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Internationalization Strategies of Media Small and Medium-Sized Enterprises

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Abstract

Up to now, the majority of research has concentrated on the internationalization strategies of large media companies and conglomerates, which have the resources and influence to navigate and dominate new foreign markets. However, the importance of international expansion is not limited to these large entities. Small- and medium-sized enterprises in the media sector also stand to benefit significantly from tapping into global markets. Despite their relatively smaller scale, these media Small- and medium-sized enterprises can leverage internationalization to access new audiences, diversify revenue streams, and enhance their competitive edge. This paper aims to fill a gap in the existing literature by exploring the internationalization strategies of media Small- and medium-sized enterprises, a topic that has received less attention compared to the strategies of their larger counterparts. Media Small- and medium-sized enterprises often face unique challenges in their international ventures, such as limited financial resources, lack of market knowledge, and the need for more innovative approaches to overcome barriers to entry. At the same time, they possess certain advantages, such as agility, niche market focus, and the ability to rapidly adapt to new market conditions. By analyzing the strategies that different types of media Small- and medium-sized enterprises employ to expand internationally, this paper seeks to understand how these smaller firms manage to succeed in foreign markets despite their constraints. The discussion will cover various factors that influence their internationalization efforts, including the choice of entry modes, partnerships, cultural adaptation, and the role of digital platforms in facilitating global reach. The insights gained from this study could provide valuable guidance for media Small- and medium-sized enterprises looking to embark on or refine their internationalization journeys, contributing to the broader understanding of how small-scale media enterprises can thrive in the global arena. This study seeks to describe and compare the motives that drive small- and medium-sized enterprises in the media sector to pursue international expansion. It explores how these enterprises select, enter, and develop in foreign markets, with a particular emphasis on the organizational implications of such strategies. By focusing on different types of media businesses—specifically, regional newspaper publishers, special interest publishers, and online social business networks—the study aims to uncover the varying approaches and challenges faced by these distinct sectors as they navigate the complexities of internationalization. Using a multiple-case study design, the research compares the internationalization strategies of two German regional newspaper publishers, two German special interest publishers, and two online social business networks. This comparative analysis reveals both similarities and differences in the internationalization processes across these media sectors, highlighting how the unique nature of each type of media business influences their approach to global expansion. The findings underscore the critical role of international management skills, even within Small- and medium-sized enterprises, which are often perceived as lacking the resources and capabilities of larger media conglomerates. The cases illustrate that while there are common drivers and challenges across these sectors, the specific strategies employed—such as market selection criteria, entry modes, and development tactics—are shaped by the distinct characteristics of each media business. For instance, regional newspaper publishers might prioritize cultural and linguistic familiarity in market selection, whereas online social business networks might focus on digital penetration and user engagement metrics. Ultimately, the study contributes to a deeper understanding of the internationalization strategies of media Small- and medium-sized enterprises, offering insights into how these smaller enterprises can effectively compete and succeed in the global market. It also highlights the importance of developing robust international management capabilities within Small- and medium-sized enterprises, which are essential for navigating the complexities of foreign markets and sustaining long-term growth.

Keywords: Internationalization, Media SMEs, Global Expansion

JEL Codes: F23, L82, M16

1. INTRODUCTION

The liberalization and deregulation of global markets have presented both opportunities and risks across various industries. One of the most significant opportunities has been the potential for growth through the generation of additional revenues in foreign markets. Over the past decade, emerging economies in regions such as Eastern Europe, China, and India have attracted considerable attention from Western companies seeking to capitalize on the rapid economic expansion in these areas (Wirtz, 2005). These markets have become key targets for international business ventures, offering substantial growth potential for companies that successfully navigate their entry into these regions. The expansion into these new markets has enabled many companies to establish a presence and reap the benefits of the

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economic upturn in these emerging economies. By tapping into the increasing consumer demand and industrial development in countries like China and India, Western companies have been able to significantly enhance their revenue streams and achieve global market expansion. This strategic move has been a crucial factor in sustaining the growth trajectories of many firms, especially those operating in saturated markets within their home countries. However, the liberalization of global markets also brings with it inherent risks. One of the major challenges is the intensified competition that arises when international players enter domestic markets. As global barriers to trade and investment have diminished, companies from around the world have gained easier access to new markets, including those previously dominated by local firms. This influx of international competitors into domestic markets can lead to increased pressure on local companies, especially in markets that are already saturated (Beschorner and Stehr, 2007). The heightened competition can erode market shares, squeeze profit margins, and compel domestic companies to innovate or find new strategies to maintain their competitive edge. In essence, while market liberalization offers substantial opportunities for growth and expansion, it simultaneously introduces new competitive dynamics that can pose significant risks to companies. Firms must carefully assess these opportunities and threats, balancing their pursuit of international growth with strategies to defend and strengthen their positions in domestic markets.

Both opportunities and risks are highly relevant to media companies as they navigate the global market landscape. The opportunities presented by market liberalization and deregulation push media companies to expand beyond their domestic boundaries, encouraging them to become international players or strengthen their existing international positions. To capitalize on these opportunities, media companies are compelled to adopt and refine their internationalization strategies, aiming to secure a competitive advantage in new and emerging markets. The topic of internationalization strategies has garnered considerable attention in academic research. There is an extensive body of work that explores internationalization strategies in general, focusing on how businesses expand into global markets and the challenges they encounter. Additionally, a significant portion of research is dedicated to the internationalization strategies of small- and medium-sized enterprises (SMEs), which face unique challenges compared to larger corporations. Scholars such as Armario et al. (2008), Naldi and Davidsson (2008), and Etemad (2004) have contributed to this field by examining how SMEs develop and implement strategies to enter and succeed in international markets. In the context of media companies, the internationalization process presents its own set of complexities and opportunities. While some research has delved into the internationalization strategies of media companies, the focus has often been on larger media conglomerates and their approach to entering foreign markets. However, as the media landscape continues to evolve, there is a growing interest in understanding how media SMEs—characterized by their smaller scale and limited resources—navigate the challenges of internationalization. This area of research is particularly important as media SMEs play a critical role in the global dissemination of information, culture, and entertainment.

Despite the challenges, the potential rewards of successful internationalization are substantial for media companies. By expanding into new markets, media firms can access larger audiences, diversify their revenue streams, and mitigate the risks associated with operating in a single market. However, the risks associated with internationalization—such as cultural differences, regulatory hurdles, and increased competition—require media companies to carefully craft and execute their strategies to ensure success in the global arena. Hollifield (2001) offers a comprehensive review of the research on the internationalization strategies of media companies, covering the period from 1978 to 2000. This work serves as a foundational resource, highlighting key trends and developments in the field over two decades. Subsequent overviews by Gershon (2006) and Sanchez-Tabernero (2006) delve into more specialized aspects of media internationalization, contributing to a nuanced understanding of the strategies employed by media firms in the global market. One notable implication of the existing research is that media economic studies have predominantly focused on large media conglomerates such as Bertelsmann, Disney, News Corporation, Time Warner, and Viacom. These giants have been the primary subjects of investigation, with much of the literature examining their expansive and complex international operations. The dominance of these conglomerates in media economic research reflects their significant influence on global media markets and the scale at which they operate. Recent studies have continued to explore the internationalization strategies of these major players. For example, Jung and Chan-Olmsted (2005) investigate the impact of product and geographical diversification activities on the financial performance of the top 26 media companies. Their research provides insights into how diversification strategies contribute to or hinder financial success in the highly competitive global media landscape. Similarly, Chan-Olmsted and Chang (2003) examine the diversification patterns of the top 7 global media conglomerates, offering a detailed analysis of how these firms expand their operations across different markets and product lines.

These studies underscore the importance of diversification as a key strategy for media conglomerates seeking to mitigate risks and capitalize on opportunities in the global market. By diversifying their product offerings and entering new geographical markets, these companies aim to achieve sustainable growth and maintain their competitive edge. However, the focus on large conglomerates in media economic research has left a gap in understanding the internationalization strategies of smaller media firms, particularly SMEs. As the media industry continues to evolve, there is a growing need for research that addresses the unique challenges and strategies of media SMEs, which play an increasingly important role in the global media ecosystem. In addition to the focus on media conglomerates, media economic research has shown a particular interest in the internationalization of audiovisual media products and the video industry. These sectors have been extensively studied due to their significant global reach and the unique challenges they face in different markets.

Scholars like Chan-Olmsted et al. (2008), Oba and Chan-Olmsted (2007), and Shrikhande (2001) have contributed to this body of research by exploring various aspects of how audiovisual media products are distributed, consumed, and adapted in international markets. These studies often investigate the strategies that companies use to navigate cultural, regulatory, and technological differences across regions, as well as the economic impact of these strategies. The audiovisual media sector, including television, film, and video streaming, represents a dynamic and rapidly evolving part of the media industry. The internationalization of these products involves not only the physical distribution of content but also the adaptation of content to suit local tastes and regulatory environments. This might include dubbing or subtitling, altering content to comply with local censorship laws, or even producing entirely new versions of content for different markets.

Research in this area has also highlighted the role of emerging technologies and platforms in the internationalization process. The rise of global streaming services, for instance, has fundamentally changed how audiovisual content is distributed and consumed, breaking down traditional barriers and enabling instant access to a vast array of media products across the world. By focusing on these sectors, researchers have been able to provide valuable insights into the complex interplay between global media trends and local market conditions. This research not only helps media companies refine their international strategies but also contributes to a broader understanding of the global media landscape.

On the other hand, most media companies are small- and medium-sized enterprises (SMEs) and are distributed across a wide array of media sectors. Unlike large media conglomerates, these SMEs operate under vastly different organizational constraints, such as limited financial resources, smaller workforces, and less access to global networks. As Picard (2004) suggests, these organizational differences necessitate a distinct strategic approach, particularly when it comes to internationalization. The internationalization strategies employed by SMEs are likely to diverge significantly from those used by media conglomerates due to these unique challenges. For instance, while large conglomerates might leverage economies of scale and extensive distribution networks to enter new markets, SMEs may need to rely more on niche strategies, forming strategic alliances, or focusing on digital platforms that allow for more cost-effective global reach. Additionally, the risk tolerance, agility, and innovative capabilities of SMEs might lead them to adopt more flexible and adaptive strategies in contrast to the more standardized approaches often seen in larger corporations. Given these differences, the internationalization strategies of media SMEs warrant dedicated research attention. Understanding how these smaller entities navigate the complex global media landscape can provide valuable insights not only for academics but also for policymakers and industry practitioners. Research focused on media SMEs can uncover the unique challenges and opportunities these companies face, such as how they balance local relevance with global reach, how they manage the financial risks associated with international expansion, and how they build and sustain competitive advantages in foreign markets. Furthermore, studying SMEs in various media sectors—such as publishing, broadcasting, digital media, and content creation—can reveal sector-specific strategies and practices. This can help build a more nuanced understanding of how different types of media companies approach internationalization, and what factors contribute to their success or failure in foreign markets.

This paper aims to take a significant step towards closing the existing research gap by examining the internationalization strategies of small- and medium-sized enterprises (SMEs) within the media industry. Rather than developing a new theory of internationalization, this study focuses on how selected SMEs navigate the typical challenges associated with international expansion, challenges that have been well-documented in other areas of research. By doing so, the paper seeks to provide a deeper understanding of the practicalities and realities that SMEs face when entering and developing foreign markets. The study offers a detailed exploration of the reasons why these SMEs choose to become international players, as well as their strategies for selecting markets, entering them, and fostering growth once established (Wirtz, 2005). This approach allows for a nuanced comparison of different SMEs' strategies, highlighting both commonalities and divergences across various media sectors.

In addition to examining market strategies, the paper places a strong emphasis on the organizational implications of internationalization for SMEs. This includes an analysis of how these companies structure their operations to support international growth, the internal challenges they encounter, and the skills and capabilities they need to succeed on a global stage. By comparing the internationalization strategies of six SMEs from three distinct media sectors, the study provides a comprehensive look at how different types of media businesses approach and manage the complexities of operating in international markets. The findings of this research are expected to shed light on the strategic decisions and organizational adaptations that enable SMEs to overcome the inherent challenges of internationalization. This, in turn, could serve as a valuable resource for other SMEs in the media industry that are considering or are in the process of expanding into foreign markets, offering insights into best practices and potential pitfalls. Moreover, the study contributes to the broader literature on media economics by highlighting the unique perspectives and strategies of smaller media enterprises, which are often overshadowed by the focus on large conglomerates.

2. THEORETICAL CONCEPTS

Despite the growing interest in internationalization strategies, little has been published specifically on the internationalization strategies of media SMEs. Existing theories of internationalization predominantly focus on multinational enterprises (MNEs) or transnational corporations (TNCs). These theories often fail to adequately address the unique needs and challenges faced by SMEs, particularly in terms of their resource limitations and organizational structures (Etemad, 2004; Bonaccorsi, 1992). SMEs, by their very nature, operate with constrained resources and less organizational complexity, which necessitates a different strategic approach compared to larger multinational firms. In the context of the media industry, which is a distinctive economic segment with its own set of challenges and dynamics, the lack of a tailored theoretical concept for media SMEs is particularly noticeable. The media industry's unique characteristics, such as the high importance of content creation, cultural relevance, and rapid technological changes, make the internationalization strategies of media SMEs distinctly different from those in other industries. As a result, existing internationalization theories developed for MNEs or TNCs are not entirely applicable to media SMEs, highlighting the need for a more specialized theoretical framework.

To position our study within a theoretical context, we primarily refer to the work of Etemad (2004), who integrated various studies on the internationalization strategies of SMEs into a cohesive theoretical framework. Etemad's framework offers a valuable lens through which to examine the internationalization processes of SMEs, particularly by addressing the nuances of SME operations, such as their limited resources, the need for flexibility, and the importance of networks and partnerships in their international ventures. By applying this framework to the study of media SMEs, we aim to explore how these enterprises adapt and modify their internationalization strategies to overcome the challenges specific to their industry. This approach not only helps to fill the gap in the literature on media SME internationalization but also contributes to the broader understanding of how SMEs in niche industries can successfully expand their operations across borders. By aligning our study with Etemad's theoretical insights, we provide a more nuanced understanding of the internationalization strategies that are most effective for media SMEs, offering guidance for both academics and practitioners in this field. The theoretical framework for understanding the internationalization strategies of SMEs, particularly within the media sector, primarily revolves around "push forces." These forces are internal factors within a company that drive or enable its entry into foreign markets. Push forces typically represent intrinsic motivations or advantages that make international expansion a viable and attractive option. One key aspect of these push forces is the characteristics of the company's founder or management. The skills, experiences, and vision of top management play a crucial role in driving the company towards international markets. Their entrepreneurial spirit, international experience, and strategic outlook can significantly influence the decision to expand abroad. The economics of operations within the company also play a significant role. Favorable economic conditions, such as lower production costs or higher productivity, can make international expansion more feasible and appealing. Companies that operate efficiently and cost-effectively are better positioned to compete in foreign markets.

Another important factor is the competitive landscape and the company's strategic positioning. Intense competition in the domestic market can push a company to seek opportunities abroad to sustain growth and profitability. The company's strategic approach to navigating competitive pressures and market saturation often drives its internationalization efforts. Investment in research and development (R&D) and innovation also contributes to the push for internationalization. Companies that prioritize R&D and technological advancements are often better equipped to enter foreign markets. The development of advanced technologies and innovative products can provide a competitive edge and appeal in global markets. The nature of the products or services offered, especially if they are high-tech or cutting-edge, influences internationalization. High-tech products often have broader appeal and demand in international markets, driving companies to seek opportunities beyond their domestic borders. The strategic rationale behind entering international markets, such as diversification, market saturation, or the pursuit of new growth opportunities, also plays a critical role. Companies with a clear strategic vision for international operations are more likely to pursue and succeed in their expansion efforts. These push factors collectively create a foundation that supports and drives a company's international expansion. Understanding these internal elements helps explain why certain SMEs, particularly in the media sector, are motivated to explore foreign markets and how they leverage their internal strengths to address the challenges of internationalization.

The theoretical framework also encompasses "pull forces," which represent external factors that provide incentives for companies to expand internationally. These forces are typically driven by changes or conditions in the external environment that create opportunities for entering foreign markets. One significant pull force is the presence of unmet market demands in specific international markets or segments. When companies identify gaps or needs that are not adequately addressed in other countries, they are motivated to internationalize to fulfill these demands. Another critical pull force is the liberalization of international markets. As markets become more open and less regulated, they present new opportunities for companies to enter and compete on a global scale. Advances in information, communication, and transportation technologies also play a crucial role. These technologies reduce barriers to entry, facilitate global communication, and streamline logistics, making international expansion more feasible and attractive. The potential for partnerships and the availability of resources in foreign markets can also act as strong pull factors. Companies may be drawn to internationalize in order to collaborate with local partners or to access valuable resources that are not available in their home country. Additionally, the desire to serve the needs of existing buyers and suppliers who are operating in international markets can drive companies to expand their operations globally.

The framework further includes "mediating forces," which influence the pace and nature of a company's internationalization efforts. These forces can either accelerate or decelerate the internationalization process and are referred to as enablers and deterrents. Key mediating forces include industry characteristics and drivers, which shape the competitive landscape and opportunities within specific sectors. The need for financial resources is another important factor, as companies must secure adequate funding to support their international expansion. The dynamics of learning organizations and the ability to leverage capabilities, products, and resources also play a role in shaping internationalization efforts. Companies that are adaptable and capable of learning from their experiences are better positioned to succeed in foreign markets. Finally, the internationalized needs of customers and suppliers can influence the decision to expand globally, as companies seek to align their operations with the global requirements of their stakeholders. Together, these push, pull, and mediating forces create a comprehensive framework for understanding the various factors that drive and shape the internationalization strategies of SMEs, including those in the media sector.

Another significant theoretical concept is the "Stage Theory of Internationalization," developed by the Uppsala School of Internationalization. This theory, elaborated by scholars such as Johanson and Vahlne, posits that companies typically follow a gradual process in their international expansion. According to this theory, firms start their internationalization journey by entering markets that are geographically or culturally closer to their home base. This approach allows them to gain the necessary experience and reduce risks associated with international operations. The Stage Theory suggests that the internationalization process is incremental. Initially, companies may engage in less resource-intensive modes of entry, such as exporting. As they gain more experience and confidence, they may then proceed to more committed forms of international involvement, such as forming joint ventures or making acquisitions. This gradual progression helps firms manage the uncertainties and complexities of operating in foreign markets. The theory also emphasizes that factors such as the company's size and the management's experience play crucial roles in determining the extent and pace of internationalization. Larger firms with more resources and experienced management teams are generally better equipped to undertake international expansion and navigate the challenges associated with it. The Stage Theory of Internationalization provides a framework for understanding how companies evolve from domestic operations to becoming full international players. It highlights the importance of experiential learning and incremental steps in managing international growth, offering valuable insights into the internationalization strategies of both large and small firms.

3. INTERNATIONALIZATION STRATEGIES OF MEDIA SMEs

In the following section, we will examine the internationalization strategies of six selected media SMEs from three distinct sectors: regional newspaper publishers (RNPs), B2B publishers (B2Bs), and online social business networks (OSNs). This comparative analysis will delve into their international activities, focusing on their motivations for expanding globally, their market selection approaches, and the market entry and processing strategies they employed. Additionally, we will explore their market timing practices and the methods they used to coordinate their international operations. The analysis will be sector-specific, highlighting differences and similarities among the three media sectors. We will also address any company-specific variations within each sector. To provide context, brief introductions to the selected companies will be presented in tables 1 to 3. Most of the data discussed pertains to the year 2007, though other years will be mentioned where relevant. This comprehensive overview aims to shed light on how these media SMEs navigate their international expansion and adapt their strategies to meet the challenges and opportunities of the global market.

Table 1: Overview of the examined regional newspaper publishers (RNP)

	Verlagsgruppe Passau (VGP)	Rheinisch Bergische Verlagsgruppe (RBVG)
Domestic Market	DE	DE
International Markets	PL, CZ, SK, AT	PL, CZ, NL
Revenues	€ 404m	€ 400m
International Revenue Rate	73%	30%
Employees	6,500	4,000
International Employee Rate	90%	50%
Domestic Media Products	Newspapers (Dailies/Weeklies), TV-Supplements, City Magazines	Newspapers
International Media Products	Newspapers (Dailies/Weeklies), TV-Supplements, City Magazines	Newspapers

The table 1 provides a comparative overview of two regional newspaper publishers: Verlagsgruppe Passau (VGP) and Rheinisch Bergische Verlagsgruppe (RBVG). Both companies are based in Germany (DE) but operate in different international markets. VGP is active in Poland (PL), the Czech Republic (CZ), Slovakia (SK), and Austria (AT), whereas RBVG operates in Poland, the Czech Republic, and the Netherlands (NL). In terms of revenue, both companies are nearly equivalent, with VGP generating €404 million and RBVG close behind with €400 million. However, their international revenue rates show a stark difference: VGP earns 73% of its revenue from international markets, while RBVG earns 30%, indicating that VGP has a much stronger international presence in terms of revenue generation. Employee data reflects this international focus as well. VGP employs 6,500 people, of which 90% are employed in international markets, further emphasizing the company's global reach. In contrast, RBVG has a smaller workforce of 4,000 employees, with 50% of them working in international markets. This difference suggests that VGP has a much larger international operational footprint compared to RBVG. Both companies offer similar types of media products in their domestic and international markets. Domestically, VGP provides a broader range of products, including daily and weekly newspapers, TV supplements, and city magazines, while RBVG focuses primarily on newspapers. Internationally, VGP again offers a more diverse portfolio, including newspapers, TV supplements, and city magazines, whereas RBVG sticks to newspapers in foreign markets. While both companies have comparable revenue figures, VGP's international focus and product diversity make it stand out with a higher international revenue rate and employee presence abroad, suggesting a more expansive international strategy compared to RBVG's more domestically oriented operations.

Table 2: Overview of the examined special interest publischers (BSB)

	Vogel Business Medien (VBM)	Deutscher Fachverlag (dfv)
Domestic Market	DE	DE
International Markets	CH, AT, NL, CZ, PL, IT, GR, HU, UA, RO, CN, TH, MY, SG, IN, ID	CN, IT, AT, CZ, PL, RU, TR, HU
Revenues	€ 165m	€ 124m
International Revenue Rate	30%	19%
Employees	1,800	825
International Employee Rate	50%	n/a
Domestic Media Products	50 magazines, various services around core products	90 magazines, various services around core products
International Media Products	100 magazines, various services around core products	51 magazines, various services around core products

The table 2 offers a comparison of two special interest publishers, Vogel Business Medien (VBM) and Deutscher Fachverlag (dfv). Both operate primarily in Germany but have a wide range of international markets. VBM has a more extensive international presence, operating in a variety of countries, including Switzerland, Austria, the Netherlands, and several others in Europe and Asia, such as China, India, Thailand, and Malaysia. In contrast, dfv operates in fewer international markets, such as China, Italy, Austria, Poland, and Russia. This broader international reach for VBM is reflected in its higher revenue of €165 million compared to dfv's €124 million. Despite VBM's higher revenue, the international revenue rate of VBM is 30%, while dfv earns 19% of its revenue from international markets, indicating that both companies still rely heavily on their domestic markets for a significant portion of their income. In terms of employees, VBM has a larger workforce with 1,800 employees, and 50% of them work in international markets, demonstrating the company’s strong international operational focus. In contrast, dfv has 825 employees, but there is no information provided on their international employee rate. Domestically, both companies offer a wide variety of media products. VBM produces 50 magazines and provides various services around these core products, while dfv publishes 90 magazines along with additional services. Internationally, VBM is more prolific, with 100 magazines and various services, while dfv produces 51 magazines abroad. VBM demonstrates a broader international presence and higher overall revenue, though dfv offers more domestic magazines. Both companies focus on combining magazines with services around their core products, but VBM’s larger workforce and product range in international markets highlight its stronger global strategy compared to dfv.

Table 3: Overview of examined online social business networks (OSN)

	Viadeo	LinkedIn
Domestic Market	FR	US
International Markets*	GB, IT, ES, PT, NL, CA, US, CN	GB, ID, ES, FR **
Revenues	€ 3m	USD 33m**
International Revenue Rate	n/a	50% ***
Employees	n/a	33**
International Employee Rate	n/a	n/a,
Domestic Media Products	Online Business Platform,	Online Business Platform, Diverse Applications
International Media Products	Online Business Platform,	Online Business Platform, Diverse Applications

The table compares two online social business networks, Viadeo and LinkedIn, highlighting their domestic and international operations, revenues, and media products. Viadeo is based in France, while LinkedIn originates from the United States. Both platforms operate in several international markets. Viadeo has a presence in countries like the United Kingdom, Italy, Spain, Portugal, the Netherlands, Canada, the U.S., and China. On the other hand, LinkedIn operates in markets such as the U.K., Indonesia, Spain, and France. In terms of revenues, Viadeo generates €3 million, while LinkedIn has significantly higher earnings at USD 33 million. Additionally, LinkedIn earns 50% of its revenue from international markets, though this rate is not specified for Viadeo. Information about employee numbers is sparse for both companies, with LinkedIn reporting 33 employees, but no specific data available for Viadeo. Similarly, the international employee rate is not provided for either platform. Both companies offer similar domestic and international media products: online business platforms with various applications designed to support business networking. These platforms enable users to connect professionally, access diverse features, and extend their networking capabilities globally. The comparison highlights LinkedIn’s larger revenue and more established international revenue generation compared to Viadeo. Both platforms provide similar services but have distinct levels of success and reach in the global market.

Various motives drive firms to internationalize their operations, including the pursuit of growth and the management of risk. International expansion offers the potential for significant benefits such as economies of scope and scale, which can enhance profitability by leveraging existing resources or selling the same products in new markets with minimal modifications. For instance, companies may off-shore certain parts of their value chain, such as setting up printing facilities in Eastern Europe, to reduce operational costs. In the context of the three media sectors examined—regional newspaper publishers (RNPs), B2B publishers (B2Bs), and online social business networks (OSNs)—there are both commonalities and distinctions in their internationalization motives. Across all sectors, the primary drivers include the pursuit of growth opportunities and the desire to create a diversified risk portfolio. While these core motivations are shared, each sector also exhibits unique aspects related to their international strategies and objectives. In the German market for regional newspapers, saturation is a significant challenge, characterized by declining circulation and advertising revenue. Domestic acquisition opportunities are constrained by strict German antitrust regulations governing the press sector. As a result, regional newspaper publishers (RNPs) have turned to international strategies as a means of growth and market expansion. Additionally, the personal background of the managing director has played a crucial role in driving internationalization efforts. One of the RNPs was notably influenced by its managing director, who brought valuable international experience from previous roles. This leadership experience in global markets significantly impacted the company's decision to pursue international opportunities, highlighting how the management's international background can shape an SME’s internationalization behavior (see also Reuber and Fischer, 1997).

Online social business networks (OSNs) pursued internationalization primarily to drive growth, though their motivations differed from those of regional newspaper publishers. Unlike RNPs, OSNs were not reacting to market saturation but were seeking to attract potential investors by demonstrating robust growth prospects. As start-ups, they needed to show a compelling growth story to secure investment. Moreover, OSNs aimed to occupy niche markets, achieve economies of scale, and establish barriers to entry for competitors. Interestingly, while these goals were central to their internationalization strategy, they sometimes conflicted with their avoidance of a first-mover advantage in foreign markets. For example, the OSN Viadeo was conceived as an international player from the outset. Its business model inherently depended on successful international expansion, reflecting a strategic focus on global markets from its inception. B2B publishers had a distinct motivation for internationalization, driven by the need to align with the internationalization of their advertising clients. As their clients expanded into new markets, B2B publishers followed suit to maintain and grow their revenue streams. For instance, engineering and machine construction firms, key clients of B2Bs, were keen on entering markets like China. This expansion of clients’ advertising budgets into new regions necessitated a corresponding expansion by B2Bs to retain and attract business.

Given that advertising income constitutes 85% of B2Bs’ revenue, their internationalization strategy was significantly influenced by the international movements of their clients. By entering the same markets as their clients, B2B publishers not only preserved their existing revenue streams but also capitalized on new opportunities created by their clients' global expansion. Market selection strategies involve evaluating various factors to determine the most beneficial and viable markets for expansion. The attractiveness of a market is assessed based on its potential benefits, which include market volume, growth prospects, price structures, cost structures, and the overall infrastructure (Wirtz, 2005). These factors help companies gauge the potential rewards of entering a particular market and determine if it aligns with their growth objectives. In addition to attractiveness, market risks play a crucial role in market selection. Risks include political and legal uncertainties, inflation rates, and currency fluctuations. These risks are not unique to individual companies or specific industries but rather reflect the overall stability of the target market (Albaum et al., 2004). Understanding these risks is essential for assessing the safety and predictability of entering a new market. Market entry barriers also significantly influence market selection. These barriers can be categorized into institutional, market-specific, and company-specific types. Institutional barriers include tariff and non-tariff barriers such as licensing requirements or permits, which can affect a company’s ability to enter and operate in a foreign market (Albaum et al., 2004). Market-specific barriers might involve local competition, consumer preferences, or regulatory conditions specific to the industry or region. Company-specific barriers relate to the company's own capabilities, resources, and strategic fit with the new market.

By analyzing these elements—market attractiveness, risks, and entry barriers—companies can make informed decisions about which markets to target for international expansion (Wirtz, 2005). Market-specific barriers encompass various factors that can impact a company's ability to enter and succeed in a new market. These barriers include the general competitive environment, consumer behavior, and access to distribution systems and resources. In the media sector, additional challenges such as language and cultural differences, censorship, and small market volumes that may not support economies of scale are particularly relevant (Wirtz, 2005). These media-specific barriers can create obstacles for companies trying to establish a presence in foreign markets. For all companies across the three media sectors, potential markets must exhibit economic strength, characterized by a large market volume and high purchasing power, and should offer opportunities for further market growth. This criterion helps ensure that the markets are not only viable but also promising for long-term expansion.

Regional Newspaper Publishers (RNPs) prioritize geographical proximity in their market selection strategies. They prefer markets that are close to their domestic base, typically selecting regions that are no more than three hours away by air. This proximity is crucial for managing resources effectively and responding to market demands promptly. After the fall of communism, both RNPs seized the opportunity to invest in emerging Eastern European markets such as the Czech Republic, Poland, and Slovakia. These markets not only met the geographical proximity criteria but also presented promising growth prospects. For B2B publishers, the primary market entry strategy involves aligning with their customers' internationalization and advertising budgets. The necessity to follow their clients as they expand into new markets drives the B2Bs' international ventures. Additional considerations for these publishers include operational factors such as distribution organization and adapting to the operational conditions of new markets. In terms of market entry strategies, media companies can choose from several methods including exports, licensing, joint ventures, direct investments, acquisitions, and greenfield investments (Wirtz, 2005; Albaum et al., 2004). Each strategy offers different advantages and challenges depending on the company's goals and market conditions.

For Regional Newspaper Publishers (RNPs), exporting is limited to a small segment of expatriates who wish to stay informed about their home region while living abroad. Due to the language-specific nature of their content and the regional focus of their publications, exporting and licensing are not practical options for these publishers. Instead, RNPs primarily pursue acquisitions of existing companies that operate established publications. This approach allows them to enter new markets by leveraging existing brands and customer bases, rather than developing new content or distribution channels from scratch. According to Svetličič et al. (2007), B2B publishers demonstrate significant organizational flexibility in their international expansion efforts. This observation is corroborated by the practices of the B2B publishers discussed here. These companies establish new publishing units from the ground up, engage in joint ventures with local partners, and acquire established titles or their parent companies. Despite these varied approaches, maintaining full control over operations is generally preferred. Typically, B2B publishers focus on expanding into business sectors similar to those they serve domestically. However, their international subsidiaries may sometimes establish or acquire new titles that are not part of their domestic portfolio. For example, certain brands, like the computer magazine Chip published by VBM, are suitable for licensing in smaller markets. In contrast, in larger markets, these publishers prefer to enter through joint ventures or by setting up Greenfield investments. Additionally, B2B publishers prioritize their flagship activities when entering new markets, leveraging their established strengths and core areas of expertise. This strategic focus helps them maintain a strong market presence and capitalize on their most successful and recognizable brands. The OSNs distinctly favor greenfield investments for their international expansion, which involves establishing new operations from the ground up in foreign markets. A primary challenge associated with greenfield investments is assembling a highly motivated and sales-oriented team, as this is crucial for successfully entering and competing in new markets. This requirement often impacts their market selection strategy significantly. When greenfield investments are not feasible or effective, OSNs may consider acquiring majority stakes or even a full ownership of existing competitors to gain a foothold. For instance, Viadeo acquired ICTnet in Spain to expand its presence. Peltier's (2004) assertion that mergers and acquisitions (M&A) are the preferred strategic tools for media companies is strongly supported by the practices of the regional newspaper publishers (RNPs) in this study. In contrast, B2Bs utilize M&A to a lesser extent, while OSNs show minimal reliance on this approach.

China presents a unique case: While the RNPs have not ventured into this market, both B2Bs and OSNs view China as a key target due to its substantial customer base and rapid growth. For B2Bs, China is critical due to its importance for the advertising budgets of their clients. As an example, Viadeo entered the Chinese market through a joint venture with the local social business network Tianji.com, which significantly boosted its membership base from 1.6 million in Europe to 3 million. The joint venture approach in China is driven by legal requirements and the need to navigate the market's cultural complexities effectively. Media companies face two fundamental strategic choices when entering new markets: they can either concentrate their efforts on a few key markets or diversify their activities across multiple countries simultaneously (Wirtz, 2005). In the cases examined, all companies opted for a concentration strategy, focusing on the most economically significant countries. This preference is primarily driven by resource constraints, which limit their ability to spread efforts across numerous markets. The B2Bs, with their broader portfolios, concentrated on internationalizing their flagship titles. They channeled their resources and efforts into establishing these key titles in new markets, ensuring they made a strong impact. This targeted approach allowed them to leverage their most successful brands effectively.

A significant challenge in internationalization is maintaining control over operations, particularly when local management teams are involved. These teams may not fully understand the company's culture or the founder's vision, which can complicate coordination. To address this, it is crucial to implement robust reporting structures and facilitate a two-way flow of knowledge. In this study, the RNPs and B2Bs faced the challenge of coordinating both business operations and editorial content across borders. Conversely, the OSNs primarily needed to establish local management teams focused on marketing and sales, as their core activities were more oriented towards direct market engagement rather than content production. The RNPs manage their international operations directly through their general managers. Due to their hands-on approach and limited resources, they have opted not to establish a dedicated international management team. Instead, international operations are overseen by the general managers, with additional support in one case from an investment manager specifically tasked with international ventures. Similarly, the B2Bs coordinate their international activities through several channels. This includes the general manager, the manager responsible for specific titles, or the domestic publishing management team overseeing the relevant titles. This approach allows the B2Bs to maintain control over their international operations while ensuring alignment with their overall business strategy.

4. CONCLUSIONS

The analysis of internationalization strategies across the different media sectors reveals distinct variations influenced by the unique characteristics of each sector. The motives for internationalization, market selection strategies, market entry strategies, market processing strategies, and the coordination of international activities differ based on the specific nature of the media businesses examined. This underscores the need for a sector-specific approach when evaluating internationalization strategies. For instance, regional newspaper publishers (RNPs) are driven by the need for growth in saturated domestic markets and limited acquisition opportunities. Their market selection is influenced by geographical proximity and resource constraints, leading them to invest in emerging Eastern European markets. In contrast, B2B publishers prioritize following their advertising clients' internationalization processes and adjusting to their advertising budgets. They exhibit organizational flexibility, employing a mix of joint ventures, acquisitions, and greenfield investments based on market size and strategic focus. Online social business networks (OSNs), on the other hand, pursue growth opportunities to build a compelling narrative for investors and occupy market niches. Their market entry strategies predominantly involve greenfield investments, with a strong emphasis on building motivated local teams. They also consider acquisitions when necessary, as demonstrated by Viadeo's acquisition of ICTnet in Spain.

The coordination of international activities varies accordingly. RNPs and B2Bs generally maintain direct oversight through general managers and dedicated roles, whereas OSNs focus on establishing local management entities with a marketing and sales focus. This variance highlights the significance of adopting a differentiated perspective on internationalization strategies tailored to the media sector. Table 4 provides a comprehensive overview of the main findings, illustrating the diverse approaches and considerations across the sectors studied. It is noteworthy that the range of strategic choices observed among large media conglomerates is also present in the media SMEs analyzed in this study. Despite this similarity, a significant difference lies in the strategic approach adopted by these SMEs. Unlike their larger counterparts, media SMEs tend to concentrate their efforts on selected markets rather than pursuing broad international expansion. For instance, while VBM operates in numerous countries, its approach reflects a focused market strategy. Another key distinction is the hands-on management of international activities by domestic general managers or line managers. Unlike media conglomerates, which often have specialized international staff, SMEs typically operate with limited resources, resulting in minimal or no dedicated international teams. This resource constraint leads SMEs to adopt a more direct, involved approach to managing their international ventures. The impressive degree of internationalization observed among SMEs in the case study underscores the evolving nature of media management skills. It highlights the need for media managers to be adept in international management, not only within large conglomerates but also in smaller, dynamic firms. This trend suggests that expertise in global strategies is becoming increasingly crucial across all levels of media organizations. Interestingly, the OSNs, as startups, exemplify a model where internationalization is integral from the outset. These companies are often "born globals," with their business models designed to operate across borders from the beginning. The underlying distribution technology of OSNs facilitates their global reach, allowing them to transcend national boundaries and engage with international markets as a core component of their strategy.

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