

Toward A Theory Of International Market Strategy For Innovations, Using Determinants of Uncertainty

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ABSTRACT

The aim of this work is to further explore the relationship between market and technological uncertainties with a firm's international expansion strategy, moving toward a common theory. To be effective in recognizing potential innovations and exploiting them worldwide, firms should focus manpower where uncertainties are, that is where information collection and processing needs are the greatest. Whether these uncertainties are market based such as understanding local consumer tastes and preferences or technology based, such as R & D, rate of technological change, or environmental impacts on innovation diffusion, firms should strive to employ an international expansion strategy that will leverage its associated capabilities and potential. Using a proven multinational expansion framework, this paper seeks to examine the aforementioned uncertainties associated with global innovation expansion and overlay them with a strategic objective for maximizing the firm's potential. Whether maximizing is associated with adoption rates, investment returns, profitability or some other metric is inconsequential at this point as reasons may vary from firm to firm. Using regression and data from 176 samples, the study specifically examines fourteen independent variables of market and technological uncertainty with Bartlett and Ghoshal's "Categorization for Multinational Organizations". The findings reveal the causal relationship between the uncertainty determinants and the international strategic choice a firm undertakes.