Managing SMEs' internationalisation process. A Delphi approach for identifying antecedent factors

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Abstract: Entering in the international market to increase sales presents challenges, problems, and various factors that must be considered to make an effective decision. Nevertheless, the nature of companies' scale is also an essential parameter, which is inherently limited in small and medium-sized enterprises compared to large corporations. The study's primary objective is to use the Delphi method to determine the factors that influence small and medium-sized enterprises' decision to enter the international market. A non-randomised, purposeful judgmental approach was employed in sampling to choose experts in the Delphi procedure, and 39 experts eventually participated in this investigation. Finally, 18 factors and 72 sub-factors were verified after three stages.

Keywords: internationalisation; international market entry; Delphi approach; small and medium sized enterprises; SMEs; decision-making.

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1 Introduction

Many studies about determining market entry strategies, decision-making processes, and variables impacting their performance have been drawn to the growth of small and medium-sized enterprises into international markets (Child and Hsieh, 2014; Sears, 2019). Small, medium-sized enterprises (SMEs) are defined as businesses with less than 250 workers (European Commission, 2012, cited by Kangasmäki, 2019). The significance of studying this set of firms stems from their position in a country's economy; each country's economic development and gross domestic product (GDP) are influenced by the actions and engagements of industries associated with such companies (Armeanu et al., 2015).

As a result, SMEs might be considered the most important components and aspects of a country's economy (Haseeb et al., 2019). Entering foreign markets, on the other hand, explains the adoption of institutional and organisational measures that enable a company to bring products, technology, human skills, management, and other resources to foreign markets (Hildebrand et al., 2019). It is important to note that in small and medium-sized enterprises, due to factors such as risk aversion, lack of resources, and small market share, entering foreign markets is more difficult (Rahayu and Day, 2015; cited by Barroso et al., 2019). Choosing the best strategy for entering new markets is a crucial strategic decision for international firms. This describes the company's readiness to meet the needs of a foreign market, as well as its willingness to take on risk in the target country and its level of control over its international operations and actions (Sanchez-Peinado et al., 2007).

Changing these strategies may be time and money consuming and costly, and switching from an inefficient strategy to another can be costly and time-consuming, as well as having negative performance consequences (Laufs and Schwens, 2014). Many market entrance strategy studies are based on literature and theories utilised by huge international businesses, such as transaction costs, property rights, geographic location, and the globalisation model (Brouthers and Nakos, 2004). There have been recommendations that the decision-making method for small and medium-sized businesses and large corporations should be different (Child and Hsieh, 2014). Laufs and Schwens (2014) discovered that the features of small and medium sized companies are seldom considered in such research.

SMEs play a smaller role in international marketplaces than major corporations due to these features, which may be ascribed to their lack of creativity and inventive activities, as well as low production levels (Falk et al., 2014). Comparative studies of the problems that small and medium-sized enterprises and large companies face in business also reveal that SMEs, for example, have less access to formal financial resources and face greater growth barriers (De and Nagaraj, 2014). In addition, Wang (2016) found that SMEs face significant financial, tax, competitive, and power hurdles to expansion when compared to large corporations.

Given SMEs' sensitivity to external problems, it is still unclear what decisions SMEs and their important actors (such as the CEO) make in perilous situations. Recognising the variables that influence SMEs' decision-making processes, as well as how private managers determine whether to change their initial entrance strategy into new markets, are among the challenges that must be addressed. Even though there is a significant amount of literature on the subject, insufficient study has been done on the variables that influence SMEs to internationalise or 'increase' their internationalisation.

Because of the uncertainty in decision-making caused by a lack of understanding of the new environment, rivals, high probability, competitive pressures, significant investment costs, and a lack of adequate assessment, companies may make judgements and decisions that result in severe losses. To begin, it should be noted that SMEs in this field are either in the process of entering the international market or are currently entering or have recently entered the target market; each category may be influenced by a variety of factors to choose their target market based on their knowledge and experience. Now the question is:

RQ1 What are the most important factors for SMEs to consider when deciding to enter or not in foreign markets?

RQ2 What are the sub-factors that influence company decision to enter in the international market?

2 Literature and research background

SMEs make up a substantial portion of the corporate structure in developed countries, yet they are underserved. In practice, several academics have concentrated their investigation on larger, well-known corporations. SMEs have distinct demands and face various financial difficulties compared to large corporations. The scarcity of local capital in SMEs makes them more reliant on external funding and increases their desire to expand into foreign markets (Rossi et al., 2016).

For both small and large companies, external financing is a significant strategic choice for development. The increasingly active role played by SMEs in foreign markets has been a major advance within the overall internationalisation movement in recent decades (Lu and Beamish, 2001). Over the last 30 years, there have been significant developments in the field of international market research and management, which are based on rising dynamism, competitive pressures, and changing international trade conditions (Samiee et al., 2015). Internationalisation and globalisation have traditionally been explained in the same way and used interchangeably in academic papers (Seifert, 2010). In terms of content, however, the definitions of these two words are entirely different. According to Crick (2009), internationalisation is described as the diversification of company operations from the domestic to the international market, whereas globalisation is defined as the development of business activities on a global scale. Furthermore, firms that have internationalised in multiple foreign locations and face several obstacles in international marketplaces are referred to as globalising (Crick, 2009). As a result, a globalisation focused on multinational firms with more knowledge and a presence in many international markets is required (Zaki et al., 2015).

Based on Lu and Beamish (2001) point of view, one of the most significant strategies for international business growth is geographic development. It is an especially essential strategic approach for SMEs with a geographically limited company coverage (Lu and Beamish, 2001). A term that defines how a firm becomes international is the extent and degree of internationalisation. In general, this notion is utilised to describe the whole structure of a company's degree and level of internationalisation using a variety of factors (Huong and Thi, 2019). Companies seeking internationalisation should have a strong organisational structure aligned with their external activities and practices, as well as a profound, precise, and comprehensive understanding of the many benefits and drawbacks that may exist for entering in foreign markets (Laufs and Schwens, 2014). In this regard, Pinho (2007) claims that internationalisation may benefit a firm in three ways: improving management skills and competences, making better use of the organisation's assets, and being more versatile in dealing with different business risks. In other words, it is possible to assert that the company's actions in both internal and international markets generate significant profits (Reddy, 2014).

Expansion of the business's activities into foreign markets has resulted in advantages in terms of international competition, which can help businesses enhance their position in the local market. Internationalisation, according to Pinho (2007), paves the way for socio-economic growth and advancement, facilitates foreign exchange, expands job opportunities, and concurrently decreases and compensates for the national revenue deficit, all of which drive firms to operate internationally. Accordingly, Festa et al. (2020) focused on the design, integration, and use of a strategic plan as a tool for facilitating strategy implementation by attempting to measure a vast range of key factors over a long-time frame and incorporating economic and financial factors with non-financial factors via cause-and-effect relationships.

Factors influencing the decision to enter the international market in SMEs can be different from large companies. In the international domain, Cultural components, for instance, are considered strategic resources due to their ability to improve SMEs' performance and provide options to participate in the knowledge based economy. Values, norms, intellectual sequences, and organisations are all layers of the context of the culture that may be found in both companies and the broader innovation system (Fernández-Esquinas et al., 2017). Furthermore, Festa et al. (2019) explore the territory as a distinguishing feature and the importance of SMEs in preserving and enhancing factors like history, style, and skill. They stated that international growth is getting more complicated, but that 'globalisation' may be a significant stimulus for internationalisation plans' success. The territorial economy, as a component of both local structural capital and global reputational capital, has the potential to become a distinct competitive advantage for SMEs competing in industrial areas (Festa et al., 2019).

When a SME or any company intends to enter in a new market, the entry strategy that the firm chooses is crucial in deciding whether the venture is successful or not. A company's routes for bringing its products, technology, and other resources to a foreign market are known as export channels. However, because SMEs' abilities and expertise are limited when it comes to accessing international markets, they should take informed judgments about their preferred strategy (Reddy, 2014). The low amount of formalisation in SMEs' creative processes is a distinguishing feature. Many SMEs' fundamental knowledge is rarely formalised and is dependent on past knowledge and experience, apart from businesses working on knowledge-sensitive processes and R&D (Fernández-Esquinas et al., 2017).

The kind of organisational structure in a specific market is determined by the company's entry mode into a foreign market (Hollender et al., 2017). Because the requirements and practical aspects of market entry strategies vary, and that one entry strategy may provide desired outcomes in one study but unclear findings in another, makes research in this subject difficult (Hildebrand et al., 2019). SMEs must consider the nature of the industry, the risk of producing and delivering non-tradable products and services, the nature of their support systems as a source of knowledge, and the future implications of rapid change in the competitive international environment (Gao et al., 2019).

In summary, many firms' capacity to become international has become a must and a requirement to survive and thrive in the globalisation and knowledge-based economy (Raymond and St-Pierre, 2011). Internationalisation of SMEs is a learning process (Schweizer, 2012) that necessitates a range of capabilities. Its significance as one of the most significant sources of corporate growth and performance improvement has been demonstrated in numerous manuscripts in the field of international trade and business (Joensuu-Salo et al., 2018).

2.1 Challenges faced in the process of internationalisation of SMEs

Whilst entering new markets worldwide provides a significant opportunity for development and creating value, putting such a plan in place poses several additional obstacles in addition to those faced by SMEs growing domestically (Lu and Beamish, 2001). Even though SMEs have emerged to be important players in global marketplaces, they confront greater problems than large and well-established businesses, which are influenced by globalisation in some manner (Meyer and Gelbuda, 2006). According to the Organisation for Economic Co-operation and Development (OECD) in 2000, the globalisation of many traditional concerns that SMEs face, such as a lack of funding, technology problems, limited management capabilities, poor productivity, and regulatory hurdles, has exacerbated the issues that they face. According to research on the internationalisation process, these obstacles are caused by variations in government, culture, and psychology between markets (Stevens, 2016).

3 Research methodology

The research method used in this study was development-applied purpose since the focus of this research is to create and enhance methods, tools, commodities, or structures, thus it falls under the category of applied developmental research. Based on the technique of data gathering, research is split into two categories: descriptive research and experimental research. In the survey group, the current study is categorised depending on its type and technique. It may also be classified as a survey/case study, depending on the type of data and the industry in which our case study is conducted. It is also founded on the positivist (interpretive) paradigm since it is a qualitative approach (Delphi method) with structuralism as its philosophical foundation.

The term ‘statistical population’ refers to a group of desirable elements that share at least one attribute. The survey sampled senior managers and business managers of SMEs in Iran who were qualified to participate in the survey and make up the statistical population. Some requirements for participation in the study include having export experience, being in the process of joining the international market, and having a presence in the international market. Because the statistical population is made up of SMEs experts, sampling was done using the Delphi approach, and the number of specialists and data collection needed for interviews were also chosen using the Delphi technique. This investigation used an intentional or judgemental non-random sampling approach. Theoretical mastery, practical experience, willingness, and capacity to participate in research and access were also used to choose experts. The sample size, like any other form of sampling, is determined by criteria such as accessibility, time commitment, and data collecting cost. In conclusion, this study used a statistical sample of 39 specialists.

Library investigations and field research are the most essential data collecting strategies in this study. Theoretical underpinnings and research literature, library resources, articles, books, journals, and the Internet have all been used to gather information in the field. In the practice area, information was gathered using field research and a Delphi questionnaire.

The index and factors were determined using the Delphi method. Expert panel members must be chosen to determine the factors. The Kendall Coefficient is used to determine the level of agreement among experts. The Kendall coordinate coefficient is a measure of how well various rank categories connected to N items or persons coordinate and agree. Using SPSS software, the value of Kendall coordination coefficient was determined. A Kendall correlation coefficient of more than 0.70 implies a high level of agreement on the variables (Berry et al., 2009). It is worthy to note that for panels with more than 10 members, even little numbers can have a significant impact.

4 The stages of research implementation

A questionnaire was given and collected among all panel members in person and electronically faxed to assess the importance of each. The respondent was asked to add their desirable factors to the description part of the questionnaire and determine the indicators for each factor.

The key and recommended primary factors were gathered and presented in the following Table 1. Finally, effective factors of SME market entry strategy were identified in the form of a 76-item questionnaire for respondents based on the previously indicated elements.

In the first round, experts were polled on their thoughts on the factors gleaned from research backgrounds and literature. Finally, they made some recommendations. Given that the scale employed in this case study was a five-point Likert scale with options ranging from 1 to 5, point 3 should have been chosen as the impartial or neutral point, but the average with a more aggressive attitude of 3.5 (based on scholars and SMEs' experts' opinion) was chosen as the cut-off point in this study. Because the average of 13 components (10-12-13-16-17-21- 35-39-44-56-77-80-85) was less than the cut-off level in the questionnaire analysis, they were eliminated for the next round. In the first round, Kendall's correlation coefficient was 0.21 and experts recommended nine additional factors, which were incorporated in the next round. By indicating the average of answers from the previous round for the respondents and eliminating the specified indications, it was intended to get a better agreement ratio.

Afterwards, in second stage, because the average of the three new factors in this round was less than the cut-off points, they were eliminated and the remainder, which was higher than the cut-off point, were accepted and will stay for the next round. For this round, the Kendall coordination coefficient was 0.58, which showed an increase.

In the third round, all factors and indicators were provided to the experts again, along with the required statistical information and graphic charts, so that they could consider the outcomes and the comments of other experts and make the necessary changes in their judgements for the risks in question if they desired and deemed appropriate. The agreement or disagreement of each panel member on the criteria and variables was examined in this questionnaire to see whether they had any changes, modifications, or omissions from their prior opinions. Table 2 shows the outcomes of the three rounds:

Because the average response of all factors in the questionnaire analysis was within the agreement range, none of the indicators were removed. Due to the acceptance of all variables and the suitability of the Delphi in the third round, the Kendall coordination coefficient was estimated greater than 0.611 for the indictors, which has risen just 0.03 compared to the previous round.

Table 1 Factors extracted from the theoretical literature of the research

Theory	*Component*	*Factors*	*References*
The theory of an economy based on transaction cost.	Geographical features	Distance from destination country	Ambos and Ambos (2009), Berry et al. (2010), Ghemawat (2001), Ragozzino (2007) and Zachary et al. (2015)
Institutional theory	Political position	Political stability and diplomatic relations	Berry et al. (2010), Dow and Karunaratna (2006), Ghemawat (2001), Holmvall and Arne (2010), Långbacka (2019) and Pattnaik et al. (2014)
Real options theory	Economical position	Economic stability (exchange rate, inflation, export rate)	Berry et al. (2010) and Ghemawat (2001)
Institutional theory and bargaining power and economic theory based on transaction cost	Regulatory requirements	Government intervention and regulatory constraints and attractions legal restrictions and asset protection, law enforcement and supervision (corruption)	Markman et al. (2019), Pinho (2007) and Zachary et al. (2015)
Transaction cost-based economic theory, internationalisation model; real options theory; communication cost theory.	Cognitive or cultural conditions	Cultural distance or proximity (avoidance of uncertainty, power distance, individualism, masculinity)	Ambos and Håkanson (2014), Berry et al. (2010), Beugelsdijk et al. (2018), Dow and Karunaratna (2006), Engwall (1984), Ghemawat (2001) and Drogendijka and Martín (2015)
Experts, real option theories; economic theory based on transaction cost, ownership framework, location, and internationalisation; bargaining power theory	Market position	Growth potential, market size and demand, labor costs, market uncertainty/demand volatility, asset turnover rate	Markman et al. (2019) and Pinho (2007)
Porter's theory of competitive forces	Real option theories	Theory of internationalisation, the theory of bargaining power barriers to entry reputation, distribution, advertising and technology costs, access to resources, performance scale, competition	Altun (2017), Demirbag et al. (2007), Falk et al. (2014), Markman et al. (2019), Rundh (2007) and Zaki et al. (2015)
Experts, the theory of real options	Exit barriers	Exit cost	Berry et al. (2010) and Ghemawat (2001)
Experts, economic theory based on transaction costs	Industry characteristic	The multiplicity of technology in research and development and the multiplicity of marketing in the form of advertising	Demirbag et al. (2007) and Kogut and Singh (1988)
Experts, economics theory based on transaction costs, theory of real options	Section/activities	Business fit; the variety of products and services, production, service	Caves and Mehra (1986), Ekeledo and Sivakumar (2004), Hitt et al. (1997), McGuinness and Little (1981), Sampson and Snape (1985) and Yu and Ito (1988)

Table 1 Factors extracted from the theoretical literature of the research (continued)

Theory	*Component*	*Factors*	*References*
Experts, economic theory based on transaction costs	Specific or specialised industry	Special knowledge and innovation (R&D), marketing and advertisement	Díez-Vial and Fernández-Olmos (2013), Maekelburger et al. (2012), Markman et al. (2019) and Zaki et al. (2015)
Experts, transaction cost-based economic theory, bargaining power theory, irreversible cost, real options theory	Investment condition	Investment size and operating scale duration of investment and project implementation	Demirbag et al. (2007)
Experts, economic theory based on transaction costs, knowledge-based perspective, organisational capability perspective	Motivators and benefits of internationalisation	Authority in external operations and actions, international strategy, and global cooperation Speed of entry, specific incentives such as market search, natural resources, strategic assets, knowledge, customer pursuit, asset discovery and exploitation	Harzing (2002) and Chen (2008)
Experts, ownership framework, location and internationalisation	The advantage of location	Location	Czinkota et al. (2007) and Pinho (2007)
Experts, Uppsala framework, theory based on transaction cost. the perspective of organisational capability	Experience	Nationwide destination country, internationally and multi-nationally	Agarwal and Ramaswami (1992), Denison et al. (1996), Pinho (2007) and Sousa et al. (2008)
Experts, organisational capability perspective, transaction cost-based economic theory, bargaining power theory, resource-based perspective	Organisational capabilities and competencies	Distinctive product and service, ability to attract and transfer, ability to innovate and the ability to connect with the market, need for complementary capabilities, special technical knowledge, technology (research and development), multiple marketing (advertising), investor size, investor profitability and financial budgets, need additional resources, networks	Felzensztein et al. (2015), Díez-Vial and Fernández-Olmos (2013), Freeman (2012), Kim and Hemmert (2016), Knight and Kim (2009), Sanna et al. (2012), Majocchi et al. (2005), Manolova et al (2010), Morgan et al (2012), Zaki et al. (2015) and Zou and Stana (1998)
Experts, representation theory, institutional theory	Ownership structure	State ownership, institutional stakeholders, internal ownership	Chan and Makino (2007)
Experts, representation theory, top management theory	Management characteristics and competencies	Service compensation, training and coaching status, level of education, functional background, proficiency	Altun (2017), Borgersen (2006), Oviatt et al. (1995) and Sousa et al. (2008)
Experts, institutional theory	Conformity and obedience	Behaviours of other investors in similar industries in the country of origin and destination, previous management, and organisational stagnation	Chan and Makino (2007)

Table 2 Third round structured questionnaire

Category		*Indicators*	*Average 1*	*Average 2*	*Average 3*	*Result*
Geographical conditions	1	Geographical distance of the destination country from the country of origin	4.02	4.10	4.07	✓
Political conditions	2	Political Stability (exchange rate and political inflation) of the destination country	3.74	3.94	4.05	✓
	3	Diplomatic relations with the destination country	4.00	4.15	4.41	✓
Economic conditions	4	Economic stability of exchange rates and inflation of the destination country	4.43	4.92	4.97	✓
	5	Monetary value of the destination country	3.71	3.94	4.35	✓
	6	Monetary value of the origin country	.12	4.25	4.41	✓
	7	Interest rate of loan in the origin country	3.69	3.84	4.33	✓
	8	Export rate of origin country	3.87	4.38	4.64	✓
	9	Legal restrictions/legal attractions of the destination country	4.00	4.05	4.25	✓
Regulatory and legal conditions	10	Governmental interventions of the destination country	3.15	-	-	×
	11	Regulatory restrictions of the destination country	3.79	3.69	4.30	✓
	12	Property rights in the destination country	3.41	-	-	×
	13	Supervision and implementation of laws (corruption and deviation from the law) in the destination country	3.33	-	-	×
	14	Regulatory restrictions in the origin country	4.00	4.38	4.25	✓
Cultural distance	15	The degree of avoidance of uncertainty in the destination country	3.69	3.71	4.35	✓
	16	Cultural distance/proximity (distance of power) in the destination country	2.74	-	-	×
	17	The degree of individualism in the destination country	3.43	-	-	×
	18	The degree of masculinity in the destination country	3.56	3.89	4.20	✓
	19	Barriers to communication (linguistic distance)	3.94	4.84	4.89	✓
	20	Risk orientation in the origin country	4.64	4.87	4.94	✓
	21	Power distance in the origin country	2.79	-	-	×
Attraction of target market	22	Growth potential	4.56	4.92	4.92	✓
	23	Market size/demand	4.43	4.46	4.76	✓
	24	Human resource cost	3.89	3.92	4.53	✓
	25	Market uncertainty	3.94	4.30	4.74	✓
	26	Demand fluctuations	3.74	4.02	4.56	✓
	27	Asset turnover rates in the market	3.56	3.66	4.02	✓
Entrance barriers	28	Reputation of similar competitors	3.89	3.97	4.25	✓
	29	Access to distribution channels	3.79	3.92	4.28	✓
	30	High cost of advertising	4.12	4.94	4.92	✓
	31	Access to resources	3.82	3.923/	4.28	✓
	32	High technology access and competitive	3.76	3.82	4.17	✓
	33	The level of competition	4.00	4.51	4.82	✓

Table 2 Third round structured questionnaire (continued)

Category		*Indicators*	*Average 1*	*Average 2*	*Average 3*	*Result*
Exit barriers	34	Exit cost	4.12	4.38	4.74	✓
Industry specific feature	35	Costs of research and development activities in the relevant industry	3.41	-	-	×
	36	Advertising and marketing costs in the relevant industry	4.17	4.84	4.97	✓
	37	The specificity of research and development technology	3.51	3.82	3.89	✓
	38	The specificity of marketing/advertising	3.69	3.87	3.94	✓
Type of activity	39	Degree of diversity/dependence of products/services	2.43	-	-	×
	40	Product/service	3.71	3.97	4.94	✓
Investment conditions	41	Capital required	4.30	4.94	5	✓
	42	Scale of operations	4.12	4.82	4.94	✓
	43	Investment period/project	4.17	4.51	4.79	✓
The advantages of internationalisation	44	Independence of overseas operations	3.15	-	-	×
	45	Global synergy strategy	3.76	4.23	4.92	✓
	46	Entry speed	4.00	4.02	4.02	✓
	47	Market research	4.15	4.61	4.92	✓
	48	Natural resources in other markets	3.84	4.76	4.89	✓
	49	Existence of assets and strategic knowledge in other markets	4.28	4.35	4.71	✓
	50	Follower customers	4.64	4.94	5.00	✓
	51	Discovering and exploiting the assets of the destination country	3.56	3.84	4.10	✓
Location advantage	52	Location in the destination country	4.58	4.79	4.92	✓
Experience	53	Experience in the destination country	3.74	4.15	3.94	✓
	54	International experiences	3.84	4.89	4.97	✓
Organisational capabilities and competencies	55	Distinctive products and services	4.02	4.53	4.79	✓
	56	Product transfer capability	2.87	-	-	×
	57	Innovation capability	4.07	4.48	4.87	✓
	58	Market link capability	3.48	4.05	4.53	✓
	59	Complementary capabilities required by the target market	4.02	4.76	4.94	✓
	60	The specificity of research and development technology	3.84	4.02	3.97	✓
	61	The specificity of marketing/advertising	3.84	4.10	4.00	✓
	62	Number of investors	3.97	4.00	3.97	✓
	63	Investor profitability	3.69	4.12	4.05	✓
	64	Financial support	3.76	4.71	5.00	✓
	65	Supplementary resources required	3.71	4.02	4.64	✓
	66	Organisational networks	4.17	4.84	4.94	✓

Table 2 Third round structured questionnaire (continued)

Category		*Indicators*	*Average 1*	*Average 2*	*Average 3*	*Result*
Ownership structure	67	Type of government ownership/organisational/internal shareholders	3.89	4.12	4.07	✓
Management characteristics and competencies	68	Salary and rewards	3.53	3.71	3.92	✓
	69	Ownership position of the CEO	3.35	3.64	3.94	✓
	70	Level of education	4.05	4.97	5.00	✓
	71	Operating areas	4.38	4.74	4.87	✓
	72	Experiences	4.48	4.79	5.00	✓
Conformity and obedience	73	Behaviours of other investors in similar industries and similar business groups in the country of origin	3.69	4.02	4.02	✓
	74	Behaviours of other investors in similar industries and similar business groups) in the destination country	3.87	4.07	4.02	✓
	75	Previous management	4.15	4.30	4.30	✓
	76	Habits (organisational inertia)	3.71	3.84	3.94	✓
	77	The general level of wealth of the destination country	+	3.15	-	×
	78	Long-term economic plans with the aim of bringing internationalisation companies to the destination country	+	4.02	4.02	✓
Regulatory and legal condition	79	Tariff and customs system of the destination country	+	4.87	4.94	✓
	80	The approach of destination about the international SMEs	+	3.10	-	×
The attraction of target market	81	The population in the market of destination	+	4.82	4.92	✓
	82	Level of technology acceptance in the destination country	+	3.51	3.51	✓
	83	Opening the market of destination country to the product/innovative services	+	4.48	4.48	✓
	84	Attitude of the destination country market to competitors (international Brands)	+	4.71	4.89	✓
	85	Product life cycle and repurchase period	+	3.20	-	×

5 Discussion and conclusions

With the Delphi technique, the study was done to determine the factors influencing the decision to enter the foreign market for small and medium enterprises in the current study. Because SMEs play an important role in the economies of countries, previous research on the factors influencing the decision to enter in the international market was scattered and focused on large companies, so to fill this gap in knowledge, the research background has been analysed and 76 factors under 18 main factors were extracted. Geographical, economic, political, regulatory, and legal factors, cultural distance, target market attractions, entry and exit barriers, industry characteristics, innovation, investment conditions, internationalisation benefits, location advantages, experience, capabilities, and competencies are all factors to consider. The key elements found in this study are organisational, ownership structure, managerial characteristics and competencies, conformity, and obedience.

According to the findings herein, it can be concluded that geographic, economic, and political circumstances are mostly generated from institutional reasoning, real options theory, and transaction cost theory, all of which are concerned with maximising profits and minimising risk. Companies must pick the right entry strategy in other countries when they intend to expand their business internationally. This decision has a significant impact on their international development's organisational and operational elements. Due to a lack of knowledge of the local business environment, including administrative and political systems, as well as social and cultural elements, companies frequently face estrangement (Wu and Salomon, 2016). Previous studies have used the idea of distance to resolve disparities between host and guest and explain this phenomenon. This notion is mostly employed to objectively measure the degree of dissimilarity across nations or to investigate the decision-maker's perception of incompatibility (Ambos and Håkanson, 2014).

Additionally, the larger the psychological distance between the home and host country, the higher the uncertainty for businesses looking to grow internationally. As a result, distance is regarded as a significant difficulty and impediment to international activity, resulting in greater complexity. Geographic, administrative, cultural, political, and social distances were all mentioned in these studies (Berry et al., 2010; Dow and Karunaratna, 2006; Drogendijka and Martín, 2015; Ghemawat, 2001).

Companies, on the other hand, are looking for a more appealing market and are moving toward internationalisation in the hopes of increasing sales and profits, so it is logical that the target market's characteristics, as well as entry and exit barriers, are an important factor in deciding if enter in a foreign market. Past studies (Dunning, 1977; Li and Li, 2010) and theoretical frameworks such as real option theory, ownership, location, and internationalisation framework, might support this component. The type of industry, its unique characteristics, and investment circumstances are all factors that have been identified (Gil et al., 2006).

Transaction cost economic theory and bargaining power theory are two supporting hypotheses for these issues. While many studies claim that corporate management competencies may enhance operational efficiency and knowledge transfer in investments, others say that when investing firms have specific assets, they require more control. Because of the potential for opportunistic behaviours, they have a significant cost.

Furthermore, institutional theory enables agency representation of the possible impacts of corporate executive ownership structure and competences on international market decisions. Other research has found that imitative behaviour in overseas investment has this approach implies that the method of entry of investors, which is distinct from other variables, has an irrational potential. Researchers discovered two decision-making variables that stemmed from investors' prior experiences and the behaviour of other similar businesses in the same industry. As a result, the effective elements in the decision to join the foreign market in SMEs were determined, based on expert opinion and theoretical support. SMEs should evaluate the elements collected and assess the state and capabilities of their organisation to identify the best strategy to enter the international market.

According to the findings, SMEs should consider the factors identified in this study when deciding to enter in the international market, which include the benefits of internationalisation, target market conditions, destination country, industry characteristics, country of origin, factor of uniformity and adherence, and organisational conditions. Adopt strategies to eliminate internal and reinforcing factors such as uniformity and adherence if organisational circumstances are poor. After addressing the weaknesses, they can re-enter in the international market. If SMEs have many destination country alternatives, they may evaluate each country's position in terms of factors such as target market conditions and destination country, and then select the best option.

6 Limitation and managerial implications

Researchers, without a doubt, confront restrictions and challenges in performing their research, which may have an impact on the study's findings. Recognising these constraints allows researchers to better evaluate research findings and enhance the quality of future studies. The current study has certain limitations because it only considers SMEs in Iran while greater emphasis should be devoted to extrapolating the findings to other types of companies also in different countries.

Our research identifies the most critical factors influencing SMEs' decision to enter foreign markets. International entry mode plans and identifying effective variables are challenging decisions that fall within the jurisdiction of international marketing managers at first. The key issue is the capacity to gather all the data required to make the most lucrative decision. The management implications mentioned here are related to the importance of effective factors because of globalisation. Prior and experienced knowledge play a major role in how organisations learn to locate, analyse, and apply current data. Given that foreign experience develops by learning by doing and that the needed information may not exist within the firm, this frequently means identifying effective factors for decision-making in the case of SME internationalisation.

To gain the essential expertise and most significant aspects in this area, managers must learn from partners or intelligently engage. Furthermore, knowing these aspects provides SME managers with opportunities, reducing risk and expense as much as feasible. Managers might use these factors to determine the optimal entry mode for entering a foreign market. Meanwhile, it would allow managers to take advantage of possibilities in various marketplaces without having to acquire all the necessary data, which is especially useful when resources are limited.

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