	34.9	86.7
1984	180.2	2204	33.7	-1.2	1.4	35.4	86.5
1985	178.8	2131	37.5	11.3	1.3	35.6	86
1986	90.4	1050	38.2	1.9	0.58	20.5	72.1
1987	55.8	631	37.9	-0.79	0.32	12.7	58.8
1988	67	738	40.8	7.7	0.34	14.2	61.4
1989	60.5	650	43.7	7.1	0.29	12.6	59
1990	68.3	715	48.7	11.4	0.3	12.7	59
1991	64	652	48.7	0	0.27	11.9	56.9
1992	58.1	577	50	2.7	0.23	10.5	53.5
1993	56.7	549	50.8	1.6	0.22	10.4	54.9
1994	47	445	51.2	0.79	0.17	9	55.8
1995	49	452	52.3	2.1	0.16	8.7	51.7
1996	52	468	54.4	4	0.17	8.8	51.5
1997	54.4	477	56	2.9	0.17	8.9	53.5
1998	56.5	484	57.6	2.9	0.18	9.4	53.3
1999	57.7	481	57.8	0.35	0.18	9.5	53.4
2000	74.6	607	60.9	5.4	0.22	11.8	64.2
2001	71	563	63.6	4.4	0.21	11.5	61.8
2002	95.1	736	77.2	21.4	0.28	15	66.3
2003	108.8	821	85.1	10.2	0.28	14.3	64.7
2004	141.3	1039	94	10.5	0.32	15.2	67.8
2005	180.5	1293	100.1	6.5	0.38	16.4	71.1
2006	233.9	1632	106.1	6	0.46	18.6	74.3
2007	267.7	1819	113	6.5	0.47	18.3	73.6
2008	334.6	2213	120.1	6.3	0.53	19.3	74.6
2009	272.5	1754	128.4	6.9	0.46	16.8	71.2
2010	369.1	2311	138.5	7.9	0.56	19.3	75.7
2011	411.7	2508	145.2	4.8	0.57	19.6	75.3
2012	461	2730	151.5	4.3	0.63	20.4	76.7
2013	515	2966	159.6	5.3	0.68	22.2	76.5

Appendix 3.6: Nigerian GNI trend 2004 to 2014

	Gross National Income, US Dollars	Per capita GNI, US Dollars
Units	value, USD	value, USD
2004	135,932,151,548.065	999.256
2005	173,415,077,055.375	1,242.128
2006	229,987,124,894.436	1,604.733
2007	248,769,322,846.830	1,690.554
2008	310,367,963,413.861	2,053.844
2009	249,374,706,040.033	1,606.722
2010	331,275,803,524.364	2,077.945
2011	366,959,948,895.020	2,240.694
2012	412,015,138,607.760	2,448.967
2013	462,416,397,342.853	2,675.765
2014	510,487,672,508.689	2,876.376

Source: UNCTAD DATA STAT

Appendix 3.7 Nigerian GNI Historic Trent 1970 to 2015



Source: UNCTAD DATA STAT

Appendix 3.8 Comparison of sectorial contribution to the GDP

Table 2. **GDP by sector (percentage of GDP at current prices)**

	2009	2013
Agriculture, forestry, fishing & hunting	37.1	21.0
of which fishing	1.2	0.5
Mining and quarrying	30.1	13.0
of which oil	29.9	12.9
Manufacturing	2.5	9.0
Electricity, gas and water	0.3	0.7
Construction	1.4	3.3
Wholesale & retail trade; repair of vehicles household goods; Restaurants and hotels	16.9	17.9
of which hotels and restaurants	0.4	0.8
Transport, storage and communication	3.1	11.7
Finance, real estate and business services	6.7	15.2
Public administration and defence	0.8	3.0
Other services	1.3	5.1
Gross domestic product at basic prices / factor cost	**100.0**	**100.0**

Source: Data from domestic authorities

Source: African economic outlook report: (Barbara et al., 2015).

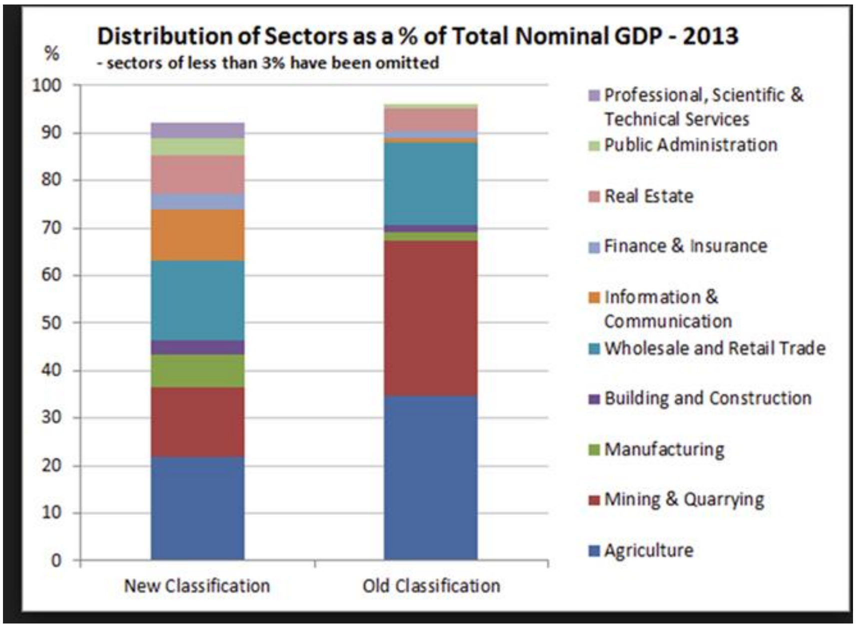
Appendix 3.9 Sector growth rate by sector

Table Eight: Annual Real Contribution and Growth Rate by Sector (%) Year-on-Year

	2012	2013	2014	2015
CONTRIBUTION TO GDP				
AGRICULTURE	23.91	23.33	22.90	23.11
INDUSTRIES	25.61	24.81	24.93	23.71
SERVICES	50.48	51.86	52.16	53.18
	100.00	100.00	100.00	100.00
GROWTH				
AGRICULTURE	6.70	2.94	4.27	3.72
INDUSTRIES	2.43	2.16	6.76	-2.24
SERVICES	3.97	8.38	6.85	4.78
REAL GROWTH RATE AT BASIC PRICE	4.21	5.49	6.22	2.79
REAL GROWTH RATE AT MARKET PRICE	4.28	5.39	6.31	2.65
NON OIL GROWTH RATE	5.81	8.42	7.18	3.75
OIL GROWTH RATE	-4.95	-13.07	-1.32	-5.45

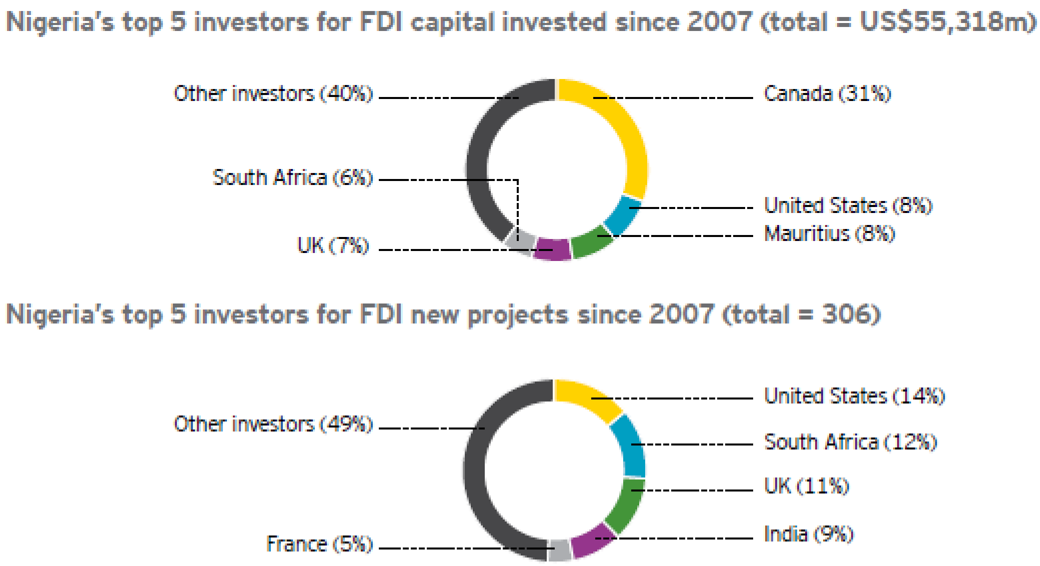
Source: NBS DATA STAT

Appendix 3.10 New Sectorial classification after economic rebase



Source: NBS DATA STAT

Appendix 3.11 Nigeria IFDI investment by country and project



Source: EY's special report (2016)

Appendix 3.12 EY’s Economic vulnerability result

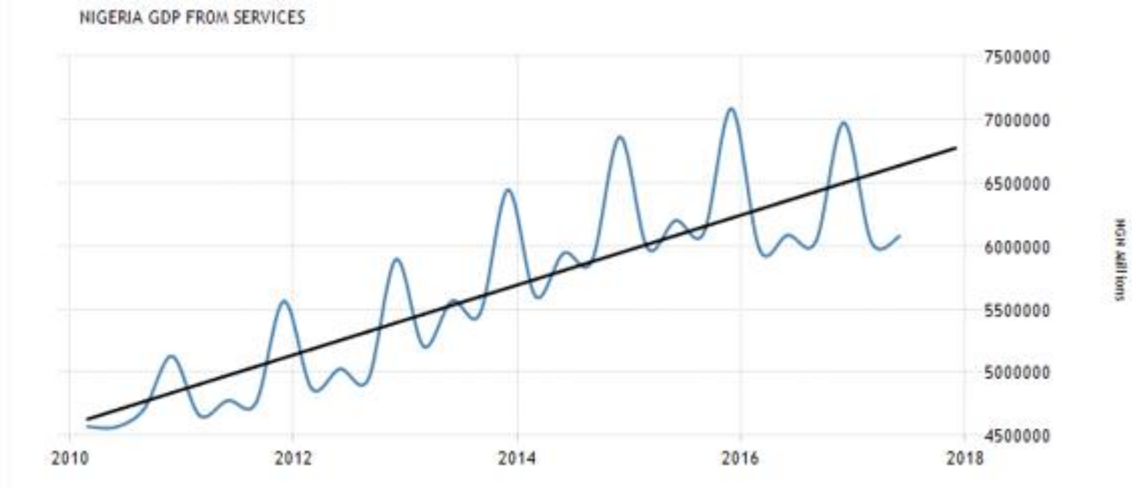
Economic vulnerability heatmap

	Overall score	Current account	External debt	Government debt	Inflation	Growth in credit to GDP	Import cover	Currency change over year
Turkey	20	26	19	13	21	26	16	21
Argentina	19	14	16	14	24	24	17	24
Ghana	19	25	13	20	26	10	22	16
Vietnam	18	13	22	18	18	23	25	8
India	17	22	6	19	25	17	13	20
Egypt	16	19	5	23	23	5	23	18
Czech Republic	16	20	21	15	6	18	21	10
Brazil	15	17	4	22	17	25	3	19
Poland	15	23	24	21	5	16	15	1
Indonesia	15	12	9	7	20	21	11	23
South Africa	14	18	11	12	15	1	20	22
Advanced*	14	10	26	24	3	6	14	15
Ukraine	13	24	25	10	1	3	24	4
Colombia	13	21	8	9	9	20	9	14
Mexico	13	15	7	11	14	19	18	6
Chile	12	16	18	2	7	13	12	17
Thailand	11	11	12	8	10	22	7	11
Kazakhstan	11	5	23	4	16	4	19	9
Malaysia	11	4	15	17	8	15	8	12
Russia	10	6	14	3	19	12	4	13
Korea	9	8	17	16	4	7	10	3
UAE	8	3	10	1	2	8	26	4
Qatar	8	1	20	1	12	11	5	4
Nigeria	7	7	1	6	22	2	6	7
China	6	9	2	5	11	14	2	2
Saudi Arabia	5	2	3	1	13	9	1	5

*Aggregate measure of Germany, Japan and the US.

Source: EY’s special report (2014)

Appendix 3.13 Share of services sector in Nigeria GDP



Source: NBS DATA STAT

Appendix 3.14 Nigeria inward and outward stock history trend

Year	1970	1980	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Inward Stock	..	2457.2	8538.5	23786.3	26345	31242.8	37329.5	45578.1	54227.7	60326.6	69241.56	76368.9	81977.4	86671.2
Percentage of GDP	..	1.20	12.49	31.88	14.59	13.35	13.94	13.62	19.89	16.34	16.81666	16.56	15.91	15.29
Outward Stock	..	9.522	1218.88	4143.8	302	624.4	1506.4	2564.6	4118.2	5041	5864.59	7407.1	8644.65	10258.9
Percentage of GDP	..	0.0046	1.78	5.55	0.16	0.2	0.56	0.76	1.51	1.36	1.42433	1.60	1.67	1.81

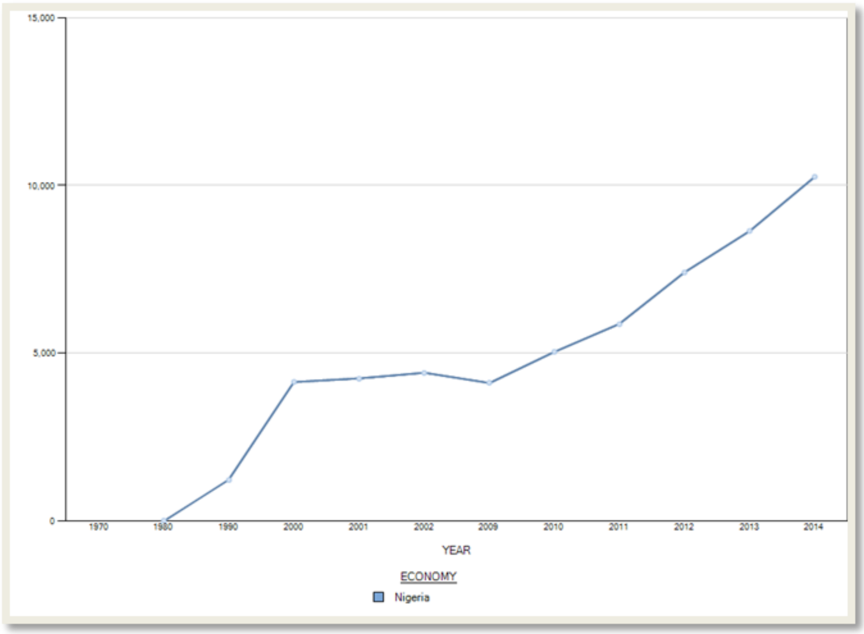
Source: UNCTAD DATA STAT

Appendix 3.15 Nigerian inward and outward foreign direct investment 1970-2014

`Foreign direct Investment: Inward and outward flows and stock, annual, 1980-2014 At current exchange rate in millions of $											
Year	1970	1980	1990	2000	2004	2005	2010	2011	2012	2013	2014
Inward	205	-738	1003	1309	2127	4978	6098	8914	7127	5608	4698
Outward	0	5	415	169	261	15	923	824	1543	1238	1614

Source: UNCTAD DATA STAT

Appendix 3.16 Stock outflow 1970-2014



Source: UNCTAD DATA STAT

Appendix 3.17 Nigeria foreign investment position

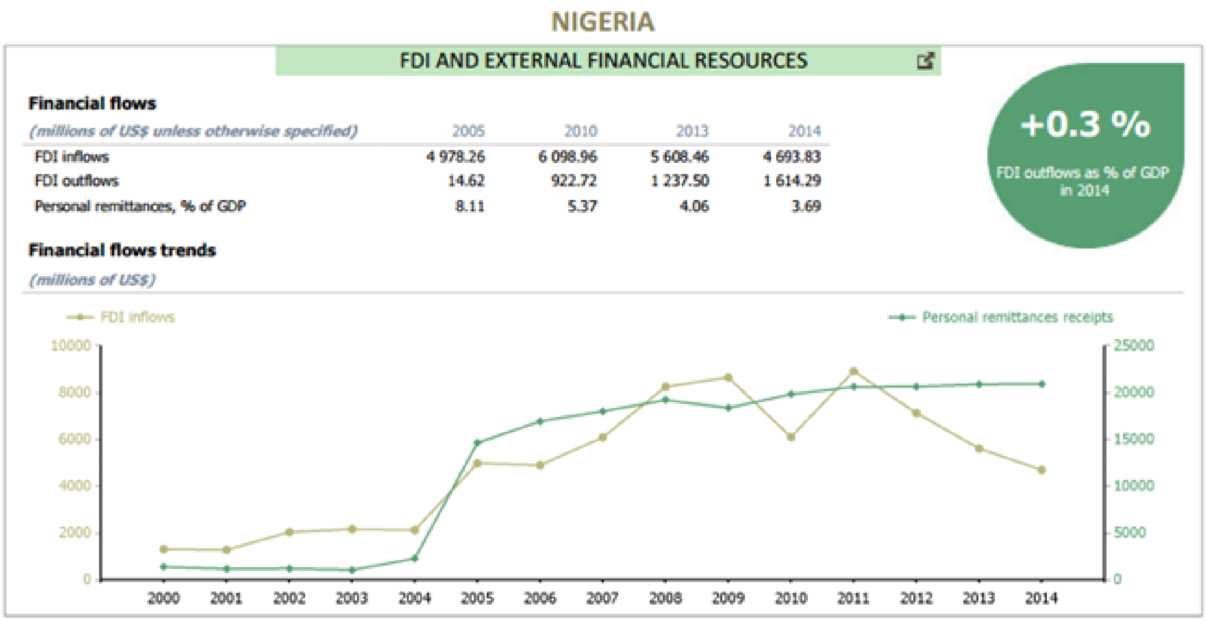
S/No	Descriptor	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	Net International Investment Position	-21,945.18	5,529.09	8,786.67	14,772.01	-4,952.26	-16,073.08	-19,911.46	-15,808.28	-35,662.12	-60,458.72
2	Assets (Net)	41,417.85	60,495.21	75,505.24	91,381.97	80,804.65	79,064.36	92,200.32	121,784.49	125,374.50	119,785.76
3	Assets>Direct investment abroad (net)	302	624.48	1,506.42	2,564.69	4,118.29	5,041.01	5,864.59	7,407.15	8,644.65	10,258.94
4	Assets>Direct investment abroad>Equity Capital and Reinvested Earnings	302	624.48	1,506.42	2,564.69	4,118.29	5,041.01	5,864.59	7,407.15	8,644.65	10,258.94
6	Assets>Portfolio investment abroad (net)	2,823.17	4,349.21	6,208.32	10,967.09	11,797.86	12,928.11	14,551.02	16,637.23	19,883.84	23,332.99
7	Assets>Portfolio investment abroad in Equity securities (net)	2,546.62	3,923.17	5,643.86	9,710.55	10,472.09	11,508.14	12,995.82	14,908.17	17,505.46	20,264.78
10	Assets>Portfolio investment abroad in Equity securities by Banks	2,546.62	3,923.17	5,643.86	9,710.55	10,472.09	11,508.14	12,995.82	14,908.17	17,505.46	20,264.78
12	Assets>Portfolio investment abroad in Debt securities (net)										

Source: Central bank of Nigeria

http://statistics.cbn.gov.ng/cbn-onlinesta

Source: CBN DATA STAT

Appendix 3.18 FDI in and outflows trend



Source: UNCTAD DATASTAT

Appendix 3.19 Nigerian banks OFDI by regional markets

Countries with significant presence of Nigerian banks, 2012[1]			Table 3
Country	Number of banks	Number of Nigerian banks	Asset share of Nigerian banks (% of total)
The Gambia	12	7	38.6
Ghana	26	7	16.2
Liberia[2]	8	4	26.3
Sierra Leone	14	6	40.2

[1] The Gambia: Access, Bank PHB, Guaranty Trust Bank (GTB), Skye and Zenith Banks. Ghana: Access, GTB, Intercontinental, Oceanic, UBA, Union (HFC), Zenith. Liberia: Access, Bank PHB, GTB, UBA. Sierra Leone: Access, Bank PHB, GTB, Skye, UBA, Zenith. [2] This number does not include Ecobank. Although headquartered in Togo, its largest operation is in Nigeria and its majority shareholders are also Nigerian. If Ecobank is included as a Nigerian bank, the share rises to 71% in Liberia.

Source: Various central banks, 2009.

Source: Alade, S. (2014).

Appendix 3.20 Merchandise trade historic trend 1948-2016

Merchandise: Total trade and share, annual, 1948-2016

Other: FLOW (Exports), MEASURE (US Dollars at current prices in millions)

YEAR / ECONOMY	1970	1975	1980	1985	1990	1995	2000	2005
Nigeria	1 240	7 834	25 968	12 548	13 596	12 342	20 975	50 467
Selected exporters of petroleum	30 817	126 590	353 707	225 185	271 123	257 449	417 224	907 645
Selected exporters of manufactured goods	17 740	50 348	158 257	220 547	479 205	1 001 077	1 412 861	2 561 389
Selected exporters of manufactured goods and primary commodities	14 136	40 171	109 625	152 547	304 565	602 870	860 218	1 773 826
Selected exporters of agricultural products	4 476	8 976	21 331	19 698	28 582	41 624	48 993	79 205
Selected exporters of minerals and mining products	5 025	6 604	16 066	13 239	21 380	31 797	35 840	75 533
Net food-exporting economies	148 244	381 876	833 286	818 723	1 435 978	2 218 705	2 786 346	4 236 355
Net food-exporting developing economies	20 420	50 659	133 598	130 702	211 915	381 883	494 069	887 429
Net food-exporting transition economies	–	–	–	–	–	18 676	22 371	51 298
Net food-exporting developed economies	127 824	331 218	699 688	688 021	1 224 064	1 818 146	2 269 906	3 297 628
Major net food-exporting economies	143 512	371 491	811 072	800 536	1 417 972	2 192 042	2 753 688	4 167 176

Merchandise: Total trade and share, annual, 1948-2016

Other: FLOW (Exports), MEASURE (US Dollars at current prices in millions)

YEAR / ECONOMY	2010	2011	2012	2013	2014	2015	2016
Nigeria	(5) 84 000	(5) 116 000	(5) 114 700	(5) 102 400	94 200	51 400	32 800
Selected exporters of petroleum	1 491 918	2 008 314	2 117 319	2 024 774	1 868 609	1 148 769	953 006
Selected exporters of manufactured goods	4 351 767	5 167 966	5 404 303	5 675 698	5 869 451	5 497 813	5 276 208
Selected exporters of manufactured goods and primary commodities	3 200 723	3 826 010	3 991 210	4 184 414	4 334 359	4 089 459	3 883 674
Selected exporters of agricultural products	131 912	155 326	144 768	142 310	137 568	117 895	117 874
Selected exporters of minerals and mining products	139 906	169 895	168 887	166 386	161 738	133 918	135 676
Net food-exporting economies	6 023 448	7 169 993	7 107 715	7 263 072	7 327 207	6 418 918	6 333 421
Net food-exporting developing economies	1 560 102	1 918 785	1 912 308	1 930 136	1 929 087	1 699 876	1 678 891
Net food-exporting transition economies	88 098	123 875	127 981	118 609	107 508	79 865	76 677
Net food-exporting developed economies	4 375 248	5 127 333	5 067 427	5 214 327	5 290 611	4 639 177	4 577 853
Major net food-exporting economies	5 898 316	7 018 642	6 966 365	7 111 599	7 170 480	6 279 890	6 193 708

Source: WTO DATASTAT

Appendix 4.1 Preliminary search criteria and results

A1 | Product name

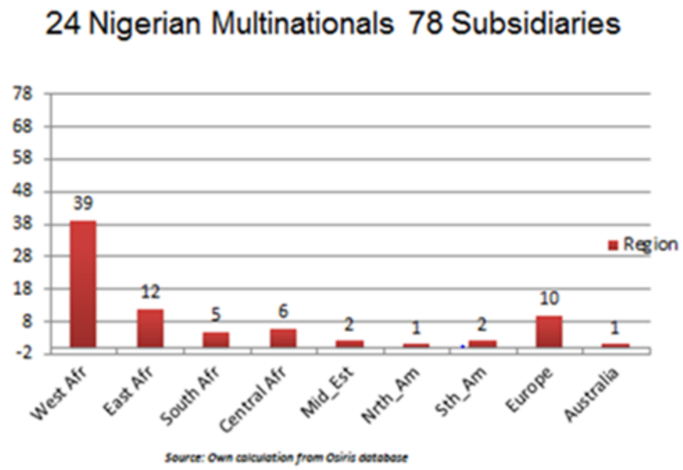
	A B C	D	E	F
1	**Product name**	**Osiris**		
2	**Update number**	**169**		
3	**Software version**	**169.00**		
4	**Data update**	**29/01/2015 (n° 2227)**		
5	**Username**	**athens-uk:e290e03c:00004f6**		
6	**Export date**	**05/02/2015**		
7	1. Listed/Unlisted companies: Publicly listed companies			51,735
8	2. City: LAGOS			153
9	3. World region/Country: Nigeria			231
10	4. Type of entities: Telecommunication Services			912
11	**5. Listed/Unlisted companies: Publicly listed companies**			**51,735**
12	**6. World region/Country: Nigeria**			**231**
13	**7. Foreign subsidiaries: Def. of the UO: min. path of 50.01%, known or unknown shareh., closest quoted company in the path leading to the Ultimate Owner (if any)**			**65**
14	**Subsidiaries located in another country (incl. shareh. with an unknown country) owned by an UO or not ult. owned but owned by at least 51%; May have other shareh. in the foreign country**			
15	**8. Foreign subsidiaries: Def. of the UO: min. path of 50.01%, known or unknown shareh., closest quoted company in the path leading to the Ultimate Owner (if any)**			**23,625**
16	**Subsidiaries located in another country (incl. shareh. with an unknown country) owned by an UO or not ult. owned but owned by at least 51%; May have other shareh. in the foreign country**			
17	**9. Selected companies: (33 deleted)**			**33**
18	**Boolean search : 5 And 6 And 7 And 8 And Not 9**			
19			**TOTAL**	**26**
20				
21	Definition of the Ultimate Owner:			
22	- minimum percentage that must characterise the path from a subject Company up to its Ultimate owner: 50.01%			
23	- UO can have no shareholder identified or all its shareholders have an unknown percentage - Consider the highest quoted Company in the path as Ultimate owner, whatever its shareholders			
24				
25	**Current filter :** No filter			
26	Number of levels of subsidiaries displayed : 1			
27				

Source: BvD Database (2015).

Appendix 4.2 Initial analysis and result of Nigerian firms

Sources: Research data

Appendix 4.3 Initial analysis results and subsidiaries locations



Source: Research data

Appendix 4.4 Ethic review application

THE UNIVERSITY OF HUDDERSFIELD
Business School

POSTGRADATE STUDENT / STAFF RESEARCH ETHICAL REVIEW

Please complete and return via email to alex.thompson@hud.ac.uk along with the required documents (shown below).

SECTION A: TO BE COMPLETED BY THE APPLICANT

Before completing this section please refer to the Business School Research Ethics web pages which can be under Resources on the Unilearn site (Ethics Policies and Procedures). Applicants should consult the appropriate ethical guidelines.

Please ensure that the statements in Section C are completed by the applicant (and supervisor for PGR students) prior to submission.

Project Title	**The internationalisation process of emerging market multinationals** : Empirical study of Nigeria multinational organisations
Applicant	Mrs Felicia Constance Omokaro-Romanus
Award (where applicable)	PhD
Project start date	01-04-2014

SECTION B: PROJECT OUTLINE (TO BE COMPLETED IN FULL BY THE APPLICANT)

Issue	Please provide sufficient detail for your supervisor to assess strategies used to address ethical issues in the research proposal. Forms with insufficient detail will need to be resubmitted.
Researcher(s) details	Mrs Felicia Constance Omokaro Romanus Doctoral Researcher The Business School Department of Strategy, Marketing and Economics University of Huddersfield
Supervisor details	Prof John R. Anchor The Business School Head of Department Department of Strategy, Marketing and Economics University of Huddersfield
Aims and objectives of the study. Please state the aims and objectives of the study.	1. To determine the drivers of emerging market multinationals corporations (EMNCs) internationalisation 2. To investigate the motivation behind (EMNCs) internationalisation process 3. To investigate and ascertain the strategic approaches of EMNCs internationalisation process in terms of location choice 4. To propose a conceptual framework for internationalisation process strategic evaluation and analysis

Modified 13/6/12

Brief overview of research methodology The methodology only needs to be explained in sufficient detail to show the approach used (e.g. survey) and explain the research methods to be used during the study.	This study adopts a qualitative research approach to the study of the internationalisation process of Nigeria multinational firms. A Qualitative approach is appropriate for the research as it allows new social phenomena to be explored and explained. The data collection protocol uses semi-structured in-depth interviews which is particularly useful to answer the "why", "what" and "how" research questions (Acholonu et al., 2010; Eisenhardt, 1989; Ghauri & Grnhaug, 2010). Above all, the focus of this study is investigating and ascertaining the drivers, motivations of Nigerian multinationals and their strategic location choice decisions when internationalising. This study approach is appropriate as firm's internationalisation is a process that is constantly evolving in which a qualitative study is justified.
Does your study require any permissions for study? If so, please give details	Yes, See attached emailed
Participants Please outline who will participate in your research. Might any of the participants be considered 'vulnerable' (e.g. children)	Top management level Executives from the sample organisations
Access to participants Please give details about how participants will be identified and contacted.	Letter of interview request was sent the participants more than 60 in all. Only two has agreed to be interviewed and one of it is term as pilot study. See attached interview request letter
How will your data be recorded and stored?	Using audio recording device and notes, which will be stored in the University K drive and a locked locker in the University
Informed consent. Please outline how you will obtain informed consent.	Yes, see attachment for consent form
Confidentiality Please outline the level of confidentiality you will offer respondents and how this will be respected. You should also outline about who will have access to the data and how it will be stored. (This information should be included on Information your information sheet.)	The confidentiality of the data is guaranteed. The data will be accessed by me and my supervisor and purely for the purpose of the thesis report. We assure that information generated from interview and participant organisation will be used strictly and confidentially for this purpose of this study only.
Anonymity If you offer your participants anonymity, please indicate how this will be achieved.	Participant name will not be mentioned in the transcript and should their name and organisation's name is required, a pseudonym will be used instead.
Harm Please outline your assessment of the extent to which your research might induce psychological stress, anxiety, cause harm or negative consequences for the participants (beyond the risks encountered in normal life). If more than minimal risk, you should outline what support there will be for participants. If you believe that that there is minimal likely harm, please articulate why you believe this to be so.	None: there is any harm posed to the participants of this study, in the sense that the study focus is multinationals organisations and sample participants are top management level executives. Also the participants are not in the vulnerable group as specified in the University of ethic committee regulations.

Retrospective applications. If your application for Ethics approval is retrospective, please explain why this has arisen.

Not application

SECTION C – SUMMARY OF ETHICAL ISSUES (TO BE COMPLETED BY THE APPLICANT)

Please give a summary of the ethical issues and any action that will be taken to address the issue(s).

The following procedures will be taken to address ethical issues in relating to my study.

1. Participants confidential will be guaranteed where necessary.
2. Data collected will be keep securely

SECTION D – ADDITIONAL DOCUMENTS CHECKLIST (TO BE COMPLETED BY THE APPLICANT)

Please supply copies of all relevant supporting documentation electronically. If this is not available electronically, please provide explanation and supply hard copy.

I have included the following documents

Information sheet	Yes ☐	Not applicable X
Consent form	✓ Yes	Not applicable ☐
Letters	✓ Yes	Not applicable X
Questionnaire	Yes ☐	Not applicable X
Interview schedule	✓ Yes	Not applicable ☐

SECTION E – STATEMENT BY APPLICANT

I confirm that the information I have given in this form on ethical issues is correct. (Electronic confirmation is sufficient).

Applicant name Mrs Felicia Constance Omokaro Romanus

Date 29-09-2015

Affirmation by Supervisor
I have read the Ethical Review Checklist and I can confirm that, to the best of my understanding, the information presented by the Applicant is correct and appropriate to allow an informed judgement on whether further ethical approval is required

Supervisor name Prof John Anchor

Date 29-09-2015

All documentation must be submitted electronically to the Business School Ethics Committee Administrator Alex Thompson at alex.thompson@hud.ac.uk.

All proposals will be reviewed by two members of SREP. If it is considered necessary to discuss the proposal with the full Committee, the applicant (and their supervisor if the applicant is a student) will be invited to attend the next Ethics Committee meeting.

If you have any queries relating to the completion of this form or any other queries relating to the Business School's Ethics Committee in consideration of this proposal, please do not hesitate to contact the Chair, Dr Eleanor Davies (e.davies@hud.ac.uk) ☎ [47] 2121 or the Administrator Alex Thomson (alex.thompson@hud.ac.uk) ☎ [47] 2529

Modified 13/6/12

Appendix 4.5 Recommendation letter from post graduate admin office

University of
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2013
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To: Whom it may concern

15 July 2015

Dear Sir/Madam

Re: Mrs Felicia Omokaro Romanus
Student number: U1350114

I confirm that Mrs Felicia Omokaro Romanus is registered as full-time research student at the University of Huddersfield Business School, undertaking a programme of work leading to the award of Doctor of Philosophy. Mrs Omokaro Romanus's thesis title is *"The internationalisation process of emerging market multinationals: a multi-dimensional strategic approach"*.

Mrs Omokaro Romanus will be conducting necessary fieldwork for her research. After conducting her fieldwork, she will return to the University to process her findings and write up her thesis. Mrs Omokaro Romanus is due to submit on the 31st March 2018.

If you require any further information, please do not hesitate to contact me.

Yours faithfully

Martin Smith
Post Graduate Research – Administrative Assistant

T 01484 47 3575

m.g.smith@hud.ac.uk www.hud.ac.uk

The Business School

University of Huddersfield | Queensgate | Huddersfield | HD1 3DH

UNIVERSITY OF HUDDERSFIELD
THE BUSINESS SCHOOL

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QUEENSGATE, HUDDERSFIELD HD1 3DH

Appendix 4.6 Request for research participation

University of HUDDERSFIELD
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2013 THE AWARDS
AWARD WINNER
UNIVERSITY OF THE YEAR

Professor John Anchor,
Head of Department: Strategy, Marketing and Economics,
The Business School,
University of Huddersfield, Queensgate,
HD1 3DX, Huddersfield, England.
20th May, 2015

Mr XXXX
XXXX Limited
XXXX London,
XXXX UK,

Dear Sir,

Request for Research Participation

I am the lead supervisor of Mrs Felicia Constance Omokaro-Romanus one of our researchers. She is researching into "the internationalisation process of emerging market multinationals". Specifically, she is interested in finding out how Nigerian firms internationalise abroad.

Your firm has been identified and selected as a sample for this study. Hence, she is interested in interviewing one or more of your managers for about 40minutes to 60 minutes on some key questions which this research has developed. The interview will be carried out by Mrs Felicia Constance Omokaro-Romanus. The anticipated period of this interview is between May and September, 2015.

However, in keeping with my University's ethical policy, we assure you that information generated from your firms will be used strictly and confidentially for the purpose of the award of Mrs Felicia Constance Omokaro-Romanus PhD degree. Also, the interview can be undertaken in several different ways, depending on which method suits you best - such as Skype, email or personal interview.

I would request if you could respond promptly so as to enable us prepare for the next stage of the interview and study.

If you require any further information, please contact Mrs Romanus on this email address constance.romanus@hud.ac.uk

Kind Regards

Prof John Anchor

Queensgate, Huddersfield, HD1 3DH, UK
+44 (0) 1484 422288 +44 (0) 1484 516151
Chancellor: HRH The Duke of York, KG
Vice-Chancellor: Professor Bob Cryan CBE DL MBA DSc CEng FIET FHEA

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Appendix 4.7 Research ethics consent form

University of
HUDDERSFIELD

RESEARCH ETHICS - CONSENT FORM

TITLE OF PROJECT: The internationalisation process of emerging market multinationals: Empirical study of Nigerian multinational organisations

RESEARCHER DETAIL INFORMATION

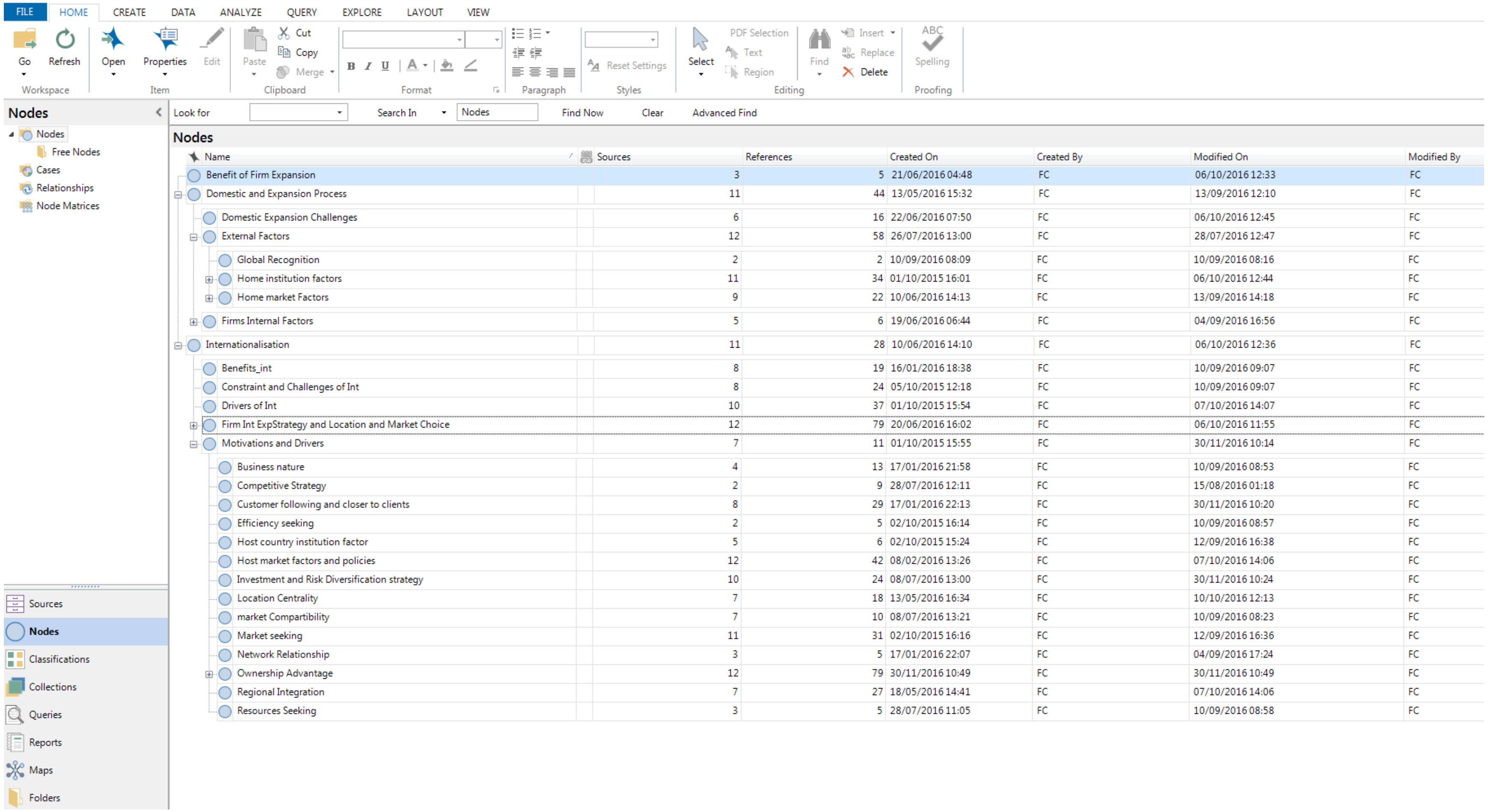
Full Name: Mrs Felicia Constance Omokaro Romanus
Position: PhD Research Student
Contact Address: c/o University of Huddersfield. Queens's gate
Huddersfield HD1 3DH

	Please Initial Box
1. I confirm that the background of the above named study has been explained to me and I have had the chance to ask and I have had the opportunity to ask questions.	☐
2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason.	☐
3. I agree to this audio-recorded interview.	☐
4. I agree to the use of anonymised quotes in publications from this Research	☐
5. I agree to the use of anonymised quotes by this Researcher in publications	☐

NB: Keeping with the University ethical policy, we assure you that information generated from interview and your organisation will be used strictly and confidentially. You name will not be mentioned in the transcript and should your name and your organisation's name be required, a pseudonym will be used instead.

Name of Interviewee	Date	Signature
Name of Researcher	Date	Signature

Appendix 4.8 Nvivo Coding Sample



Nodes

Name	Sources	References	Created On	Created By	Modified On	Modified By
Benefit of Firm Expansion	3	5	21/06/2016 04:48	FC	06/10/2016 12:33	FC
Domestic and Expansion Process	11	44	13/05/2016 15:32	FC	13/09/2016 12:10	FC
Domestic Expansion Challenges	6	16	22/06/2016 07:50	FC	06/10/2016 12:45	FC
External Factors	12	58	26/07/2016 13:00	FC	28/07/2016 12:47	FC
Global Recognition	2	2	10/09/2016 08:09	FC	10/09/2016 08:16	FC
Home institution factors	11	34	01/10/2015 16:01	FC	06/10/2016 12:44	FC
Home market Factors	9	22	10/06/2016 14:13	FC	13/09/2016 14:18	FC
Firms Internal Factors	5	6	19/06/2016 06:44	FC	04/09/2016 16:56	FC
Internationalisation	11	28	10/06/2016 14:10	FC	06/10/2016 12:36	FC
Benefits_int	8	19	16/01/2016 18:38	FC	10/09/2016 09:07	FC
Constraint and Challenges of Int	8	24	05/10/2015 12:18	FC	10/09/2016 09:07	FC
Drivers of Int	10	37	01/10/2015 15:54	FC	07/10/2016 14:07	FC
Firm Int ExpStrategy and Location and Market Choice	12	79	20/06/2016 16:02	FC	06/10/2016 11:55	FC
Motivations and Drivers	7	11	01/10/2015 15:55	FC	30/11/2016 10:14	FC
Business nature	4	13	17/01/2016 21:58	FC	10/09/2016 08:53	FC
Competitive Strategy	2	9	28/07/2016 12:11	FC	15/08/2016 01:18	FC
Customer following and closer to clients	8	29	17/01/2016 22:13	FC	30/11/2016 10:20	FC
Efficiency seeking	2	5	02/10/2015 16:14	FC	10/09/2016 08:57	FC
Host country institution factor	5	6	02/10/2015 15:24	FC	12/09/2016 16:38	FC
Host market factors and policies	12	42	08/02/2016 13:26	FC	07/10/2016 14:06	FC
Investment and Risk Diversification strategy	10	24	08/07/2016 13:00	FC	30/11/2016 10:24	FC
Location Centrality	7	18	13/05/2016 16:34	FC	10/10/2016 12:13	FC
market Compartibility	7	10	08/07/2016 13:21	FC	10/09/2016 08:23	FC
Market seeking	11	31	02/10/2015 16:16	FC	12/09/2016 16:36	FC
Network Relationship	3	5	17/01/2016 22:07	FC	04/09/2016 17:24	FC
Ownership Advantage	12	79	30/11/2016 10:49	FC	30/11/2016 10:49	FC
Regional Integration	7	27	18/05/2016 14:41	FC	07/10/2016 14:06	FC
Resources Seeking	3	5	28/07/2016 11:05	FC	10/09/2016 08:58	FC

Appendix 4.9 Category and theme model