“BORN GLOBAL”: INTERNATIONAL ENTREPRENEURSHIP IN THE TURKISH FASHION INDUSTRY

International entrepreneurship has been an area of increasing interest in recent years. The idea that international trade is solely the purview of large multinationals has been challenged by the increasing involvement of small and medium-sized firms. In fact, some authors have argued that the increasing globalization of markets has made international activity as much an area of activity for entrepreneurs as it is an area of activity for multinational firms (i.e., McDougall and Oviatt, 1994; Knight and Cavusgil, 1996; Etemad & Wright, 2003). Furthermore, the idea that internationalizing activity follows some kind of a stage model (e.g., Johanson and Wiedersheim-Paul, 1993) and predictable internationalization process model (Johanson and Vahlne, 1977 and 1990) is increasingly understood to be only one way that firms become involved in international trade. The early focus of research on the internationalization of large domestic firms has led to an overemphasis on gaining domestic experience before moving into foreign markets (i.e., Vernon, 1966; Hymer, 1976; Dunning, 1981, 1981a, 1993). With the increasing globalization and saturation of markets, entrepreneurs often face competition both from local and international firms from the first moments of their existence (Dawar and Frost, 1999). Gaining “domestic experience” therefore has increasingly less relevance for new firms and the number of firms that begin their commercial activity in an international context can only be expected to increase. As a result of these trends, there is a critical need for research that “focuses on the internationalization process of new and small companies, primarily new ventures” (Manalova, 2003: 61).

The study we present in this paper is an attempt to add to our understanding of international entrepreneurship. In it, we present the results of a case study of a firm that was “born global”. Neroli1 is a Turkish fashion firm focusing primarily on high-quality leather goods, and has production facilities in Istanbul and sells throughout the countries of the former Soviet Union. The firm we studied began life as an international company and domestic sales have never been a significant portion of the firm’s activities. Our focus in the case study is to try and understand (a) what determined the decision to focus internationally from the beginning and (b) to understand the key factors that led to the rapid growth and profitability of the firm.

Our study makes several contributions to the literature on international entrepreneurship and to the international business literature. First, there are few case studies of international entrepreneurs and their firms. In-depth case studies provide an important foundation for developing theory that can then be tested in wider, survey-based research (Yin, 1994). Second, we provide some insight into what leads an entrepreneur to begin an international entrepreneurial venture. Third, we provide some insight into the competences and resources that are critical to success in this sort of activity. Combined, we provide a model of the determinants of new venture formation and success in an international environment.

1 All company names in this paper have been disguised to protect confidentiality.