



**THE REPUBLIC OF TURKEY
SOCIAL SCIENCES UNIVERSITY OF ANKARA
THE GRADUATE SCHOOL OF SOCIAL SCIENCES**

UNDERSTANDING ENTRY MODE CHOICE OF TURKISH MNEs IN PAKISTAN

Master's Thesis

Ayesha AZEEM

Business Administration

September, 2023



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THESIS APPROVAL



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ÖZET

Bu çalışma, gelişmekte olan bir ekonominin ÇUI'lerinin başka bir gelişmekte olan ekonomiye giriş şekli seçimi ve uluslararasılaşma süreci hakkında ampirik veri eksikliği olduğundan hareketle, gelişmekte olan bir ekonomi olarak Türkiye'deki ÇUI'lerin Asyalı gelişmekte olan bir ülke olan Pakistan'a girerken giriş şekli seçim süreçlerinin nasıl gerçekleştiğini anlamayı amaçlamaktadır.. Çalışmanın amacı doğrultusunda, Pakistan'da faaliyet gösteren sekiz Türk çokuluslu şirketi üzerinde çoklu vaka çalışması gerçekleştirilmiştir. Çoklu vaka çalışmasının sonuçları, altı firmanın tam mülkiyeti seçtiğini, ortaklık ve çoklu giriş modunun ise ayrı ayrı yalnızca bir firma tarafından seçildiğini ortaya koymaktadır. Bir firma tarafından seçilen birden fazla giriş yolu, birden fazla yerel ortak, ortak girişim, konsorsiyum ve taşeronluktan oluşmuştur. Çalışma ayrıca her firmanın Pakistan'da iş yapma motivasyonları, algıladıkları riskler ve zorluklar, dikkate aldıkları kriterler ve kullandıkları değerlendirme açısından farklı bir örüntü izlediğini göstermiştir. Aynı giriş modunu seçen firmalar da birbirlerinden farklı örüntüler izlemişlerdir. Bu sonuçlar, yalnızca giriş yöntemi seçimi sürecinin önemini vurgulamakla kalmıyor, aynı zamanda Türk firmalarının her birisinin Pakistan'a girerken birbirlerinden farklı özgün bir yol izlediğini de göstermektedir.

Anahtar kelimeler: uluslararasılaşma deseni, gelişmekte olan pazar Türk ÇUI'leri, giriş modu, Pakistan, Türkiye

ABSTRACT

This study, following the recognition that there is lack of empirical data on the process of internationalization and entry mode choice by emerging economy's MNEs into another emerging economy, aims to understand how the process of entry mode choices by MNEs from Türkiye as an emerging economy occurs when entering Pakistan, which an Asian emerging country. For the purpose of the study, I conducted multiple case study on eight Turkish MNEs having operations in Pakistan. The results of the multiple case study reveal that six firms were observed to choose full ownership while partnership and multiple entry mode was respectively chosen by only one firm. The multiple entries chosen by one firm were the multiple local partners, joint venture and consortium and subcontracting. The study also showed that each firm followed a different pattern in terms of their motivation to do business in Pakistan, the risks and challenges they perceived, the criteria they considered, and the evaluation they used. The firms that chose the identical entry mode also followed different patterns from each other. This result not only highlights the significance of process of entry mode choice but also shows the unique approach adopted by Turkish firms while entering in Pakistan.

Keywords: internationalization process, emerging market, Turkish MNEs, entry mode, Pakistan, Türkiye

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1. INTRODUCTION

In recent decades, the landscape of global foreign direct investment (FDI) has displayed transformation by significant rise of emerging markets as major players in attracting FDI. It substantially accounts for 70% of global FDI and this surge evidenced 4% higher FDI flows reaching almost \$916 billion in emerging economies than developed counterparts (UNCTAD, 2023). This growing importance of emerging markets in terms of global FDI has increased attention to the crucial role that multinational enterprises (MNEs) play in attracting foreign investment to these emerging economies (Dong, McDonald, & Xie, 2021). As the key driver in international investment, MNEs have proven they are able to take advantage of the favorable circumstances and opportunities given by emerging markets. Similarly, emerging MNEs possess unique competencies, sufficient resources, and wide global networks to effectively navigate the challenges in entering and managing operations in dynamic emerging markets (Yaprak, Yosun, & Cetindamar, 2018). Also, these MNEs utilize their ability to adopt different entry strategies to effectively adapt to the distinctive cultural and institutional environment within emerging markets (Fey, Nayak, Wu, & Zhou, 2016). The growing presence of MNEs has shaped global international business, which has brought considerable interest of scholars and researchers in emerging markets as well.

Despite the significance of emerging MNEs in creating substantial FDI flows, existing literature focuses on the FDI investment flow from developed MNEs to emerging markets, or from emerging MNEs to developed markets. Therefore, the process of internationalization and entry mode choice decision has been extensively established with MNEs from the developed market perspective (Chhabra, Popli, & Li, 2020; Desislava & Keith, 2016). MNEs' motivations and reliance on the external environment for critical resources play a critical role in influencing their entry mode choices. In developed and emerging markets, these motives and resource requirements, however, take distinct forms. As a result, depending simply on the experiences and strategies of developed market, MNEs may not provide an effective framework for understanding and explaining the intricacies of emerging market entry modes (Gaffney, Kedia, & Clampit, 2013). Contrary to developed market MNEs, yet the extant research on the developed MNEs cannot sufficiently explain the process of emerging MNEs in choosing entry modes for emerging economies. This creates a comparative lack of research in examining the process of entry mode decision by MNEs in an emerging country to another emerging market. Indeed, several studies

examining emerging MNEs entering in other emerging economies focused on the various aspects of internationalization such as motivations (Angulo-Ruiz, Pergelova, & Wei, 2022), perceiving risks of emerging MNEs (Yadong & Juan, 2018) with mitigation strategies (Dang, Jasovska, & Rammal, 2020). There are also studies investigating the dynamics behind country selection, sequence of internationalization, modes of integration with knowledge flows and entry mode choices (Chiao, Lo, & Yu, 2010; Mowla, Hoque, Mamun, & Uddin, 2014; Yeoh, 2011). While these studies provide valuable insights into process of internationalization and entry modes by emerging country MNEs to emerging markets, there is still lack of knowledge in explaining what considerations are taken in account in the process of entry mode choice by emerging MNEs into an emerging economy. To fill this research gap, it is essential to explore the process of entry mode choice decision from a holistic perspective using an inductive research approach. Such research can provide deeper understanding of how emerging country MNEs make their decision in choosing their entry mode when they go into an emerging country because the cross-country differences on economic, political and sociocultural contexts between two emerging countries affect the motivations, perceived risks, and criteria to assess the market in significant ways. For this purpose, I seek to examine the dynamics in the process of entry mode choices of Turkish MNEs into Pakistan using a qualitative research method. Indeed, Turkish MNEs entering Pakistan provides a suitable opportunity. While Turkish MNEs has a growing prevalence and role in an increasing number of international markets, Pakistan is becoming more attractive for not only the MNEs of developed countries but also for those of emerging countries. The importance of Turkish MNEs in Pakistan lies on many reasons but the emerging middle-class consumer is a biggest concern for MNEs to conduct business and untap market potential. According to World Economic Forum the members of middle class in emerging markets is set to increase to 3.5 billion in 2030 from 2 billion in 2020 (Buchholz, 2021). In unfolding potential of emerging market of Pakistan, Türkiye and Pakistan even with good political and economic ties, still produce limited studies on the process of internationalization and entry mode choices. Thus, I seek to examine how the process of entry mode choices of Turkish MNEs in Pakistan occur.

The existing literature indicates that motivation of MNEs managers, their perceived risks and challenges, and the market criteria they consider are important for the MNEs in choosing their entry mode (Fey, Nayak, Wu, & Zhou, 2016). Therefore, I specifically focus on such dynamics to better understand how Turkish MNEs make their decision for the process of entry mode choice in

Pakistan. To this purpose, I conducted interviews with the international managers of eight Turkish MNEs doing business in Pakistan. I specifically sought to identify how the patterns of process in the entry mode choice occur in terms of the development of motivation to do business in Pakistan (the country, industry, and firm level dynamics), the risks and challenges perceived, and the criteria considered in selecting Pakistan. By doing this, this study hopes to contribute to the existing literature in two folds. First, it provides a deeper understanding regarding the patterns of entry mode choice process at the firm level followed by the MNEs of an emerging country in going into another emerging country. In fact, the existing studies mostly focused on the factors influencing the entry mode choice by conducting quantitative research methods to understand the internationalization process (Anderson & Sutherland, 2015; W.K.Tsang, 2005). Thus, they produced only global knowledge on the relationship of variables on a set of firms and did not provide insights on how different dynamics are taken into consideration by different firms of specific country in the process of entry modes. On the other hand, those studies taking a qualitative research approach mainly sought to explain the internationalization and entry mode strategies of a particular emerging country's MNEs to different countries and thus they do not show how different firms of a particular emerging country assess their entry mode process when they enter a given emerging country (Ayden, Tatoglu, W.Glaister, & Demirbag, 2021; Yaprak, Yosun, & Cetindamar, 2018). This study provides valuable insights in explaining the internationalization and entry mode strategies with cases of eight different Turkish MNEs entering in Pakistan.

Another contribution of the study is unique to the internationalization process of Turkish MNEs in Pakistan. Although there are many studies focusing on the internationalization and entry mode choices of MNEs between many different emerging European and Asian countries including Türkiye and Pakistan separately (Fey, Nayak, Wu, & Zhou, 2016), little knowledge is available on how Turkish firms enter into Pakistan. This study is the first one examining how the process of entry mode choice by Turkish MNEs in Pakistan occurs.

The next section follows the literature review on entry mode choices and dynamics that influence the decision of entry modes. Later section illustrates the methodology to assess the case studies of eight Turkish MNEs. The findings are then presented, and the discussion section later comprehensively analyses internationalization patterns and interprets across different cases. In the

end, the conclusion section summarizes the identified patterns and provides theoretical and managerial implications for managers to consider for emerging markets.



2. LITERATURE REVIEW

2.1. Theoretical Background

2.1.1. MNEs in Emerging Markets

The study of emerging markets is especially important in the field of international business because of the unique characteristics and strategic motivations that MNEs face in their quest for international expansion. These unique characteristics and motivations directly affect the decision-making process of entry mode, a crucial component of an international business strategy (Gaffney, Kedia, & Clampit, 2013).

One unique characteristic of MNEs from emerging markets is their frequent absence of a competitive advantage in their home markets. In response to this constraint, these companies use a strategy that is consistent with the concept of seeking and exploiting critical assets during their internationalization activities (Ayden, Tatoglu, W.Glaister, & Demirbag, 2021). In essence, they prioritize quick internationalization which is another distinguishing characteristic of emerging MNEs to seek and utilize critical assets in host countries to boost their competitiveness both domestically and internationally (Kumar, Singh, Purkayastha, Popli, & Gaur, 2020). These emerging market MNEs must choose the most effective way to buy and use critical assets to compete in the international markets.

2.1.2. FDI Theories to explain Internationalization of Emerging Market MNEs.

Internationalization of MNEs is usually explained by OLI (ownership, location, internalization), LLL (linkage, leverage and learning), springboard and resource dependence models (Ayden, Tatoglu, W.Glaister, & Demirbag, 2021; Gaffney, Kedia, & Clampit, 2013). The OLI paradigm proposed by Dunning (1988, 1933) explains the utilization of MNE's internationalized assets as the competitive resources to overcome costs and disadvantages of competing with competitors in the host country. This utilizes the asset exploitative mechanism in the host country. Under this paradigm, an MNE will internationalize only when they have complete control over the resources which they could leverage in the host country. This gives the MNEs with ownership advantage and make others dependent on it in the host market. However, this OLI paradigm does not suggest knowledge and learning advantages exploited by MNEs in emerging markets (Gaffney, Kedia, & Clampit, 2013).

In the modern business landscape, knowledge has evolved into a critical strategic asset. In order to address the knowledge intensive economies, Mathews (2002, 2006) extended the OLI paradigm and proposed LLL paradigm. Under this paradigm, MNEs in emerging economies engage to seek the intellectual capital, technology and learning capabilities to gain competitive advantage in the host market. This paradigm explains another distinguishing feature of MNEs of emerging markets which is the term of 'latecomers' in the international market. As a latecomer, they are already at a disadvantage in the host country, so they link themselves with established companies in the host market to complement their strategic initiatives which established companies doesn't hold. Through these links they acquire knowledge and competitive assets through resource leveraging in host market. This process of linking, leverage and learning makes the MNE adaptable in the global business landscape (Gaffney, Kedia, & Clampit, 2013).

The rapid internationalization of MNEs in emerging markets is in line with the Luo and Tung's (2007) distinguishing perspective to utilize international expansion as a springboard to acquire critical assets and compete against the competitors in international expansion. Utilizing quick internationalization as their strategy, these MNEs avoid the institutional, market and industry constraints from the home country (Gaffney, Kedia, & Clampit, 2013), to overcome the liability of emergingness (Kumar, Singh, Purkayastha, Popli, & Gaur, 2020) and learn from the recurrent multiple international activities to gain specific advantage. For instance, an MNE through one acquisition may acquire managerial benefits and through another acquisition can help to improve the distribution network (Gaffney, Kedia, & Clampit, 2013). Among these numerous international activities, MNEs demonstrate a strong trend in adopting diverse strategies for acquiring and using resources, allowing them to compete with global rivals in the host country.

In order to enable their worldwide expansion, MNEs must adopt strategic flexibility in having specific advantages. Due to strategic flexibility MNEs potentially decide between the resources from the external environment of host country and choose based on relative competitive position in specific host market. This resource dependence perspective explains the external environment or the market criteria of the host country (Gaffney, Kedia, & Clampit, 2013). In other words, internationalization strategy of MNEs in emerging markets which are aggressively entering other emerging markets are also constrained by the external environment of host country to manage resources for effective competition in host market.

2.1.3. Complexity of Choosing Entry Modes in Emerging Markets

Due to the various theoretical perspectives on MNE internationalization in emerging countries, multiple motivational factors for growth and expansion in global markets can be selected depending on the MNE's individual internationalization strategy. The decision between independent and partnership entry modes is therefore, influenced by various motivational factors, which include resource seeking, exploitation, learning, and knowledge transfer (Gaffney, Kedia, & Clampit, 2013). The entry modes are the channels employed by the MNE to gain an entry to a new international market and the choice of entry mode is critical determinant of successful operation in the international market (Zeqiri & Angelova, 2011). MNEs must carefully analyze the consequences for resource commitment, risk assessment, and the level of control over overseas activities as part of a complicated process (Zeqiri & Angelova, 2011). The complex relationship between motives and internationalization strategies makes it seem like choosing an entry mode is not an easy choice.

The motivations and distinctive strategies of rising MNEs operating in various emerging market contexts must be better understood in order to progress and improve the current framework of the entry mode decision process. When home-based variability among MNEs from various emerging countries is considered, an extra level of complexity is revealed. The various internationalization objectives that Chinese and Indian MNEs pursue provide a powerful illustration of this complexity. Chinese MNEs, for example, may have more powerful internal research and development capabilities, which has a substantial impact on their strategic pursuit of acquiring global assets. In contrast, Indian MNEs might deal with a different institutional environment that is characterized by distinctive ownership structures, varying degrees of institutional support in their home nation, and unique power dynamics between the MNEs and governing bodies regarding internationalization (Huang, Conde, Sui, & Fu, 2022).

The selection of the entry mode is complicated further by these patterns of emerging MNEs within the larger emerging market environment. Therefore, study is required to understand how these changes in home-based heterogeneity impact the motivations and strategies influencing entry mode decisions in order to successfully address this complex landscape. To improve and broaden

the current paradigm for understanding the complexity of entry mode decision processes in emerging markets, it is crucial to know the dynamics of entry mode decision process.

2.2. Process of Entry Mode Decision

The entry mode decision process is a systematic approach taken by a company to analyze and choose the most suitable pattern or mechanism for entering international markets. This process aims at developing an internationalization strategy at identifying available opportunities, leveraging current resources and capabilities and effectively managing global strategies (Zeqiri & Angelova, 2011). The process involves the tenets with the dynamics for choosing effective mode in the host country.

2.2.1. Motivation Drivers

The entry mode choice is a critical decision that encompasses various strategies, which are market seeking, resource seeking, strategic asset seeking, and efficiency seeking to understand the internationalization in the host markets (Angulo-Ruiz, Pergelova, & Wei, 2022). The strategies are proposed as the motivation drivers by Dunning (1988, 1993) for MNEs to decide the location and strategic choice in the host market proposed.

Market Seeking: Market seeking is the most common pursuit to gain and access the distribution networks in other emerging markets and facilitate the export of domestic products to other neighboring and distant emerging countries and are widely tapping into the rapidly emerging markets (Angulo-Ruiz, Pergelova, & Wei, 2022). This strategy of seeking markets tap locations with specific criteria of large population, which lives concentrated preferably in densely populated areas and has large market size, and high-purchasing power. After tapping the location, the market seeking strategy pursues motivation of international expansion around the ownership of renown brand names and trademarks. The ownership concern for MNEs is to reduce the risk of inappropriate use of their brand names and for that purpose, prefer setting subsidiaries to have control over their intellectual property (Benito, 2015).

Efficiency Seeking: Efficiency seeking in other emerging markets is done to lower down the production costs in their operations with low cost of labor (Angulo-Ruiz, Pergelova, & Wei, 2022). Efficiency seeking companies pursue international expansion strategy with focus on optimizing their operational efficiency and reducing production costs in the host country. This strategic

approach taps locations related to cost, human talent, infrastructure and close distance to target markets. Their strategy is not always for wholly owned subsidiary for international expansion, but they also recognize the vulnerability of specialized assets for expansion and may consider various entry modes like outsourcing to achieve their efficiency enhancing objectives (Benito, 2015).

Resource Seeking: MNEs consider resources in other emerging markets to seek resources in the forms of raw material and energy (Angulo-Ruiz, Pergelova, & Wei, 2022). The location choice for MNEs seeking resources is limited due to the uneven geographic distribution of resources. The presence of these vital resources influences where MNEs decide to settle. They may make investments in specialized equipment and technology designed to optimize resource use, but they also run the risks associated to political stability and government actions in the host markets where they operate. These elements significantly affect their choice of entry mode during the worldwide expansion process (Benito, 2015).

Strategic Asset Seeking: Last but not the least, strategic asset seeking helps MNEs to enhance their innovation capabilities in emerging markets (Angulo-Ruiz, Pergelova, & Wei, 2022). Those motivation drivers are also influenced by the advantages and disadvantages of the external environment of the host country. Companies that pursue strategic assets seek to create or acquire new resources and competencies that will produce future revenue. When deciding where to expand internationally, they may prioritize control, and value diverse and dynamic environments of emerging markets for innovation, and look for areas that encourage asset development, especially when competing with their competitors. They stand out from businesses driven by resource or efficiency-seeking motives due to their forward-looking outlook of revenue streams in international expansion (Benito, 2015).

2.2.2. Perceived Risks

The entry mode decisions involve the task of mitigating trade-off between motivation drivers, perceived risks, and market criteria to enter the host country. Contrary to developed MNEs, emerging market businesses frequently encounter several difficulties because of institutional frameworks and major cultural differences between the economies they usually interact for internationalization (Kumar, Singh, Purkayastha, Popli, & Gaur, 2020).

MNEs face diverse types of risks rooted in the nation's level of economic development. These country risks are the political, related to government policy, social, cultural, and macroeconomic uncertainties in a particular host country. Political risk refers to a broad variety of potential issues with four levels i.e., general instability, expropriation, operations and finance and these levels runs respectively from level one to fourth (Zeqiri & Angelova, 2011). The country risks must be analyzed with continuous environmental analysis to feed in the aspects for planning entry into the host country (Zeqiri & Angelova, 2011). Çavuşgil et al. 2014 categorized country risks with (Horn, 2016), commercial, cross-cultural and currency risks (Dang, Jasovska, & Rammal, 2020). These risks are evaluated, analyzed and mitigated with the tradeoff between motivation drivers and pre and post market criteria to choose the internationalization strategy for expansion.

The distinct patterns of emerging MNEs provide the explanation that mode decision explains the intricacies of motivation drivers, risks and host and home country specific aspects to influence the entry mode decisions of MNEs.

2.2.3. Entry Mode Choices

The entry mode choices represent strategic directions of MNEs to establish and expand their operations in the international markets (Ayden, Tatoglu, W.Glaister, & Demirbag, 2021; Gaffney, Kedia, & Clampit, 2013). The entry mode options that are generally used by MNEs are greenfield, acquisition, wholly owned subsidiary, joint venture, franchising, and licensing.

The greenfield is the construction of the new operating facility from the ground up in the host market. The strategic concern of MNE is to take complete control over their operations, resources, and strategies in the host market (Chang & Rosenzweig, 2001).

The acquisition option entails purchasing an already established local company in the host market (Chang & Rosenzweig, 2001). The strategic concern of MNE is to obtain quick access to the established client bases, distribution networks, and technological capabilities (Pehrsson, 2020).

Wholly Owned Subsidiary is a subsidiary company in which the MNE owns 100% of the shares. The strategic concern is to take a complete control of decisions, operations, and resources in the host market (Chiao, Lo, & Yu, 2010).

In a joint venture, MNE engages with local partners to develop a new business with shared ownership. Its strategic concern is to minimize the risks while harnessing knowledge, resources, and networks of the local partners (Chang & Rosenzweig, 2001).

Franchising is the licensing of the multinational's model of the brand, name and operational procedures to local companies present in the host country. This strategy enables MNEs to quickly expand through local entrepreneurs while maintaining the brand consistency (Baena, 2012) (Alon, Apriliyanti, & Parodi, 2020).

In exchange for fees or royalties, licensing is the usage of the MNE's intellectual property, technology, and know-how in the host market (Che & Facchini, 2009). The strategic concern is to take benefit from the local experience, licensing provides a comparatively low risk entry mode.

The most apparent choices in the literature for choosing modes are between greenfield and acquisition, and wholly owned subsidiary and partnership for MNEs in entering host market of developed and emerging economies (Chiao, Lo, & Yu, 2010) (Yiu & Makino, 2002) (Chhabra, Popli, & Li, 2020). Particularly for choosing between greenfield and acquisition, competitive advantage and specific strategic goal of the MNE are critical in assessing the mode choice in the host market (Quer, Rienda, & Andreu, 2019) (Dikova & Witteloostuijn, 2007). Furthermore, spectrum of control from full ownership to partial ownership is another strategic component for MNEs (Prasad & Rae, 1996). However, the decision of MNEs entering emerging markets often involves cost and negotiation complexities for consideration, emerging market MNEs exhibit distinctive approach to internationalization. Emerging market MNEs in their pursuit of international expansion, differ in their process of internationalization than developed counterparts (Chen, Ortiz, & Wei, 2021) and their entry mode decision in emerging markets consider unique drivers and dynamics to challenge the sequential process of internationalization in every emerging market (Peynirci, 2023).

2.3. Turkish MNE's Entry into Pakistan

In the context of emerging markets, the study of Turkish MNEs and their patterns in Pakistan gives a distinctive viewpoint. The investigation's focus, Turkey, provides a compelling setting for examining the strategies of MNEs entering Pakistan's emerging market. The importance of this setting is highlighted by several important considerations. First, Türkiye is considered as a relatively stable emerging market with export growth and significant increase in export volume

from USD 36 billion to USD 254 billion over the past 20 years (Presidency of the Republic of Türkiye Investment Office, 2023). Second, FDI inflows in emerging markets of developing Asia which includes diverse range of economies remained steady at \$662 billion constituting more than half of the global FDI. Within this region, number of greenfield projects and international project finance deals increased by 45 and 20 per cent, respectively (UNCTAD, 2023). Third, in emerging regions of Asia, Pakistan, belonging to the region of South Asia connects Central Asia to South Asia, China, and other large economic powerhouses in East Asia, as well as the Middle East and the Gulf area. Pakistan is situated at the intersection of important commerce, energy, and transportation networks (Pakistan, Turkish Companies Guide to Do Business, 2020). This strategic location increases attractiveness as a target market for Turkish MNEs looking to expand their foreign operations.

To contextualize the research of Turkish Multinational Enterprises (MNEs) entering Pakistan's emerging market, it is necessary to delve into the historical trajectory of Turkish firms' internationalization endeavors. Since the early 1990s, Turkish enterprises have engaged in worldwide economic activity, frequently creating joint ventures and strategic partnerships with neighboring nations. These early ventures into other markets were marked by collaboration initiatives, indicating a controlled attitude to international expansion. However, the landscape shifted notably during 2000s. In that time period, agreements, acquisitions and direct investments became prominent entry mode choices for more penetration in international expansions (Erdil, 2012). This historical perspective underscores the evolutionary nature of Turkish MNEs' internationalization journey. Regarding the current situation in Pakistan, it is worth noting that Turkish investors have targeted vital industries such as energy, finance, infrastructure projects, and contracting. Notably, Turkish investors in Pakistan are increasingly interested in the construction sector (Presidency of the Republic of Türkiye Investment Office, 2023).

The expansion of Turkish businesses into international markets reveals similar business practices as other emerging markets mentioned in the international business literature. Due to proximity to potential clients and organizational alignment, Turkish MNEs successfully handles international distribution and promotion operations. With time Turkish businesses have improved their ability to forecast and seize long-term possibilities, plan market entry strategies, and create relationships with other organizations for more efficient market penetration. As enterprises gain more expertise

and experience, their propensity to participate in international business endeavors grow, resulting in countertrade agreements, joint ventures, strategic alliances, and licensing (Erdil, 2012).



3. METHODOLOGY

I used multiple case study approach to explore the process of entry mode choices of Turkish MNEs in Pakistan. This research strategy focuses on understanding the dynamics of a single setting and sometimes involve multiple case studies with numerous levels of analysis (Eisenhardt, 1989). For example, (Ayden, Tatoglu, W.Glaister, & Demirbag, 2021) studied industry and firm level analysis in identifying internationalization strategies and level of organizational capabilities of emerging market MNEs. So multiple cases of firms can help us in identifying internationalization patterns for the choice of independent modes and how those choices are chosen with dynamics of firm, industry and country factors in mode decision. Case study research has an embedded design of multiple level of analysis within a single study (Eisenhardt, 1989). It also helps to understand the deep relationships partly because the boundaries between phenomena and context are clearly defined in this method rather than survey or experimental based research (Yaprak, Yosun, & Cetindamar, 2018). Data set of case study permits combination of different data collection methods i.e., websites, annual reports, observations, and interviews altogether. This methodology helps to describe the phenomena, build theory or test theory (Yaprak, Yosun, & Cetindamar, 2018).

3.1 Research Setting

The region of Pakistan is the busiest location of international operations considered by Türkiye (Bezmez, 2021). Whereas literature on Asian market is limited with representation of only some big emerging MNEs like India, China etc. Very less studies focused on establishment and entry mode studies considered by Turkish MNEs in Pakistan. The importance of Turkish firms in Pakistan lies on many reasons but the emerging middle-class consumer within Asian region is a biggest concern for firms to undergo business all around the world. According to World Economic Forum the members of middle class is set to increase to 3.5 billion in 2030 from 2 billion in 2020 (Buchholz, 2021). In Asian region, Türkiye and Pakistan even with good political and economic ties still has limited studies on the internationalization of firms. However, it is imperative to understand the establishment and entry mode (FDI choice) of Turkish firms in Pakistan in which FDI has a huge role in the economic relations between two countries and almost half of the amount of total bilateral trade (Bezmez, 2021).

3.2 Selection of Cases

The multiple case study approach can analyze the mode choice of large number of Turkish MNEs in Pakistan. In multiple case study research, usually cases between four and ten provide sufficient and convenient amount of data to explain the context and social phenomena. This study explored eight firms. To select cases of Turkish firms in Pakistan, theoretical sampling is ideal to select multiple cases to explain unusual phenomena or to replicate findings. The firms having more international experience in Pakistan will explain dynamic factors over entry mode choice. Therefore, information rich cases are selected to understand research questions of this study (Ayden, Tatoglu, W.Glaister, & Demirbag, 2021). The brief description of the interviewed firms in this study are explained below in the table.

Table 1 Brief Description of Cases

Firms	Industry	Year of establishment	Year of entry in Pakistan	Description
Case A	FMCG	1987	2005	Firm A is the Turkish FMCG operating in the domestic and international markets. It serves more than 100 countries with 15 powerful brands. It has 21 production facilities in Türkiye, Egypt, Iran, Algeria, Russia, Nigeria, Pakistan, and Vietnam.
Case B	Household appliances	1955	2016	Firm B is Türkiye's leading firm in the household appliances sector. The firm has subsidiaries in 53 countries, and 30 production facilities in 9 countries and 12 brands.
Case C	Energy	1993	2006	Firm C is one of the leading players in the Turkish energy sector. The company is an integrated utility operating in electricity generation, electricity and gas distribution and electricity wholesale and retail sales segments. In international operations firm C is producing 348 MW of energy in Pakistan, Israel, Palestine, Netherlands, and Dubai.

Case D	Infrastructure, real estate and construction	1977	2006	Since 1977 firm D is serving the construction industry with the undersigned highways, bridges, and various infrastructure projects. The international projects are constructed in Pakistan, Somalia and Djibouti, Montenegro etc.
Case E	Engineering and consulting services	1971	2011	Firm E is an independent multidisciplinary engineering and consultancy company to supervise large scale projects in energy production and transmission, water and land resources development, transportation, environment, and buildings. The firm has international operations in Albania, Ukraine, Uganda, Djibouti. In the east of the Türkiye, Georgia, and Uzbekistan. In GCC they are present in Saudi Arabia and Oman. Also, they are present in India, Pakistan and Indonesia.
Case F	Water treatment	1989	2012	Firm F is a company that provides sustainable water treatment and wastewater reuse systems in Türkiye. It is also present in 34 countries as a leading supplier in manufacturing and installing membrane technology for power plants, food & beverage, and heavy industry. Besides Türkiye firm F has offices in UAE and Pakistan.
Case G	Airline IT solutions	1994	2018	Firm G is the airline IT solutions provider and provides solutions to more than 60 airlines and providing services to more than 40 countries of the world.
Case H	Healthcare IT solutions	1987	2018	Firm H is a pharmacy and medication tracking company working in 13-15 countries and providing services to more than 30 hospitals.

3.3 Data Collection

To collect the data of Turkish MNEs operating internationally, Turkish Foreign Economic Relations Board (DEIK), a government organization that publishes annual reports on Turkish firms' international operations around the world, was contacted. The initial interview was conducted with Asian Pacific Business Council of DEIK to understand the significance of Pakistan as a region of internationalization by Turkish MNEs. The report of Pakistan-Türkiye Business Council's list identified some major Turkish MNEs investing in different sectors of Pakistan.

For data collection, semi-structured interview guide explored question categories over country, industry and firm level factors affecting entry mode and will also help to explore the 'how' Turkish firms entered in Pakistan and dynamics of entry mode choices. The interviews with identified MNEs was conducted by contacting company representatives to send the interview invite to participants. The interview participants were executives, marketing, and international managers. The interviews were audiotaped to transcribe the recordings of participants.

The interview language was English except one interview. The transcriptions were prepared in English. The Turkish interview was transcribed in Turkish and later translated into English. The translated transcription is cross checked twice and later, all transcriptions were recorded and analyzed through a qualitative software, MaxQDA. All interviews took at least a minimum of 35 minutes to maximum 1.5 hours.

Case selection or sampling must exhibit a satisfactory level of variation in terms of firm, industry, and country's contextual characteristics in study. The data for cases were collected from different data sources to triangulate them together for multiple case study approaches, such as firm sources of annual reports, official webpages, and press releases. Similarly other secondary media sources such as executive interviews, meetings and news and published material like books and articles can contribute as data sources.

Table 2 Semi-structured interview guide

Question category	Interview content
Brief case description	Industry sector, year of establishment, year of first FDI, year of entry in Pakistan, world leader in industry or leader in geography
Internationalization history	Beginnings, modes of entry and motivation behind market entry
Entry (greenfield and acquisition) (full and partial control) mode choice	Preferred market entry among mode choices i.e., choice between greenfield and acquisition, choice between full and partial control, factors affecting the mode choice i.e. host country factors. Significance of cultural distance i.e. individual and organizational behavior on mode choice, institutional distance between home and host country, international experience of host country, decision specific experience, mode specific experience out of recent decision, required resource commitments in making entry, role of firms' resources or assets on mode choice, level of risk and its impact on mode choice, level of control over international operations, importance of resource, risk and control in the decision of mode choice, motive of risk and return in deciding mode choice, knowledge resource, bargaining power over equity position, environmental uncertainty, industrial level barriers to enter the new market i.e. industry growth rate or fast and slow markets, intensity of competition within industry sector, brand equity, high industry advertising intensity, firm level factors i.e. asset specificity, proxy term of asset specificity is technological intensity, international experience as organizational routine specifically mode specific experience, CEO characteristic in mode choice and strategic orientation of mode choice, investment intensity, internal resources of growth in firm.
Interdependence of mode choices	How do firms decide between mode choices? Do you consider the decision of mode choice at first time entering the market? or do you follow some pattern of mode decision every time entering the market? Does this pattern of mode decision differ with sequential entry in the same market?

	Influences on entry mode decisions altogether at first time, sequential influence on entry mode decision, effect of higher adjusted risk investment, effect of return attainment from mode decision, effect of resources and assets on mode decision, effect of control on entry mode decision.
Interrelated dynamics and factors of mode choices	<p>Do the following dynamics influence the decision of entry mode?</p> <ul style="list-style-type: none"> • Resource • Return • Risk, and • Control <p>Are these dynamics interrelated with the factors of firm, industry, and country on entry modes? How do these dynamics help firms to choose between entry modes?</p>

3.4 Data Analysis

Data analysis is a repetitive process to review interview questions and refine sequential interviews for firms according to the outcome of interviews. The data analysis of this study required three steps i.e., transcribing, coding, and interpreting findings. To transcribe the data, interviews from executives and data from different data sources like websites, annual reports and company presentation creates a database of individual firms. These individual case reports of each firm include information about firms' operations, firm and industry level drivers, entry mode as well as market entry (Ayden, Tatoglu, W.Glaister, & Demirbag, 2021).

The coding framework is employed with inductive research approach which starts with an open exploration of the data without predefined factors or hypotheses. Themes and patterns emerged organically from the data during analysis. The empirical themes were identified and grouped according to the research question of *why did they choose Pakistan and how did they choose Pakistan and what mode they preferred to enter in Pakistan?* The identified empirical themes were later categorized into conceptual categories of firm, industry and country specific influences to enter in Pakistan. Lastly, aggregate category is categorized to link empirical themes and conceptual categories with the research question of entry mode decision process in a foreign country. For the detailed information on empirical themes, conceptual categories and aggregate dimensions, and its working is attached at the appendix section of this study.

After the completion of the database of each firm, case and cross-case analysis was done by identifying factors and later comparing each case findings with the findings of others. At the end of these comparisons data analysis was terminated if we saw the marginal contributions in the findings of study. The research employs comparative case analysis as outlined by (Eisenhardt, 1989). This method by Eisenhardt and Ragin involves three steps: first, analyzing each case individually to identify the dependencies between firm, industry and country level factors; second, comparing the results across cases to identify analytic generalizations; and finally, contrasting the results with theoretical inquiry to draw conclusions. This approach may lead to the development of a theoretical model, which can be evaluated in future empirical research. This approach of within and cross-case comparison is influenced by the study of (Gorynia, Nowak, & Wolniak, 2007).

3.5 Validity and Reliability

The several tactics were explained to follow the validity and reliability tests for case study research (Lin, 2014). The construct validity is used to identify the correct operational measures of the concept being studied. In this study, multiple sources of evidence are utilized like interviews, documentation through websites, annual reports to triangulate the data source. The chain of evidence is drawn to link the questions with data and drawn conclusions. These tactics, therefore helped in increasing the construct validity of the research (Lin, 2014).

Since the nature of research is exploratory, the concept of internal validity which pertains to the causal relationships between defined concepts. Here in this study, objective is to present the complex phenomena rather than cause and effect relationships. External validity, on the other hand, is relevant when findings of the study are generalized whereas in this study case study method is employed. Case study depend on the analytic generalization of to extend results of study to the broader theory/theories. In this study replication logic was utilized but those explanations were not explanatory due to absence of distinct patterns in cases. To resolve this issue theoretic generalizations were utilized as a logical framework to discuss and apply research findings within broader context.

Last but not the least, the reliability of the study concerns the repeatability of the data collection procedures. To ensure reliability in this study, case study protocol was made to guide through the initial phases of interview and in the later stages of interview, data analysis and reporting of findings was done. After for each case, a case database was made including case study

coding and models for each case firm. Additionally, the case database was reviewed by thesis supervisor as well in this study.



4. FINDINGS

4.1 Analysis of Cases

The findings are summarized according to research questions of this study, how Turkish MNEs, an emerging market chooses entry mode while entering in an emerging market of Pakistan. These choices of greenfield, acquisition, full ownership and partnership were emerged from the data with themes of *reasons for choosing entry mode, firm's starting policy, motivation drivers, perceived risks and criteria, and evaluation method of the mode* of Turkish MNEs in Pakistan to explain the process of entry modes.

The findings reveal three types of entry mode themes chosen by MNEs in Pakistan. Those modes are full ownership, ownership based multiple-entry modes (branch office, multiple local partners and joint venture, consortia, and sub-contracting) and partnership with local partners of Pakistan. These modes were chosen as company policy to choose the mode. For instance, there are some firms that entered in Pakistan with their own policy to expand internationally, and some firms were invited by the Pakistan's multinational, public company, or government itself to serve the market of Pakistan.

The empirical theme of motivation drivers is chosen with the question that why they chose Pakistan. This theme encapsulates home country drivers representing resources, capabilities, and government support from Türkiye; host country drivers representing resources from Pakistan and attraction for MNE to enter and expand. Also, company-based drivers of resources, strengths, knowledge, capital and capabilities of MNEs from Türkiye and demand potential of both home and host country. All these drivers are conceptualized with the dynamics of firm, industry and country dynamics that influence the entry mode decision.

The perceived risks and market criteria are also categorized under the firm, industry and country dynamics. The perceived risks are coded as described above by the Johansson's categorization of political risks. The political risks are broader in context to encapsulate economic, social, managerial, ownership, operational, regulatory, strategic and environmental risks. Similar terminologies with respect to market factors are used to categorize host country feasibilities and opportunities.

The evaluation criteria also vary with analytical, cognitive, demand and tender based evaluation to enter Pakistan. The findings are summarized as independent cases first to identify choice of mode for a single firm. All case findings are developed into models of internationalization patterns from Case A-H. Later the cross-case analysis of mode choice is taken to understand the overall factors influencing choice of mode and how dynamics influence mode choices and is illustrated in figure 10 as master flowchart.

4.2 Within case analysis

Case A This production facility was established in 2018. It was full ownership. MNE has production facilities around the world including Türkiye, Egypt, Iran, Algeria, Russia, Nigeria, and Vietnam in FMCG sector. The production facility in these countries is an outcome of the firm's international strategy. The following company-based reasons were the crucial factors that has led to the selection of full ownership in Pakistan:

- High capital
- High experience in technology
- Knowledge on experience of international investment
- Trained staff
- Speed in decision making
- Wishing to have competitive edge
- Experience of different geographical locations

The firm relies on their existing resources of capital, knowledge, and experience for international investment. Initially, the firm identifies potential countries based on feasibility studies and these studies identify country conditions or criteria for entry. Consequently, firm has opted for the riskier mode of entry due to sufficient resources for the full ownership in Pakistan. Also, firm wants to maintain the competitive edge of the firm through their own production facilities in Pakistan. The firm chooses full ownership as a motive of market seeking to access, sustain and expand in Pakistan.

Market seeking is the motivation driver to evaluate the market for the feasible entry. For instance, firm with high capital and experience evaluate the criteria of market size, economic opportunity, operational opportunity, regulatory policy, market intensity, political risk, and

ownership/control risk to consider full ownership in Pakistan. The firm prefers that there are no domestic shareholders and burden of foreign companies in international decisions so that they can have speed in decision making. Also, these reasons become the reason to not choose joint venture. Firm A never chooses joint venture because of sufficient capital, experience, knowledge of international investment, and capability to take their own decisions without any approval from other partners.

Case B This MNE acquired Pakistani brand with full acquisition. This full acquisition is recognized as full ownership. This is one of the firm's international strategies to enter through brand acquisition in host markets. Here, the reason for choosing full acquisition as an entry strategy depends on ambition of the firm for Pakistan. The ambition of the firm is to expand in emerging markets of South Asian region and considers Pakistan as the attractive market to acquire the brand and expand in Pakistan along with other neighboring countries of the region.

The motivation of the firm is market seeking to enter Pakistan. Specifically, the motive for Pakistan reflects within the host country drivers, for instance, *Pakistan is a developing emerging market with possibility of product penetration. Also, for region expansion Pakistan can be utilized as a R&D hub.* This ambition and motivation also relate with the company-based driver for choosing an emerging market for entry.

Subsequently, respective ambition of the firm also perceived some operational, economic, and regulatory risks while evaluating criteria for choosing Pakistan. The operational risks were considered in custom and exchange issues in import and export, along with the regulatory issues in export from Pakistan region. Due to the following operational and regulatory risks in customs and exports, firm evaluates economic opportunity specifically to study import and export regulations, FTA with other countries, sustainable business, and logistic cost for the value chain. While evaluating economic opportunity, political risk of every country is also taken under consideration to analytically evaluate the mode choice for the market.

Case C This greenfield is established with the power purchase agreement in 2006. It is also the 100% ownership of MNE. The reason for choosing full ownership aligns with the company policy of mode selection. The selection of mode depends on the country and sector in which MNE is entering. In Pakistan's scenario, it is easier for a Turkish firm to enter in the solar and wind

energy projects with mode of full ownership, otherwise firm chooses partnership mode in charging stations etc., for other countries with difficult entry.

Like case A and B, market seeking is the motivation driver for firm C. In this motive, the company policy to enter with appropriate mode of a particular country and sector is exhibited with the host country driver i.e., availability of government subsidies. These subsidies from the host government on shortfall provide the guaranteed amount of wind speed for production of electricity through wind projects. Also, the good public opinion of the firm in Pakistan contributed as the host country driver for entry. These drivers influence the government-based relations and regulatory policy as a selection criterion in evaluating the full ownership in Pakistan. If the criteria are according to firm requirements in solar and wind projects, for instance, in Pakistan they found regulatory policy for subsidies and good relationship, they prefer to choose full ownership. The easiness for the firm to choose full ownership in Pakistan is through good public relations, and the regulatory support in subsidies by Pakistani government.

Case D This firm operates under the mode of full ownership in Pakistan. The reasons to choose full ownership are dependent on the company policy of making fast decisions in the host country. This policy also aligns with the following drivers of motivation in Pakistan:

- The independent decision-making mechanism and strategic partnership in the host country is the driver for a firm to evaluate project in Pakistan.
- Specifically, in the project-based criteria, the home country driver of budget assurance from the home government is an essential element for entry.

The speed in decision making comes from the independent budget and management mechanism of the firm in Pakistan. These motivation drivers perceive risks and criteria as per the project in the host country. The economic and managerial risks are perceived for country evaluation. The firm ensures that budget from home country is available in Pakistan, and the project management mechanism is transparent and appropriate. These criteria motivate the firm to evaluate the budget from home country and management mechanism of project in the host country. The other risk is operational challenge for strategic partners in host country to manage difficulties at local level for evaluating project.

Case E This firm has multiple entry modes depending on the project. Those multiple entry modes are local partners, joint venture, consortium, sub-contracting, and branch office. The

motivation for the firm is market seeking and wants to expand their international operations. The home country driver mostly influences this market seeking. The home country driver states that, *Turkish market is saturated with construction projects and infrastructure business is not sustainable in Türkiye.*

Multiple entry modes i.e., local partner is chosen for operational and strategic reasons. The local partners acquire local knowledge of the market whereas strategic reasons are to understand the reliable partners for future business operations. The motivation to choose a local partner is to achieve the applicable internationalization experience from the host country. On the other hand, strategic reasons for choosing local partner are to identify reliable partners for future operations i.e., achieving partnership experience from Pakistani and other international partners operating in Pakistan. This experience relates to the firm's motivation to expand internationally by knowing local market with dependable partners for international operations.

The risks perceived by the firm are operational risks which illustrates the business conditions of the host country which is not ideal for every country operating because partners are not allowed to have non-dollar bank accounts in Pakistan. Whereas bilateral trade barriers and no free trade agreement with Pakistan are perceived as strategic risks to consider for future bilateral trade operations. Similarly, economic risks of deferred payments are also a risk in Pakistan. These risks undertake government to government relationship as an important criterion to form local partnership. As the firm stated that due to good relationship and cultural ties with Pakistan's government the firm preferred to choose local partners. To avoid operational and strategic risks, firms consider operational policy and operational opportunity as a criterion to enter the country. The operational policy involves the investment plan and easiness of business operations in Pakistan. Other than this, the operational opportunity involves the market entry barriers and most importantly the swift system of payments in other countries. The motivation of expanding internationally drives the firm to gain internationalization experience from the host country. In this drive, the firm tends to move with multiple entry modes in Pakistan depending on the tender for project. The local partnership is chosen to understand the local market and dependable partners for future international operations.

The reasons for choosing joint venture, consortium and subcontracting are not emphasized by the firm. Whereas regulative reasons serve the purpose for opening branch office in Pakistan.

The branch office is considered for two reasons: Firstly, the huge share of projects and major business size in Pakistan. Secondly, it is essential in Pakistan to open branch office to participate in local tenders and receive local payments. The motivation drivers are market seeking and expansion to gain sufficient knowledge about the domestic and international market. Therefore, to expand in domestic and international market, firm E considers demand-based driver of meeting huge share of hydropower projects in Pakistan. But this demand-based driver is complemented by the company-based driver to enter with the technically competent area while evaluating the tender to enter a country. Apart from this, host country driver also influences the entry through branch office which is the firm's host country driver to utilize Pakistani branch office to grow internationally in other countries. In that perspective, qualified human resource i.e. employees and managers of Pakistan with good international reputation and fluent in English language are preferred by the firm to consider for international operations.

The demand and company-based drivers for branch office or full ownership perceive economic and regulatory risks. The economic risks involve prolonged delays in currency exchange which leads to profit devaluation. On the other hand, regulatory risks are the risks associated with the local laws and legislation in opening branch office in Pakistan. These risks permit the firm to assess the market size, technical parameters, market intensity and regulatory policy as the criteria. These criteria later enter the tender evaluation for branch office to enter Pakistan.

Both local partners (partnership) and branch office (full ownership) consider economic and environmental risk as well. The economic risks are related to payments which takes longer time to realize profit for a project in Pakistan. Similarly, Pakistan is prone to environmental challenges like floods which adversely affects the infrastructure projects.

Case F This MNE is operating under full ownership in Pakistan. It has office based in Pakistan. Initially the firm was invited by the multinational company operating in Pakistan. The multinational company invited them to install water treatment plant in 2012. It was the demand-based driver to enter Pakistan which was also followed by the home and company-based driver. The home-based driver illustrates the market seeking motive to expand internationally. The firm states that they want to diversify their risks of investment from Türkiye. They consider the economy of Türkiye uncertain, so they want to operate internationally in other countries. The firm also has

the manufacturing edge in operations and want to increase export to different countries of the world.

Pakistan's market seemed attractive for opening office as it fulfills high population, high industry demand and highly qualified employees for entry. Altogether these drivers perceive operational and political risks to operate in Pakistan. The operational risks are related to the professional training of managers, letter of credit in exports, and tax and custom issues. The political instability is also considered as the risk while evaluating entry in Pakistan.

After the perceived risks the market is evaluated on the criteria of market size, market intensity, cultural ties, operational and economic opportunity. The huge population and demand from Pakistani market has economic opportunity in the form of free and industrial zone with industry reputation. Also, operational opportunity relies on the road infrastructure, ports and airports in a country to travel smoothly to Pakistan.

The invitation by multinational company and the firm's motivation to expand internationally later established the demand in Pakistan's market to expand by opening a branch office in year 2016.

Case G is an MNE that operates as the liaison/branch office in Pakistan. Initially, this firm was invited by Pakistan's government company for a public tender in 2017. Firm G started providing solutions to a company in 2018. Later, in 2019 they opened a liaison office in Pakistan. The reason for opening a liaison office is market seeking and expansion. As the business provides intangible solutions using cloud technology. They can provide uninterrupted solutions from anywhere and location for full ownership is not an important factor in entering Pakistan at that time. But later after seeking market realized expansion opportunities for domestic travel agencies in Pakistan. Another reason for choosing branch office is the defined accounting and IATA rules that secures them for tax, payment and currency exchange issues in Pakistan. These reasons allowed them to choose the liaison office after their one-year service to serve the domestic travel agencies in Pakistan.

The invitation is accepted by firm G because of esteemed reputation of a Pakistani company, and regulated aviation business which secures the firm G from tax and currency exchange issues. The motivation in general is market expansion to utilize the Pakistani graduates

for new R&D operations in Pakistan. The internationally regulated business in Pakistan relates to the reason for choosing liaison office or full ownership.

The risks associated to business are the operational risks as firm states that ease of doing business is not good in Pakistan which affects the business. The firm considered education, young population and good relationship with Pakistan as the deciding criteria to enter. The firm has undergone the cognitive evaluation of the criteria for liaison office/full ownership.

Case H is MNE that operates under partnership mode in Pakistan. The reason for choosing partnership mode is to utilize the created networks in Pakistan. The firm was invited by the Pakistani government to serve the health sector in 2016. The firm visited Pakistan in 2016 and created some networks. It was a convenient option for a firm to utilize networks in Pakistan to serve Pakistan market. The firm wants the market operations to be dealt by local partners in order to save the costs in sending expats for operations in Pakistan. The operational reasons were the concern to choose partnership mode in Pakistan.

The motivation driver was demand based to serve the Pakistan's health sector. As in 2016 Government of Pakistan invited firm H to serve their services. For that purpose, firm attended public tender and entered Pakistan in 2017. Another motivation driver are some host country drivers which is basically divided into three components. The first is the firm driver to serve internationally and the goal is to serve more than 200 hospitals or countries across the world. Also, firm is realizing new projects within this time frame in Pakistan. The second is the global awareness of medical technology in different countries which is quite in use in different countries. The similar international medical procedures make it convenient for firm to adapt to medical conditions of any host country and for Pakistan. Last but not the least, another motivation for Pakistan are the qualified Pakistani doctors and scientific team. This qualification of employees helps in the local development of the system. The firm has seen Pakistan as the source of knowledge and experience for the firm in the host country.

Apart from the uniform international standards in medical procedures, there are some regulatory risks when adapting to country conditions. Every country has a different set of rules and regulations, and software must be adapted to the country conditions. Other than this language is the barrier to help. After motivation and perceived risks firm prefers to evaluate the industry specific criteria to choose Pakistan. The presence of international medical standards and qualified

physicians or doctors in Pakistan made it possible to enter through partnership. The firm will continue local partnership and eager to open a branch office in Pakistan soon.

4.3 Cross-case Analysis

The cross-case analysis is conducted under the similarities and dissimilarities of the patterns among different cases (Gorynia, Nowak, & Wolniak, 2007) and its reason for specific patterns is given under the combined theoretical explanation of OLI, and LLL perspective in the host market. The method of theoretical explanation is adopted from the study on Turkish multinational explaining internationalization strategies (Yaprak, Yosun, & Cetindamar, 2018).

4.3.1 Factors in choosing Full Ownership

There are various factors that are considered by the firm to choose full ownership as the entry mode. Company's internationalization policy and invitation of a Pakistani multinational are the factors that initiates the entry of a firm in a host country for full ownership. Out of eight firms, five of them preferred to choose Pakistan for international expansion. Those five firms belong to different industries with different factors across the cases for choosing entry mode choices in Pakistan. In order to understand the mode selection of a choice various factors play an integral role in choosing full ownership.

4.3.1.1 Motivation Drivers

The cross-cases also reveal that all firms are market seeking as they want to invest in Pakistan to serve the markets in a country and region. This explains the host country driver as a consistent driver considered by all eight firms across the study. The other motivational drivers appear with different pairs and those pairs are described below.

The host company driver is followed by firm A, which states that their motive is to expand internationally. The pair of hosts and company-based drivers are considered by two firms, i.e. firm B and firm C, from different industries. Both firms state different host country drivers, for instance, firm B considers Pakistan as the developing emerging economy which is suitable for the firm's ambition to penetrate in the market. Also, there is a feasible opportunity for the firm to sell products in other neighboring countries from Pakistan to expand in the region. This opportunity is also complemented with the good relationship of Pakistan with Türkiye, company focus and ambition for South Asia Region. Firm C, whereas takes the host country driver with the potential of demand and investment. Also, it provides feasible conditions i.e., guarantee of government subsidies on

shortfall for energy and wind operations in Pakistan. The company-based driver of firm C is like firm B and is to utilize knowledge and qualified workforce in the emerging markets. The firm C enjoys good public opinion in Pakistan.

The drivers of host, company and home is considered by only firm D. The firm chooses host country for less bureaucracy and good political relations with Pakistan. The firm makes sure the presence of international consultant to review the project in Pakistan. The assurance of payment in Türkiye and efficient budget mechanism are also the criteria of the host country. The company-based driver is the firm's wish to expand international operations because of the experience from difficult grounds of construction. The home-based driver is additional in the motivation driver of Firm D. This driver is particularly important for firm to assure budget mechanism in Pakistan. The firm seeks support from Türkiye Government and budget source initially, as the firm did in 2006 to enter Pakistan under project aid for earthquake in Pakistan.

The firm F is the only firm out of all firms that was invited by the multinational firm operating in Pakistan to choose full ownership. The firm E and F have the motivation drivers of host, country, home and demand-based driver. Firm E preferred multiple entry modes (branch office, partnership, joint venture, sub-contracting, and consortium etc.) and firm F has chosen full ownership.

The firm G on the other hand is invited by the Pakistani government company and it also chose full ownership as an entry mode. As compared to invitation from multinational company firm G entered with host and demand-based drivers of motivation. The Pakistani government company seemed appropriate to offer solutions by the firm and it is regulated under international airline standards in Pakistan as well. These host country conditions were considered to align with the demand of airline solutions in Pakistan.

4.3.1.2 Perceived Risks

All the host, home, company and demand-based drivers perceive different risks. The common perceived risks are operational, economic, political and regulatory risks. These common risks also come under the risks related to the foreign operations related to the business conditions, host government support for exchange and payment transactions, and custom related benefits for Turkish MNEs. The additional perceived risks are environmental and strategic risk in the projects.

4.3.1.3 Market Criteria with Evaluation

The criteria chosen for market selection differ across cases as firm A analytically evaluates the criteria for market entry. Firm B also considers the analytical evaluation. The analytical evaluation includes the feasibility studies of potential countries and conditions to enter the market. In this evaluation, economic opportunity and political risk are evaluated by both A and B firms. For firm A, the distinguishing criteria from firm B and all cases is the criteria of ownership/control risk in the host country. The firm does not prefer domestic shareholder and make sure that the firm can attain 100% ownership in Pakistan. Firm C has also similar market size, economic opportunity like firm B and C with additional criteria of good relationship. The good relationship between Türkiye and Pakistan serves the cognitive basis of evaluation in choosing full ownership for firm C.

The firm D preferred project-based criteria to evaluate different projects in Pakistan. Every project is evaluated based on tender to check the budget from the Turkish government and efficient and transparent management mechanism in every tender of the project.

The evaluation criteria of the firm were based on demand evaluation. The demand-based evaluation differs than firms choosing full ownership as a mode. Initially firm F was invited by a multinational company and operated with invitations from other multinational companies in Pakistan. Later in end of 2012, firm opened a licensed company in Pakistan. The attractiveness of private industrial sector and huge population demand in Pakistan provided firm to choose full ownership after some projects.

The firm G considered the socio-economic criteria which differed from other cases. It assesses the geographic location, education and young talent of the country. The firm is seeking to expand in the market of Pakistan where they want to utilize Pakistani engineers and graduates in their operations. The choice of mode is the cognitive evaluation to enter based on liaison or full ownership.

4.3.1.4 Reasons for choosing Full Ownership

The reason for choosing full ownership explains its choice over other modes of entry. The cross analysis reveals that company-based reasons, company policy and regulative reasons serve the basis for choosing full ownership. Firm A and C consider company-based reasons in which high capital, technology, experience in investment and field, renowned name, trained staff, speed

in decision making and gaining competitive edge in host market are considered by firms. Specifically, firm A states that these are also the reasons for not choosing a joint venture because there is no need for financial facilities from our partners and gives us independent decision making in international operations. Similarly, firm C has independent decision making to finalize projects in Pakistan.

Another apparent reason is the company policy to choose full ownership. Firm B, C, D and G consider company policy to choose full ownership. The policy differs as per the firm, for instance, firm B's reason for choosing full ownership depends on the market conditions of the country. Those market conditions were chosen based on selective ambition for the market of South Asia in Pakistan. On the other hand, firm C chooses full ownership depending on the country and sector in which they are entering the country. Whereas firm D has the company policy of having no partner in host country and take independent and fast decisions to choose full ownership. This company policy is taken under consideration like firm A to consider with the option of joint venture.

Lastly firm G has a company policy which is related to the industry sector. The firm is offering software solution to Pakistan and purpose of the firm is to provide uninterrupted solutions through internet cloud access. Therefore, location for opening branch office is not an important strategy initially to enter Pakistan but later to expand in Pakistan branch office was considered to serve the product to other travel agencies in Pakistan. Also, firm G took regulative reasons related to industry sector to choose full ownership. The intangible solutions provide international regulatory standards to services and these reasons secure firm from exchange, taxes and accounting processes to operate smoothly in Pakistan.

4.3.2 Factors in choosing Multiple Entry Modes

Only firm E is choosing multiple entry modes. These multiple entry modes depend on the tender for the country. Specifically in Pakistan firm prefers branch office, partnership and other entry modes like joint ventures, consortium, and sub-contracting.

4.3.2.1 Motivation Drivers

The driver of motivation includes a group of host country, home country, company and demand-based driver. The distinguishing driver is the demand-based driver. The firm identified the demand potential of production in Pakistan which was large and current production in Pakistan

was low. To utilize the production gap, firm preferred to enter with the competitive strength in hydropower projects which easily fulfills the technical competency in Pakistan.

4.3.2.2 Perceived Risks

The distinguishing strategic and environmental risks were apparent in the multiple entry modes. The strategic risks were based on the trade relations between two countries. Despite the cultural ties and good relations with government, there is no FTA and trade relations between Türkiye and Pakistan. The environment risks are also related to the construction projects in which Pakistan is prone to natural disasters like floods, earthquakes etc.

4.3.2.3 Market Criteria with Evaluation

In relation to these risks, firm evaluate additional government relationships, cultural ties and technical parameter criteria for Pakistan. The government relationships are paid importance to choose the appropriate mode in Pakistan. In this scenario, good relationships with government leads to government projects otherwise collaboration or joint venture with private firms is chosen by firm E as the criteria.

4.3.2.4 Reasons for choosing Multiple Entry Modes

The multiple entry modes is chosen by firm E in which regulative, strategic and operational reasons were seen. As stated earlier multiple entry modes were branch office and partnership, joint venture, subcontracting and consortium etc. in Pakistan. Like full ownership, regulative reasons were also relevant in branch office. These regulative reasons state that the major business size, and local conditions of Pakistan's market necessitated to open local branch office to participate in local tenders.

The strategic and operational reasons were relevant to partnerships in Pakistan to serve as well as expand in the market. The strategic reasons to choose local partners was to identify dependable partners in Pakistan so that operations in Pakistan can be made easier and can be utilized for the firm in international markets. The firm wants to expand with the Pakistan's branch office in the international markets. The operational reasons anyhow were created to get the local knowledge of Pakistan.

4.3.3 Factors in choosing Partnership.

4.3.3.1 Motivation Drivers

The firm H is invited by the Pakistani government to serve the health sector of Pakistan. Also, the demand-based driver of invitation from Pakistani government is aligned with the host country drivers of qualified doctors and scientific teams in Pakistan. These factors contribute to the scientific development of software being provided to hospitals.

4.3.3.2 Perceived Risks

Firm H perceives social risks and regulatory risks where it is contrasting to firm G from the same industry. The regulatory risks are relevant to different rules and regulations in every country and software must adapt to different legal structures of the country.

4.3.3.3 Market Criteria with Evaluation

Considering motivation drivers and risks, firms evaluate the criteria related to industry whether their international medical standards and qualified physicians are available in the country or not. The evaluation of criteria is like firm G, as both firms do cognitive evaluation.

4.3.3.4 Reasons for choosing Partnership

The reasons for choosing partnership by firm H in Pakistan is the ease of operations and cost reduction in choosing local partners. As the firm has entered with the partnership initially and they created networks across Pakistan in health sector, so it was easy and convenient option for firm H to let the local market operations dealt by local partners. Also, it was costly to send representatives from Türkiye to Pakistan to manage operations.

4.3.4 Internationalization Patterns of Firms

As is evident from within case analysis, it is difficult to find similar patterns between factors of choosing modes with modes using existing case material. Therefore, some distinct patterns can be seen across the cases with reasons for choosing modes.

Out of six firms, all five firms that have selected full ownership have company-based reasons, company policy and regulative reasons to seek the market with independent decision making, sufficient capital, knowledge, experience, and market ambition for the country. It directly relates with the initial company policy of the firm to enter Pakistan. These firms initiated their entrance to Pakistan. In all these firms' motivation drivers of home, host and company were based on market seeking factors to seek the domestic market of Pakistan and achieve the international

markets. The other firm, for instance, was invited by the Pakistani government company which chooses full ownership with company policy related to industry issues and regulative reasons. This firm was invited by government's Pakistani company, and in this case specifically demand based driver initiated the entry through public tender. The motivation driver was host country and demand-based driver to seek the market seeking motive to operate. In short, we can see that there is a distinct pattern of company policy/ reasons and regulative reasons to affect the motivation drivers in choosing full ownership.

Perceived risks are also factors considered by these six firms and operational risks were common in all firms choosing full ownership. The operational risks are related to the operations of the firm in Pakistan, as some firms require speed in decision making therefore delays in decision making is considered as a risk and therefore efficient project management is essential for the firm to operate in Pakistan. The other operational issues relate to tax issues, not good business conditions, export and currency exchange issues in Pakistan. These were perceived as important risks while choosing full ownership.

And among those six firms, three firms take market size as the common important criteria for entering in Pakistan. The remaining three firms perceive economic opportunity, political risk, good relationship, project-based criteria, and socioeconomic criteria for full ownership. These criteria were evaluated under analytical, cognitive, tender, and demand-based evaluations. Under these evaluation methods, two firms with good relationship in their criteria has cognitive evaluation for the mode selection. The analytical mode evaluation is chosen by two firms with the economic opportunity and political risk in Pakistan. The demand-based evaluation is based on the evaluation of criteria after some local projects in Pakistan and it chooses full ownership. Last but not the least, project-based criteria choose the criteria as per the project in Pakistan.

Out of eight firms only one choose multiple entry modes in Pakistan. The regulative, strategic and operational reasons are considered for choosing multiple entry modes in Pakistan. It relates with the demand motivation driver for firm in Pakistan because there is large potential and major business size and local laws available for branch offices to conduct operations easily. Like reasons of full ownership, firm with multiple entry modes also wants to participate in local tenders to expand in the market therefore considered operational reasons. Also, for this reason, demand-based driver considers the technical competency in hydropower projects to enter in Pakistan. These

drivers also perceive operational, economic, strategic, environmental, and regulatory risks. The criteria like government relationship and technical parameter are different than full ownership. The entry evaluation is tender based evaluation because mode selection depends on the choice of project in Pakistan.

Similarly, partnership is chosen also by one firm which entered in Pakistani by invitation from Pakistani government. The mode is chosen because of created networks in Pakistan, and it was easier and less costly to handle operations which does not relates with the motivation driver of host country. Whereas it perceives regulatory risk like local partnership in the multiple entry modes. The criteria to choose partnership is the industry specific criteria of having international medical standards and qualified physicians in Pakistan. These evaluation criteria relate directly to the motivation driver of qualified physicians and scientific team in a host country. The evaluation for partnership is cognitive based on industry standards and cultural ties with Pakistan. Like full ownership, criteria with good relations and cultural ties falls under cognitive evaluation.

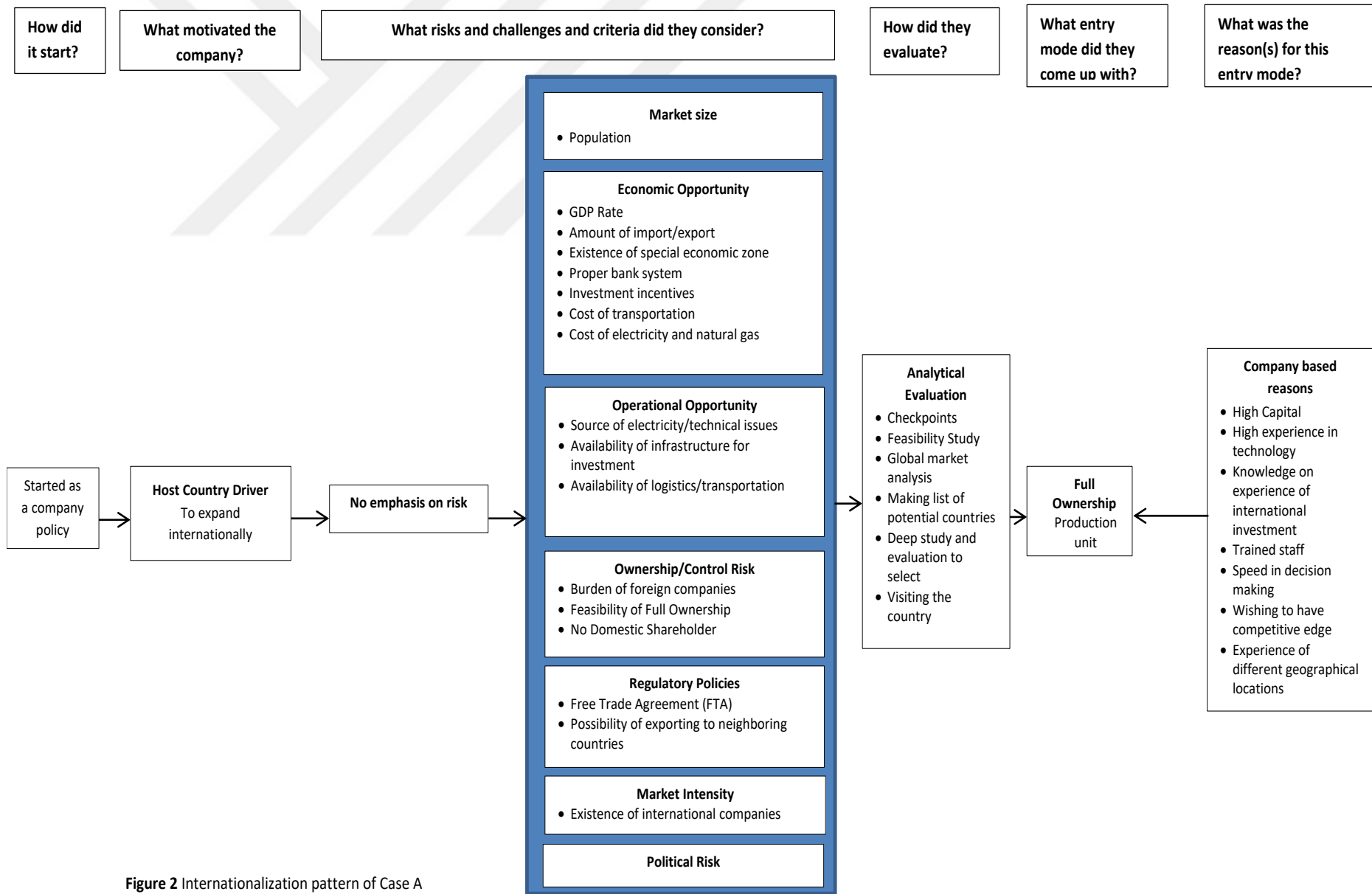


Figure 2 Internationalization pattern of Case A

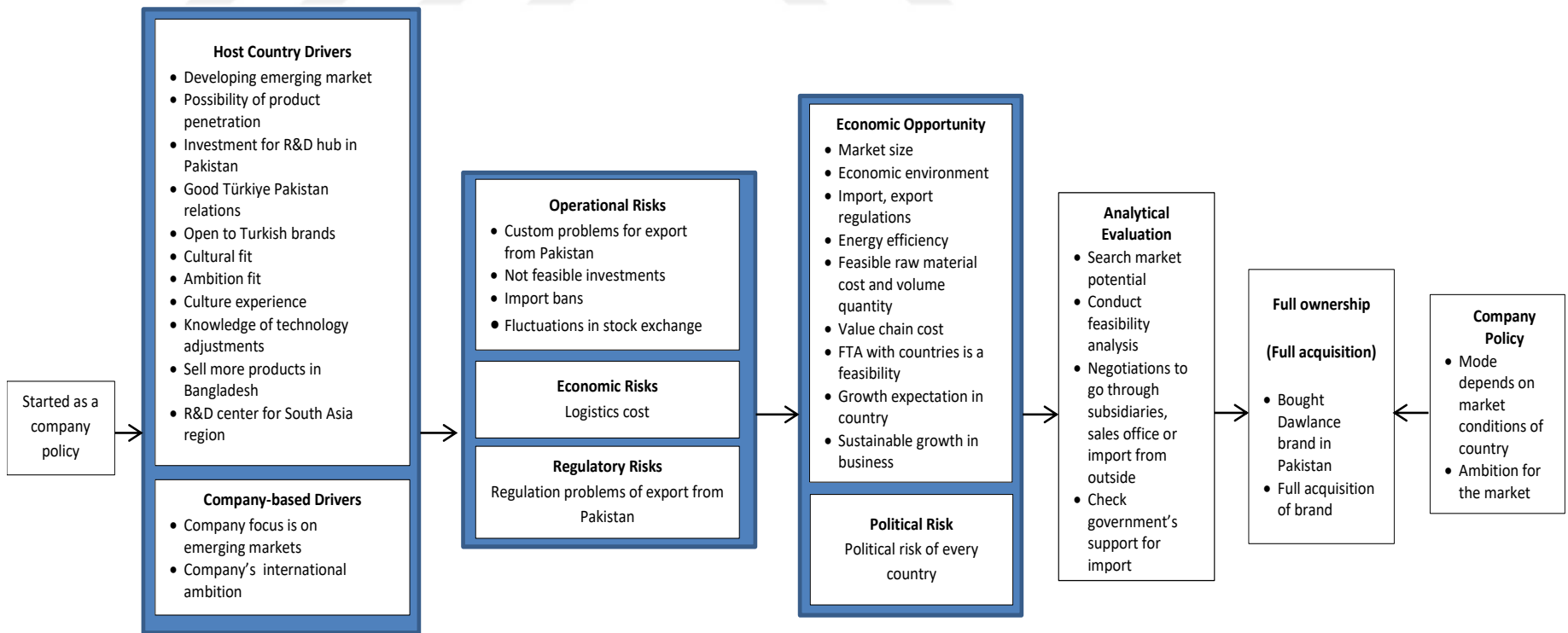
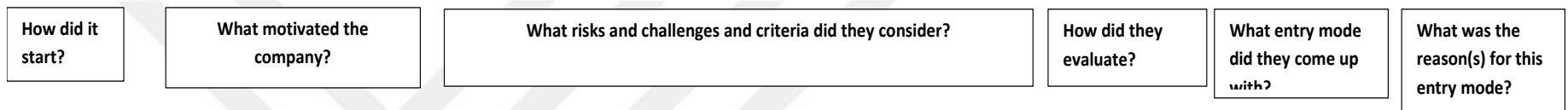


Figure 3 Internationalization pattern of Case B

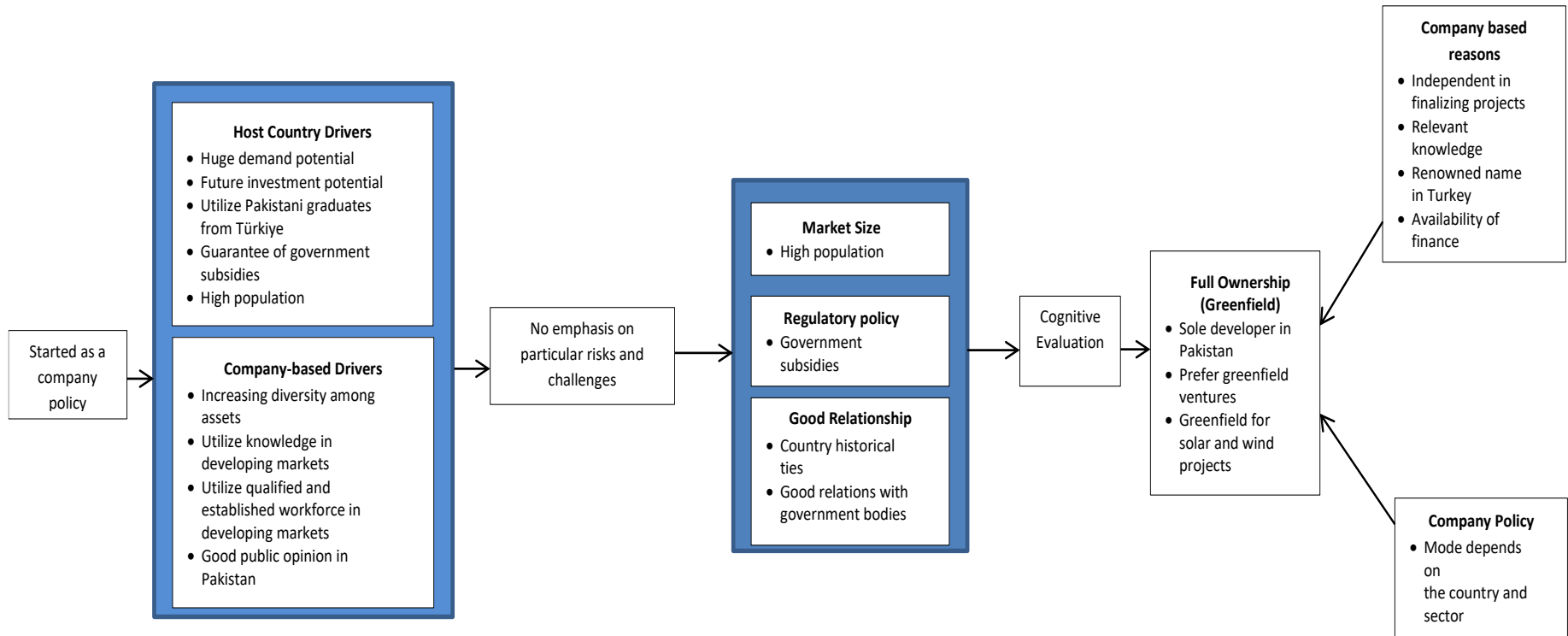
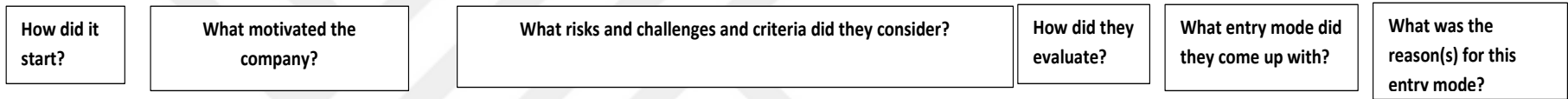


Figure 4 Internationalization pattern of Case C

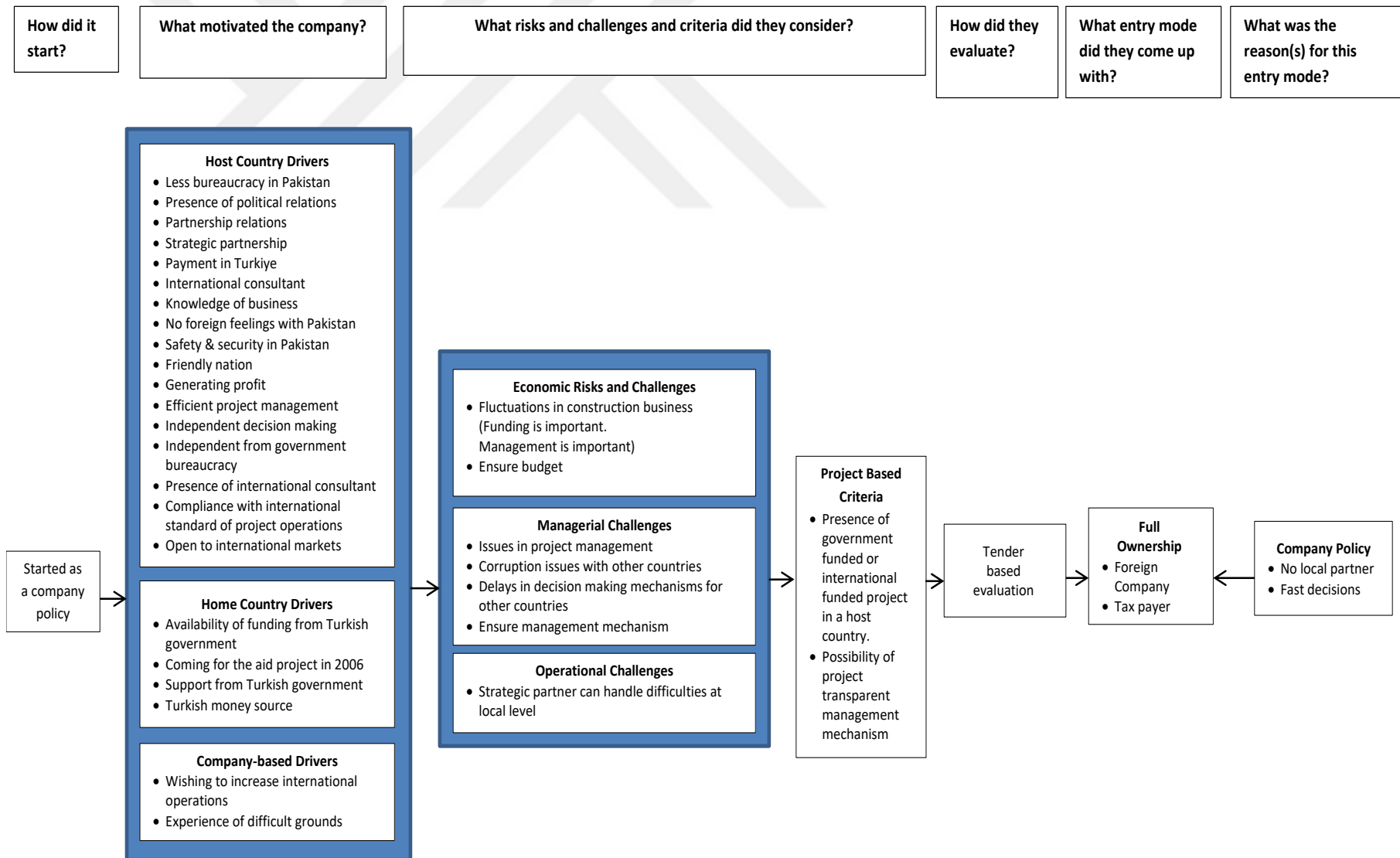


Figure 5 Internationalization pattern of Case D

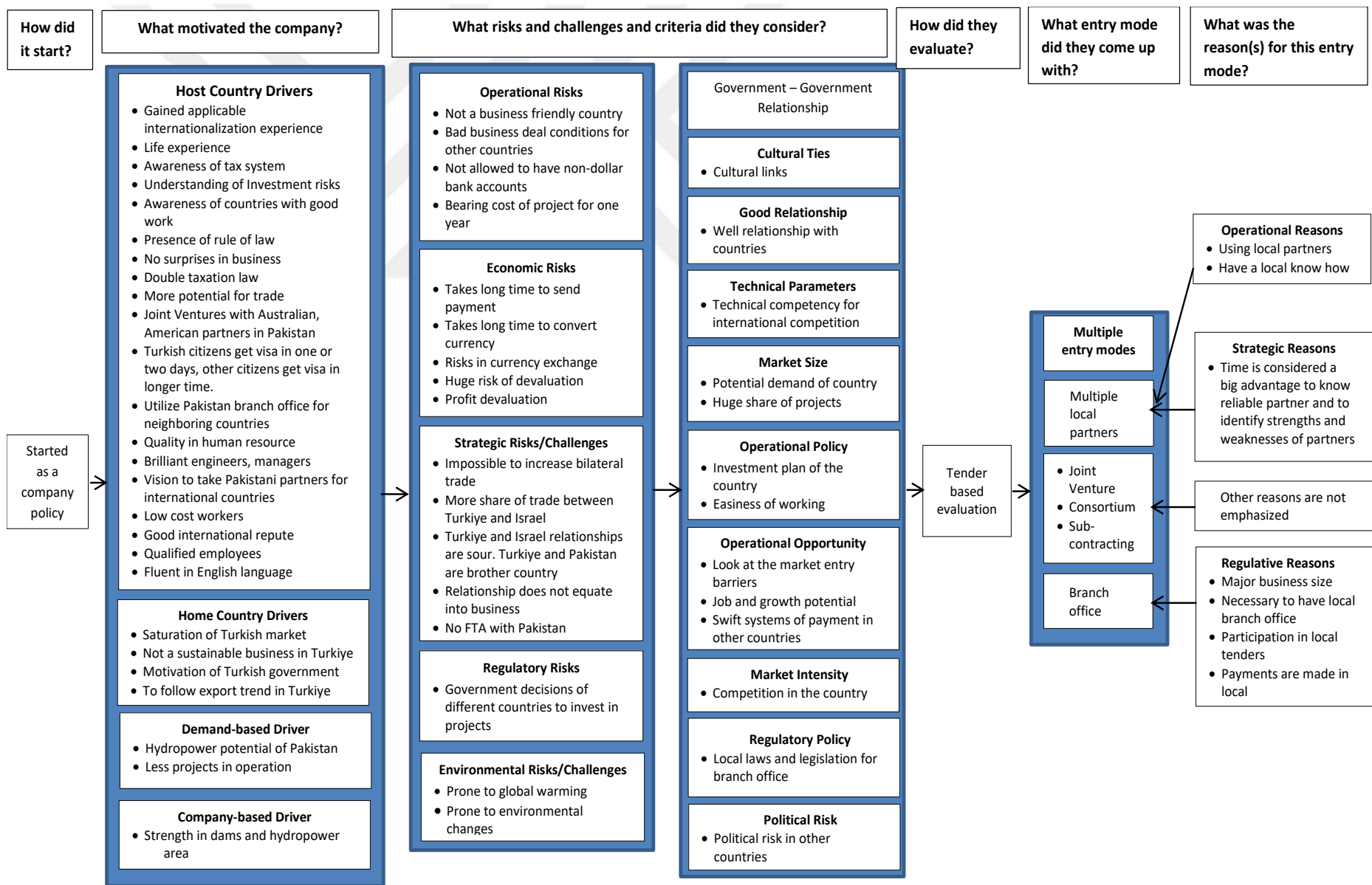


Figure 6 Internationalization pattern of Case E

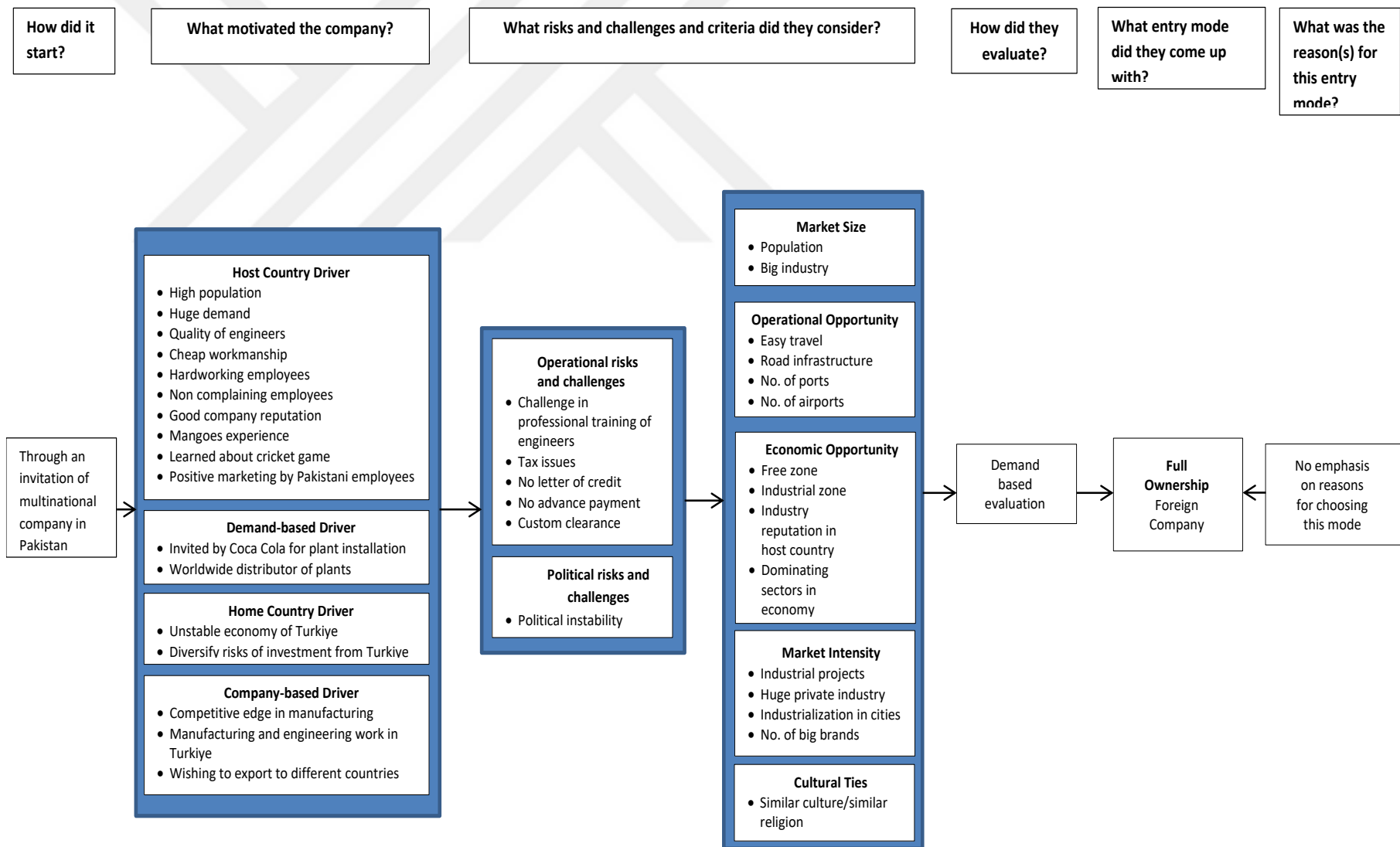


Figure 7 Internationalization pattern of Case F

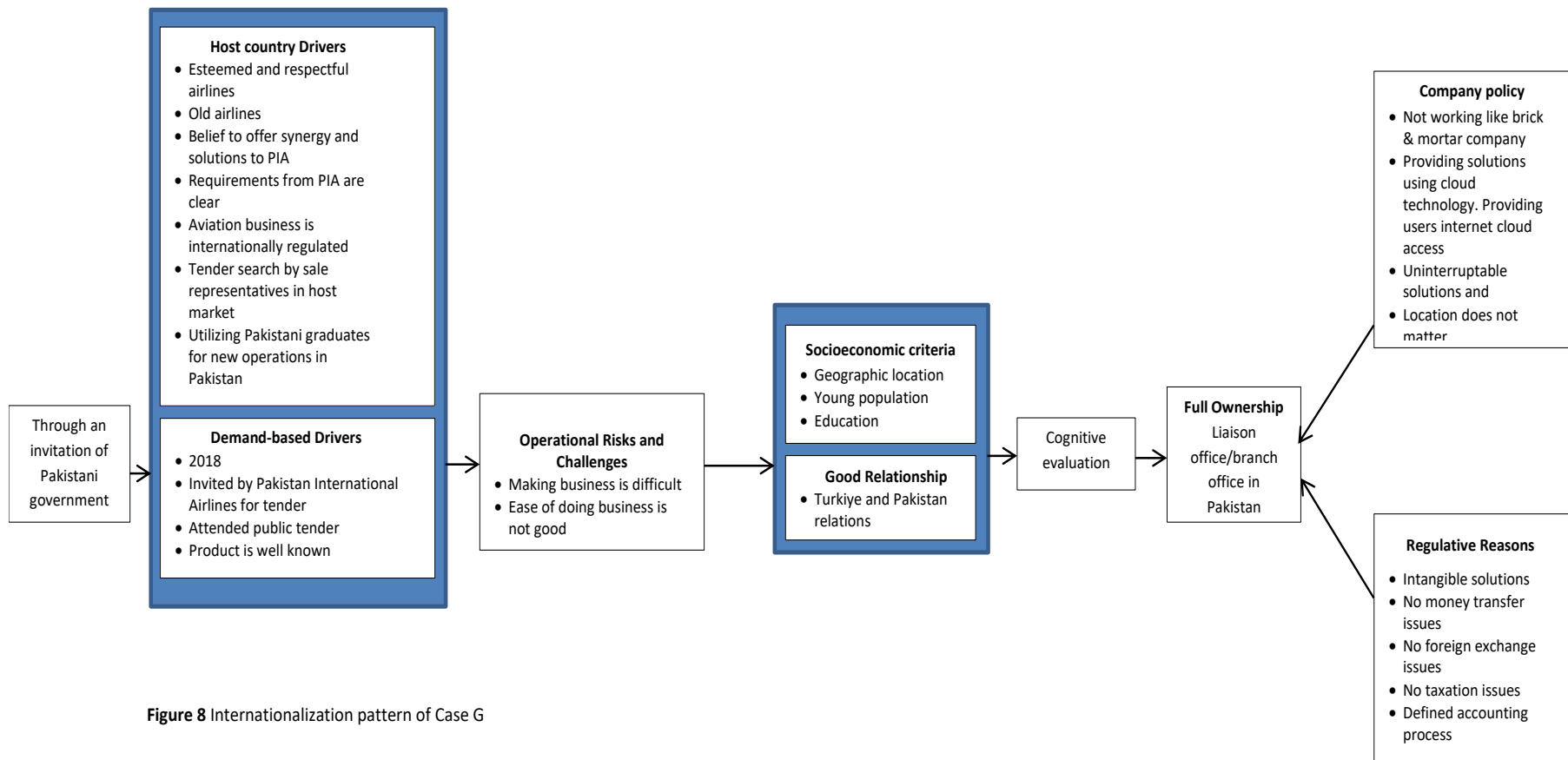
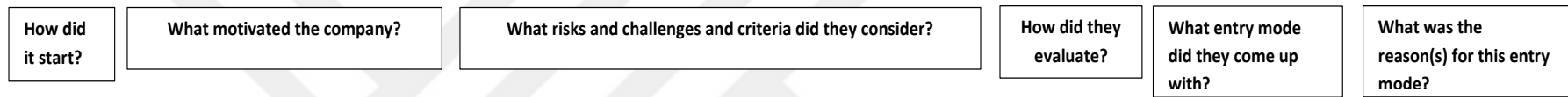


Figure 8 Internationalization pattern of Case G

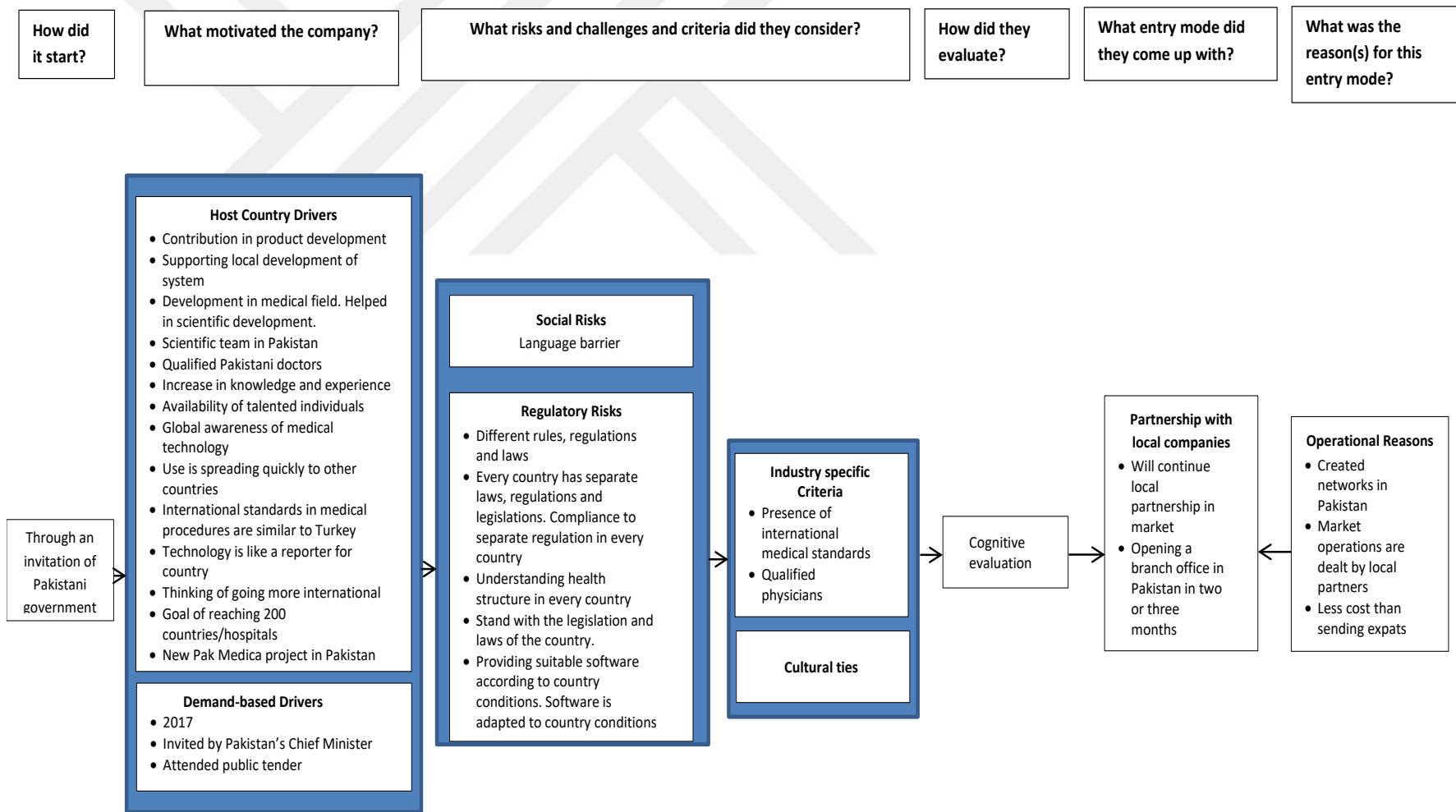
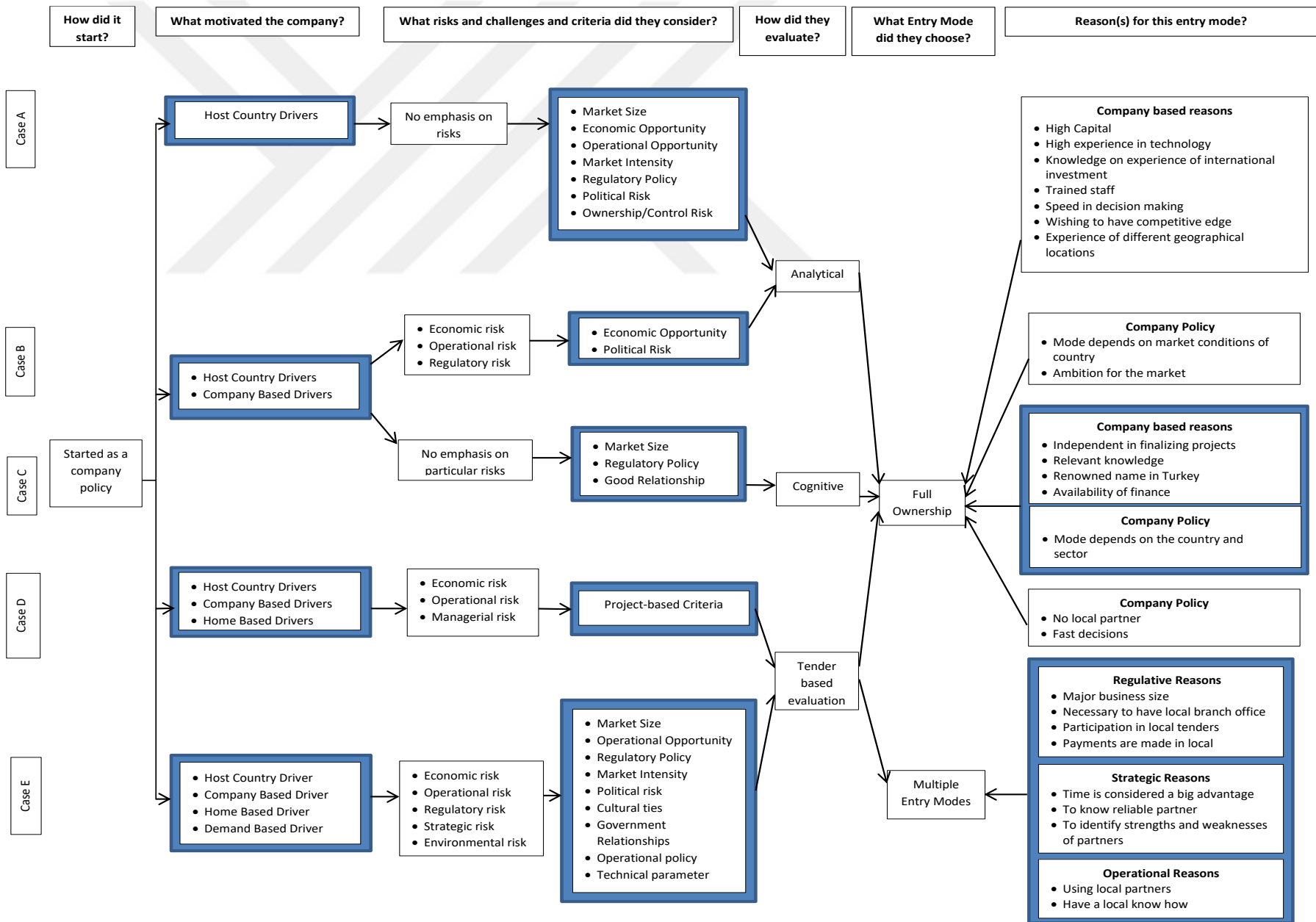


Figure 9 Internationalization pattern of Case H



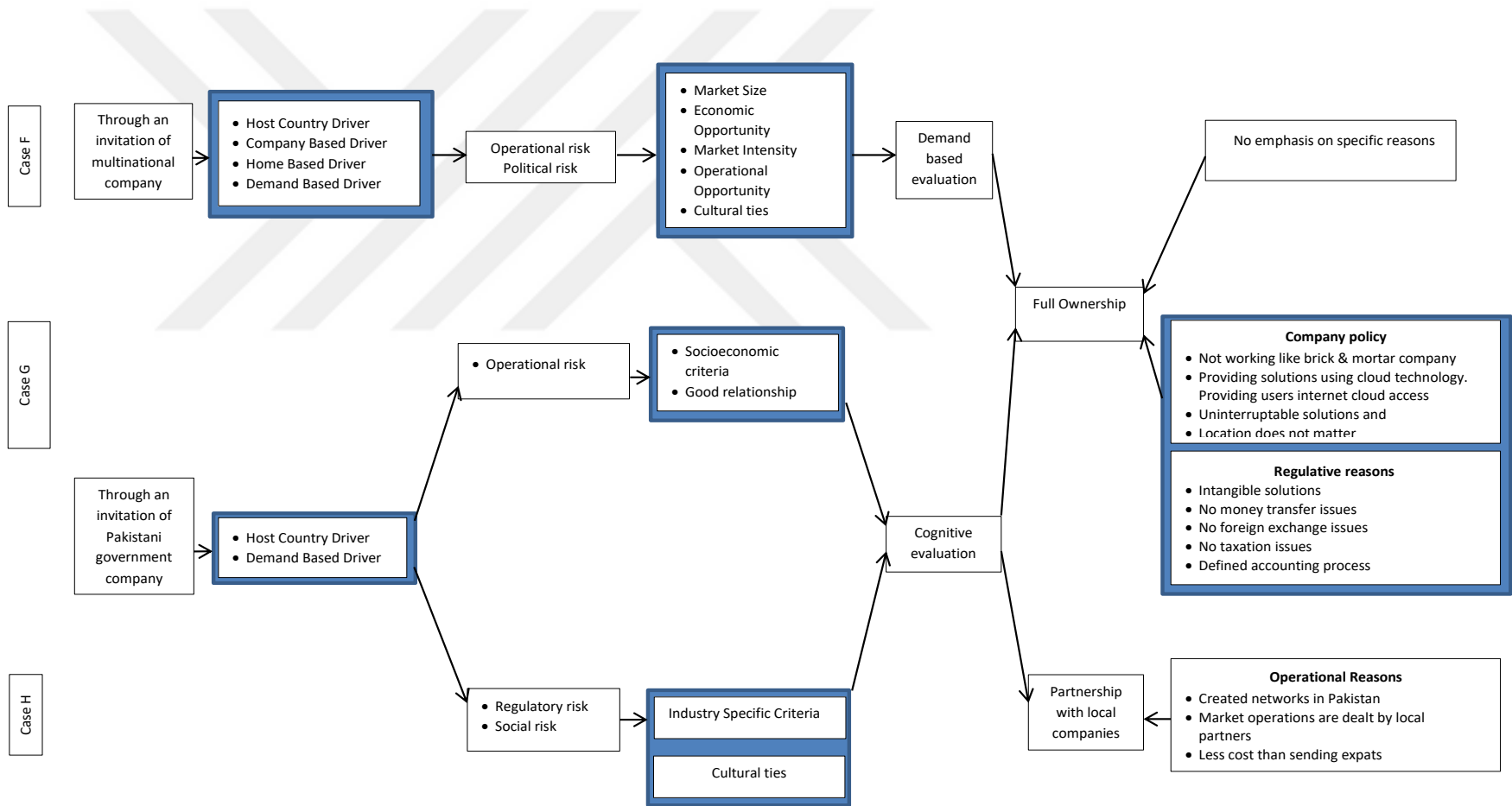


Figure 10 Master Flowchart of Internationalization pattern

5. DISCUSSION AND CONCLUSION

The aim of this study is to understand how the process of entry mode choice of Türkiye's MNEs when entering Pakistan occurs, both of which are emerging countries. The key findings of this research reveal that all firms were observed to choose partnership, full-ownership and ownership-based multiple entry modes rather than licensing agreement and franchising. There was no firm adopting licensing agreements and franchising. While six firms chose full ownership, the partnership and multiple entry mode was respectively chosen by only one firm. The multiple entries chosen by one firm were the multiple local partners, joint venture and consortium and subcontracting. They were chosen for different projects in different times.

I then, for the purpose of the study, focused on how the process towards choosing such entry modes occurred. I followed an inductive approach to identify such a process in each firm. The results of the inductively conducted qualitative research showed that each firm followed a different pattern in terms of their motivation to do business in Pakistan, the risks and challenges they perceived, the criteria they considered, and the evaluation they used. What was interesting was that the firms that chose the identical entry mode also followed different patterns from each other. For instance, two firms, Firm A and Firm G both chose full ownership when they enter in Pakistan. However, the process for the firms leading to this choice is markedly distinct. Firm A leveraged its capital, technological expertise, knowledge, and experience as resource and capability in international investment to gain competitive advantage in the Pakistani market, while Firm G emphasized on the rapid market expansion through strategic partnerships with local entities. This result not only highlights the significance of process of entry mode choice but also shows the unique approach adopted by Turkish firms while entering in Pakistan.

According to the results of the study, the process of entry mode choice by all the firms depends on what motivates them to do business in Pakistan as an international market. We observed four drivers for their motivation, but each firm had a different set of drivers. For instance, the firm that chose partnership was motivated by host and demand-based drivers, the six firms that chose full ownership were motivated by different set of drivers, i.e., host country drivers for one firm, host and company-based drivers for two firms, host country, company based and home-based drivers for another company, host country, home, company and demand-based drivers for two companies. In these motivation drivers, Turkish MNEs consider Pakistan with the market seeking

motive to conduct business and consider dynamics of firm level resources such as their brand name, international experience and other competitive resources to gain competitive edge over other domestic and foreign players in Pakistani market. The result on international motivations in this study reflects the findings from similar studies of Turkish MNEs seeking market (Angulo-Ruiz, Pergelova, & Wei, 2022) (Gorynia, Nowak, & Wolniak, 2007) to utilize their competitive resources to conduct international business. Also, the results on the motivation drivers suggest that motivation of market seeking complements resources acquired from home country to internationalize in other emerging countries. Due to similar experience from their own emerging market, firms find it easy to internationalize to other emerging markets. This finding supports the earlier studies about firms that utilize home country resources when they enter in emerging countries with similar regulatory and economic circumstances (Jain, Lahiri, & Hausknecht, 2013). In this study, I also found that for some firm home-based motivation drivers extends the motive of Turkish government for expanding in emerging countries. For that purpose, Turkish government focused on their country firms to possess competitive resources in different sectors of health, IT, production, and construction. This promoted specific sectors' technological and managerial strengths in IT, health and construction and production of Turkish MNEs to utilize in Pakistan with the market-seeking motive. This result on the motive of home government and its competitive resources to internationalize reflects the similar findings from earlier studies by (Jain, Lahiri, & Hausknecht, 2013; Stucchi, 2012).

Results of the study shows that Turkish firms enter Pakistan via only ownership and partnership-based entry modes. This result supports the insights and findings of earlier studies indicating that the MNEs from emerging countries like Turkey favor appropriate ownership and partnership mode strategies in emerging and transition markets (Anil, Tatoglu, & Ozkasap, 2014) (Chiao, Lo, & Yu, 2010). By choosing full ownership, Turkish MNEs have greater decision power to tailor their strategies to specific market conditions and demands of Pakistan. This finding is consistent to the need to internalize the activities if the cost of dealing with external local parties are higher (Cuervo-Cazurra, 2012). However, for some instances, partnership is chosen to understand the local know how and save operational costs in entering Pakistan. This provides the smoother market entry after forming strategic alliances and partnerships with local entities (Cuervo-Cazurra, 2012). The possible explanation of Turkish MNEs choosing diverse modes of ownership and partnership modes in Pakistan is their specific industry and country factors. For

instance, for industries where proprietary knowledge is high and opportunism is likely, ownership mode is favored to protect intellectual property. Contrasting to another sector where local knowledge and cost saving is essential, partnerships are attractive for Pakistani market.

The results also suggest the preference of only ownership and partnership modes than the other contractual agreements of franchising and licensing by Turkish MNEs. This finding is consistent with the holistic model frameworks of OLI and LLL. These models suggest that Turkish MNEs prefer ownership and partnership modes because they are seeking to gain more ownership advantages, gain more control in the operations in Pakistan. Alongside, the Turkish MNEs also consider the strategic concerns to leverage their ownership advantages by utilizing their management expertise, technological know-how and brand recognition and learn from the market conditions of Pakistan. These insights on entry mode preferences and their objectives are supported by LLL framework in the emerging markets (Thite, Wilkinson, Budhwar, & Mathews, 2016). The inclination towards greater control through partnerships and ownership modes also shows that MNEs are also mitigating the specific institutional challenges in Pakistan. The results of this choice supports the findings on international franchising (Alon, Apriliyanti, & Parodi, 2020) (Baena, Modeling Global Franchising in Emerging Markets: An Entry Mode Analysis, 2009) (Baena, 2012). These studies support the insight that franchising and licensing is not chosen in Pakistan due to the location specific factors that influence entry mode choice. In this context, Turkish MNEs might view the institutional environment of Pakistan as challenging for franchising which requires stable conditions and legal protection.

The results also indicate that the selection of any entry mode does not depend on a particular pattern of process. The firms' studies were observed to choose their entry mode between partnership, full ownership, and multiple entry mode irrespective of their motivation, their perceived risks, and the criteria to select Pakistan. It seems that although they all together constitute different stages of internationalization, the decisions for each stage are made respectively. These decisions are made independently for each stage of internationalization, indicating no fixed sequence or predetermined pattern in the process of entry mode choice. Even though all firms experience the same stages of internationalization, each firm separately and strategically selects its entry mode based on a variety of factors that suit its motivation in Pakistan. The choice of full ownership is driven by the company-based reasons, such as independent decision-making, high

capital, advanced technology, experience, and market ambition for influencing full ownership mode choice in Pakistan. Additionally, these reasons of full ownership strategically choose full ownership to maintain control and maximize opportunities in the market of Pakistan. The presence of regulations in the specific industry also serves as the critical point for influencing full ownership decision. In the stage of perceived risks, on one hand, some firms perceive operational risks related to project management, taxes and currency exchange, and on the other hand, some firms don't perceive risks in Pakistan. Surprisingly, this finding on perceiving no risks indicates that some MNEs don't consider host country risks for entering an emerging market. This finding reflects the Turkish MNEs' readiness to deal with the risks in emerging market like Pakistan after gaining capability to deal with home country's risks for so long. This finding is supported by the insights on perceiving host country related risks by an emerging country for another emerging country is supported by (Anil, Tatoglu, & Ozkasap, 2014) on choosing ownership mode for emerging market. Another stage of market evaluation shows distinct patterns with market size and economic opportunity as the crucial factor for three firms, whereas two firms consider the market evaluation based on political risks in Pakistan to choose full ownership. Last but not the least, stage of evaluation emphasizes the good relationships between Pakistan and Türkiye for choosing full ownership for two firms. These distinct findings indicate different patterns influenced at different stages in an emerging market. This supports the insights on the earlier studies about the heterogeneous nature of emerging markets where MNEs consider different motivation drivers, risks and market criteria to internationalize and choose entry mode (Fey, Nayak, Wu, & Zhou, 2016).

The results suggest that unlike patterns of full ownership, the selection of ownership-based multiple entry modes are more diverse and distinct for choosing multiple modes at different times in Pakistan. This choice of mode depends on the type of firm in choosing multiple entry modes in the host country and providing distinct patterns for different projects. The results of multiple entry modes support the insights on initial studies on project-based firm to choose multiple entry modes (Malhotra & Hinings, 2010). Multiple entry modes reveal distinct pattern at time of choosing branch office, and another pattern for choosing local partners in Pakistan. When choosing local partners, the firm's strategic intention is to consider both operational and strategic reasons. Local partners help the company better grasp the business environment in the host country by offering insightful information about the local market conditions. Strategically, this mode enables the

company to find trustworthy partners for upcoming corporate operations, improving their efforts to expand internationally. This mode is characterized by the sense of operational hazards, which is particularly relevant to Pakistani business settings, such as limitations on non-dollar bank accounts for partners. Furthermore, the absence of a free trade agreement with Pakistan and the restrictions to bilateral commerce create strategic risks that may affect future bilateral trade operations. Maintaining government-to-government ties is extremely important to the company in order to reduce these risks, underlining the crucial requirement of doing so. However, when a firm is choosing branch office, regulative reasons serve as the intriguing factor. The motivation drivers of demand-based driver further motivate the firm to consider potential demand and strategic intention of market expansion in Pakistan. During the tender evaluation process for branch office entry, economic and regulatory risks become major factors for evaluating market size, technological parameters, market intensity, and regulatory regulations. The issues connected with currency exchange delays and adhering to local rules and regulations in Pakistan are highlighted by the anticipated risks in both local partnership and branch office. Contrary to multiple entry modes' pattern, partnership mode pattern is simple and involves invitation from the Pakistan and influenced by the factor of convenience and cost reduction to ensure smoother market entry.

In conclusion, entry mode choices in all firms were observed to be full ownership, partnership and ownership based multiple entry modes. These choices were identified based on distinct motivation drivers, perceived risks, market criteria and evaluation method in Pakistan. The identified choices of full ownership and ownership based multiple entry modes provides valuable insights on the distinct internationalization patterns in the process of entry modes of Turkish MNEs in Pakistan. Some firms leveraged their capital, technological expertise, knowledge, and experience in international investment to enter with full ownership in the Pakistani market, whereas some firms emphasized on the rapid market expansion through strategic partnerships with local entities to enter with full ownership. In contrast to full ownership, ownership based multiple entry mode choices of local partners, joint venture, consortia and sub-contracting and branch office indicates the distinct and more diverse pattern entering Pakistan at different times of the project in Pakistan.

These findings contribute to the literature of international business to understand the entry of emerging Turkish MNEs in emerging market of Pakistan and provides dynamics of firm,

industry, and country level factors from Türkiye to Pakistan. Moreover, this stream of emerging MNEs is nowadays a rising debate for international business research. Scholars in international business still debate about further theoretical developments and internationalization process related insights in emerging markets (Luo & Zhang, 2016). Indeed, it contributes to the entry mode choice process of emerging market of the South Asian region which holds the largest proportion of middle-class consumers.

The study's qualitative methodology also contributes to explaining the dynamic impacts of factors on entry mode choices. These impacts consider the holistic perspective of firm, industry, and country level factors with their experiential knowledge to influence the decision of entry mode choice in Pakistan. As we have seen from our findings, internationalization decisions are not static and they are influenced by country conditions, its regulatory environment, and strategic objectives for internationalization. These factors interplay and therefore, this study provides a more comprehensive and integrated understanding of interplay of factors and how these factors influence the decision-making process for entry mode.

This study also contributes to understanding the entry mode choices of Turkish MNEs in Pakistan with the influence of firm and country specific advantages (Yaprak, Yosun, & Cetindamar, 2018) and internationalization strategies (Ayden, Tatoglu, W.Glaister, & Demirbag, 2021). This contribution extends the research on the value of firms in the process of internationalization and choosing appropriate mode choices. As we know that value of firm resources in the host environment with strategic objective is context specific. Therefore, this study provided an emerging context framework of home and host country link to understand the choice between entry mode choices of greenfield, acquisition, wholly owned subsidiary, and joint venture.

First, the identified internationalization patterns of eight Turkish MNEs with motivations, perceived risks and market criteria in this study provides Turkish MNEs with alternative routes to internationalize. These identified routes provide internationalization pattern for other Turkish firms to learn and implement in the distinct emerging markets. Indeed, decision making in the distinct markets on entry mode choice is simplified so that the firm should fully observe the macro factors of the host country before considering the choice of mode. Besides, Turkish MNEs prefer full ownership modes aligned with the home government and are motivated to expand to neighboring and other international countries. The correlation between Turkish MNEs'

international expansion and the Turkish government's stance on outbound FDI industries (manufacturing, construction, and energy) emphasize how crucial it is to match internationalization goals with domestic regulations. Turkish MNEs should actively work with government organizations to benefit from incentives and policy assistance for worldwide expansion in specific industries.

This research does have some limitations. First, only one destination or host country was analyzed which makes it difficult to replicate findings in other emerging countries where Türkiye wishes to make an investment. Although the research indicates that home experiences can be replicated in other emerging economies but within emerging economies are the differences in the pace of economic and institutional reforms than big economies like Brazil, India, China, Russia with other developing emerging markets. Therefore, future research may incorporate other emerging countries from Asia i.e., South Asia and Africa into research based on firm, industry and country level factors identified in this study.

Second, the results of this study might be influenced by specific factors from the case study MNEs involved in the study. Since the information in this study is cross-sectional, some factors for instance, market intensity in this specific study (i.e., presence of international companies, big brands and competition) in host country specifically changes with time to influence mode choice. Future research must examine factors with a longitudinal effect on the choice of entry mode in Pakistan.

Third, internationalization patterns help in providing only a part of the information on some factors affecting the decision-making process of Turkish MNEs. Given the focus of case study firms in this study, the salient factors from the acquired and local partner's perspective are not incorporated. The future study can therefore elaborate from both the target and acquirer or local partner's perspective in identifying salient seller and buyer side factors and can complement findings in this study.

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Appendix A

Case A

Empirical Themes	Conceptual Categories	Aggregate Category
<ul style="list-style-type: none"> • Manufacturing • Exporting & Manufacturing • Exporting to Pakistan • Starting with Brand XXX* 		Industry
<ul style="list-style-type: none"> • First country is Algeria 		
<ul style="list-style-type: none"> • Population • GDP Rate • Amount of import • Export • Existence of special economic zone • Proper bank system • Investment incentives • Cost of transportation • Cost of electricity, natural gas 	Market size	Country Selection Criteria
<ul style="list-style-type: none"> • Free Trade Agreement • Possibility of exporting to neighboring countries 	Regulatory policies	
<ul style="list-style-type: none"> • Burden of foreign companies • Feasibility of Full Ownership • Don't have domestic shareholder 	Ownership/control risk	
<ul style="list-style-type: none"> • Source of electricity/technical issues • Availability of infrastructure for investment • Availability of logistics/transportation 	Operational opportunity	
<ul style="list-style-type: none"> • Existence of international companies 	Market intensity	
<ul style="list-style-type: none"> • Political risk 		
<ul style="list-style-type: none"> • Checkpoints • Feasibility Study • Global market analysis • Making list of potential countries • Deep study and evaluation to select • Visiting the country 	Analytical evaluation	Country Evaluation
<ul style="list-style-type: none"> • Full ownership • Greenfield 	Full ownership	Establishment mode
<ul style="list-style-type: none"> • High Capital • High experience in technology • Knowledge on experience of international investment • Trained staff • Speed in decision making 	Company based reasons	Reasons for Full Ownership

<ul style="list-style-type: none"> • Wishing to have competitive edge 		
<ul style="list-style-type: none"> • No need for financial facilities • Have technological abilities • Knowledge of investment in foreign countries • Experience of different geographical locations 	Reasons for not going with joint venture	
<ul style="list-style-type: none"> • Managers are from Turkiye • Experienced technical person from Turkiye • Employee or labor are from Pakistan • Provide trainings to Pakistani labors 	Ethnocentric approach	Strategic Orientation
<ul style="list-style-type: none"> • Policy is identical everywhere • Quality products • Affordable prices • Respecting local culture 		

Appendix B

Case B

Empirical Themes	Conceptual Categories	Aggregate Category
<ul style="list-style-type: none"> • Household appliances 		Industry
<ul style="list-style-type: none"> • 60% revenue from international operations 		Internationalization experience
<ul style="list-style-type: none"> • Market size • Economic environment • Import, export regulations • Energy efficiency • Feasible raw material cost and volume quantity • Value chain cost • FTA with countries is a feasibility • Growth expectation in country • Sustainable growth in business 	Economic opportunity	Country Selection Criteria
<ul style="list-style-type: none"> • Political risk of every country 	Political risk	
<ul style="list-style-type: none"> • Company focus is on emerging markets • Company's international ambition 	Company based drivers	
<ul style="list-style-type: none"> • Developing emerging market • Possibility of product penetration • Investment for R&D hub in Pakistan • Good Turkey Pakistan relations • Open to Turkish brands • Cultural fit • Ambition fit 	Host country attractiveness	Entry motivation

<ul style="list-style-type: none"> • Culture experience • Knowledge of technology adjustments • Sell more products in Bangladesh • R&D center for region 		Market expansion opportunity in South Asia region	
<ul style="list-style-type: none"> • Bought Brand XXX* in Pakistan • Full acquisition of brand 		Full ownership/Full acquisition	Establishment mode/Entry mode
<ul style="list-style-type: none"> • Search market potential • Conduct feasibility analysis • Negotiations to go through subsidiaries, sales office or import from outside • Check government's support for import 		Analytical evaluation	Country Evaluation
<ul style="list-style-type: none"> • Mode depends on market conditions of country • Ambition for the market • Licensing business in Bangladesh 		Company policy	Reasons for Entry mode
<ul style="list-style-type: none"> • Only factory director is from Turkey • Most employees are from Pakistan 		Polycentric approach in employment	Strategic orientation
<ul style="list-style-type: none"> • Regulation problems of export from Pakistan • Custom problems for export from Pakistan • Not feasible investments • Import bans • Fluctuations in stock exchange 		Regulatory risk	Challenges and risks in Pakistan
<ul style="list-style-type: none"> • Logistics cost 		Operational risk	
		Economic risk	

Appendix C

Case C

Empirical Themes	Conceptual Categories	Aggregate Category
<ul style="list-style-type: none"> • Energy • Independent power producer • Operations and Maintenance company • First Natural gas plant in Russia 		Industry
<ul style="list-style-type: none"> • 2006 • Power purchase agreement for Wind Power Plant 		Starting in Pakistan
<ul style="list-style-type: none"> • Country historical ties • Good relations with government bodies 	Good relationship	Selection Criteria for Pakistan
<ul style="list-style-type: none"> • High population 	Market size	
<ul style="list-style-type: none"> • Government subsidies for shortfall 	Regulatory policy	

<ul style="list-style-type: none"> • Increasing diversity among assets • Utilize knowledge in developing markets • Utilize qualified workforce in developing markets • Established workforce • Good public opinion in Pakistan 	Company based drivers	Entry motivation
<ul style="list-style-type: none"> • Huge demand potential • Future investment potential • Utilize Pakistani graduates from Turkiye • Guarantee of government subsidies • Demand potential • High population 	Host country attractiveness	
<ul style="list-style-type: none"> • Sole developer in Pakistan • Prefer greenfield ventures • Greenfield for solar and wind projects 	Greenfield	Establishment mode
<ul style="list-style-type: none"> • Independent in finalizing projects • Renowned name in Turkey • Relevant knowledge • Availability of finance 	Company based reasons	Reasons to choose greenfield
<ul style="list-style-type: none"> • Mode changes for every country • Mode changes for each sector 	Multiple modes depending on country and sector	Entry modes
<ul style="list-style-type: none"> • Managers are from Pakistan • Workers are from Pakistan • Educate workers with technical requirements 	Polycentric approach in employment	Strategic orientation

Appendix D

Case D

Empirical Themes	Conceptual Categories	Aggregate Category
<ul style="list-style-type: none"> • General contracting company • Energy, power and environmental group 		Industry
<ul style="list-style-type: none"> • 1 billion dollars worldwide construction 		Internationalization experience
<ul style="list-style-type: none"> • Presence of Turkish government's funded project 	Project based criteria	Selection criteria for Pakistan
<ul style="list-style-type: none"> • Wishing to increase international operations • Experience of difficult grounds 	Company based drivers	Entry motivation
<ul style="list-style-type: none"> • Availability of funding from Turkish government • Coming for the aid project in 2006 	Home country drivers	

<ul style="list-style-type: none"> • Support from Turkish government • Turkish money source 			
<ul style="list-style-type: none"> • Less bureaucracy in Pakistan • Presence of political relations • Partnership relations • Strategic partnership • Payment in Turkiye • International consultant • Knowledge of business • No foreign feelings with Pakistan • Safety & security in Pakistan • Friendly nation • Generating profit • Efficient project management • Independent decision making • Independent from government bureaucracy • Presence of international consultant • Compliance with international standard of project operations 	Host country drivers		
<ul style="list-style-type: none"> • Open to international markets 	Expansion opportunity to new countries		
<ul style="list-style-type: none"> • Started with Turkish funded project • Follows government funded projects 	Turkish Government funded project		Entry mode
<ul style="list-style-type: none"> • Understand local business to overcome local difficulties • To form network relationships in a country • Strategic partnership 	Establishment of strategic alliances with local companies		Establishment mode
<ul style="list-style-type: none"> • Local company in Pakistan • Taxpayer 	Full ownership		
<ul style="list-style-type: none"> • No local partner • Fast decisions 	Company policy		Reasons for not choosing local partner
<ul style="list-style-type: none"> • Employees are from Pakistan • Buying from local supplier • Localization in business 	Polycentric approach		Strategic orientation
<ul style="list-style-type: none"> • Fluctuations in construction business (Funding is important Management is important) 	Economic risk and challenges		Country risk and challenges in Pakistan
<ul style="list-style-type: none"> • Issues in project management • Corruption issues with other countries • Delays in decision making mechanisms for other countries 	Managerial challenges		
<ul style="list-style-type: none"> • Local partner handles difficulties in local ground • Ensure budget • Ensure management mechanism 	Operational challenges		

Appendix E

Case E

Empirical Themes	Conceptual Categories	Aggregate Dimensions
<ul style="list-style-type: none"> • Engineering and consultancy company 		Industry
<ul style="list-style-type: none"> • More than 10 countries 		Internationalization experience
<ul style="list-style-type: none"> • 75% of revenue from international projects 		Internationalization level
<ul style="list-style-type: none"> • 2011 		Starting in Pakistan
<ul style="list-style-type: none"> • Government – government relationships 	Government relationship	Country Selection Criteria
<ul style="list-style-type: none"> • Cultural links 	Cultural relationship	
<ul style="list-style-type: none"> • Well relationships with countries 	Good relationships	
<ul style="list-style-type: none"> • Technical parameter • Technical competency for international competition 	Technical parameter	
<ul style="list-style-type: none"> • Potential demand of country • Huge share of projects 	Market size	
<ul style="list-style-type: none"> • Investment plan of the country • Easiness of working 	Operational policy	
<ul style="list-style-type: none"> • Look at the market entry barriers • Job and growth potential • Swift systems of payment in other countries 	Operational opportunity	
<ul style="list-style-type: none"> • Competition in the country 	Market intensity	
<ul style="list-style-type: none"> • Political risk in other countries 	Political risk	
<ul style="list-style-type: none"> • Local laws and legislation for branch office 	Regulatory policies	
<ul style="list-style-type: none"> • Entering depending on tenders 	Project/Tender evaluation	
<ul style="list-style-type: none"> • Strength in dams and hydropower area 	Company based driver	
<ul style="list-style-type: none"> • Hydropower potential of Pakistan • Less projects are operating in hydropower 	Demand based driver	
<ul style="list-style-type: none"> • Saturation of Turkish market • Not a sustainable business in Turkiye • Motivation of Turkish government • Export trend in Turkiye 	Home country drivers	
<ul style="list-style-type: none"> • Gained applicable internationalization experience • Life experience • Awareness of tax system • Understanding of Investment risks • Awareness of countries with good work 	Host country drivers	

<ul style="list-style-type: none"> • Presence of rule of law • No surprises in business • Double taxation law • More potential for trade • Joint Ventures with Australian, American partners in Pakistan • Turkish citizens get visa in one or two days, other citizens get visa in longer time. 			
<ul style="list-style-type: none"> • Utilize Pakistan branch office for neighboring countries • Quality in human resource • Brilliant engineers, managers • Vision to take Pakistani partners for international countries • Low cost workers • Good international repute • Qualified employees • Fluent in English language 		Expansion opportunity to new countries	Motivation of market expansion
<ul style="list-style-type: none"> • Multiple local partners • JV • Consortium • Subcontracting • Branch office 		Multiple entry modes depending on the projects and tenders	Entry modes
<ul style="list-style-type: none"> • Major business size • Necessary to have local branch office • Participation in local tenders • Payments are made in local 		Regulative reasons	Reasons for opening branch office
<ul style="list-style-type: none"> • Using local partners • Have a local know how 		Operational reasons	Reasons for choosing local partner
<ul style="list-style-type: none"> • Time is considered a big advantage • To know reliable partner • To identify strengths and weaknesses of partners 		Strategic reasons	
<ul style="list-style-type: none"> • Managers and 90% of employees are from Turkiye 		Ethnocentric approach in employment	Strategic orientation
<ul style="list-style-type: none"> • Government decisions by different countries 		Regulatory risks	Challenges & Risks in Pakistan
<ul style="list-style-type: none"> • Not a business friendly country • Bad business deal conditions for other countries • Not allowed to have non-dollar bank accounts • Bearing cost of project for one year 		Operational risks	
<ul style="list-style-type: none"> • Takes long time to send payment • Takes long time to convert currency • Risks in currency exchange • Huge risk of devaluation • Profit devaluation 		Economic risks	

<ul style="list-style-type: none"> • Impossible to increase bilateral trade • More share of trade between Turkiye and Israel • Turkiye and Israel relationships are sour. Turkiye and Pakistan are brother country • Relationship does not equate into business • No FTA with Pakistan
<ul style="list-style-type: none"> • Prone to global warming • Prone to environmental changes

Strategic risks/ challenges
Environmental risks and challenges

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Appendix F

Case F

Empirical Themes	Conceptual Categories	Aggregate Category
<ul style="list-style-type: none"> • Water treatment company • Dealing in industrial plants • Complete treatment system of heavy industries 		Industry
<ul style="list-style-type: none"> • 70-75% annual turnover from exports 		Internationalization experience
<ul style="list-style-type: none"> • Easy travel • Road infrastructure • No. of ports • No. of airports 	Operational opportunity	Country Selection Criteria
<ul style="list-style-type: none"> • Population • Big industry 	Market size	
<ul style="list-style-type: none"> • Industrial projects • Huge private industry • Industrialization in cities • No. of big brands 	Market intensity	
<ul style="list-style-type: none"> • Similar culture/similar religion 	Cultural relationship	
<ul style="list-style-type: none"> • Free zone • Industrial zone • Industry reputation in host country • Dominating sectors in economy 	Economic opportunity	Entry mode
<ul style="list-style-type: none"> • Installation in Coca Cola plant through local company • Installation in Pepsi plant through local company • Additional projects with local partnership 	Partnership with local company	
<ul style="list-style-type: none"> • Competitive edge in manufacturing • Manufacturing and engineering work in Turkiye • Wishing to export to different countries 	Company-based Driver	

<ul style="list-style-type: none"> • Unstable economy of Turkiye • Diversify risks in investment 		Home country drivers		Motivation of internationalization
<ul style="list-style-type: none"> • End of 2012 • 2013 • Invited by Coca Cola company for plant installation 		Demand-based Driver		
<ul style="list-style-type: none"> • High population • Huge demand • Quality of engineers • Cheap workmanship • Hardworking employees • Non complaining employees • Good company reputation • Mangoes experience • Learned about cricket game • Positive marketing by Pakistani employees 		Host country attractiveness		Motivation of market expansion
<ul style="list-style-type: none"> • 2016 • Started with full ownership (local company) in Pakistan 		Establishment of full ownership		Establishment mode
<ul style="list-style-type: none"> • Employees are from Pakistan • Local workmanship from Pakistan • Key engineers from Turkiye 		Ethnocentric approach		Strategic orientation
<ul style="list-style-type: none"> • Prefers setting local company • Buying from local market • Attending exhibitions for local network 				
<ul style="list-style-type: none"> • Professional training of engineers • Tax issues • No letter of credit • No advance payment • Custom clearance 		Operational risks and challenges		Country risk and challenges in Pakistan
<ul style="list-style-type: none"> • Political instability 		Political risks and challenges		

Appendix G

Case G

Empirical Themes	Conceptual Categories	Aggregate Category
<ul style="list-style-type: none"> • Provide solutions to airlines, travel agencies and ground travelling companies 		Industry
<ul style="list-style-type: none"> • More than 50 airlines worldwide • More than 40 countries in world • Selling solutions for foreign airlines since 2009 		Internationalization experience
<ul style="list-style-type: none"> • Geographic location • Young population 	Socioeconomic criteria	Selection criteria for Pakistan

<ul style="list-style-type: none"> • Education 			
<ul style="list-style-type: none"> • Turkiye and Pakistan relations 	Good Relationship		
<ul style="list-style-type: none"> • 2018 • Invited by Pakistan International Airlines • Invited by PIA for tender • Attended public tender • Product is well known 	Demand based		Entry motivation
<ul style="list-style-type: none"> • Esteemed and respectful airlines • Old airlines • Situation is not successful than past • Belief to offer synergy and solutions to PIA • Requirements from PIA are clear 	Host market attractiveness		
<ul style="list-style-type: none"> • Aviation business is regulated • Tender search by sale department's representatives in host market 	Expansion opportunity in international market		
<ul style="list-style-type: none"> • First branch office • IPO in Istanbul Stock Exchange • Projection for growth in Europe • Knowledge for branch office in other countries • Utilizing Pakistan as R&D center • Utilizing potential of Pakistani graduates 	Host market opportunity for international expansion		
<ul style="list-style-type: none"> • Liaison office/branch office in Pakistan 	Full ownership		Establishment mode
<ul style="list-style-type: none"> • Hosting service from Istanbul • Local staff supporting people • Managers are from Turkiye • Prefers employee from own company 	Ethnocentric approach		Strategic orientation
<ul style="list-style-type: none"> • Not working like brick & mortar company • Solutions using cloud technology • Internet cloud access • Uninterruptable solutions • Location does not matter 	Company policy		Reasons for choosing full ownership
<ul style="list-style-type: none"> • Intangible solutions • No money transfer issues • No foreign exchange issues • No taxation issues • Defined accounting process 	Industry related operational issues		
<ul style="list-style-type: none"> • Making business is difficult • Ease of doing business is not good 	Operational risk and challenges		Country risk and challenges in Pakistan

Appendix H

Case H

Empirical Themes	Conceptual Categories	Aggregate Category
<ul style="list-style-type: none"> • Offers Hospital Management System 		Industry
<ul style="list-style-type: none"> • 2017 		Starting in Pakistan
<ul style="list-style-type: none"> • Working in 13-15 countries • Contacted 30 hospitals 		Internationalization experience
<ul style="list-style-type: none"> • Presence of international medical standards • Qualified physicians 	Industry specific Criteria	Selection criteria for Pakistan
<ul style="list-style-type: none"> • Opening a branch office in Pakistan in two or three months • Will continue local partnership in market 	Partnership with local companies	Entry mode
<ul style="list-style-type: none"> • Contribution in product development • Supporting local development of system • Development in medical field. Helped in scientific development. • Scientific team in Pakistan • Qualified Pakistani doctors • Increase in knowledge and experience • Availability of talented individuals 	Host country attractiveness	Entry motivation
<ul style="list-style-type: none"> • Global awareness of medical technology • Use is spreading quickly to other countries • International standards in medical procedures are similar to Turkey • Technology is like a reporter for country 	Host country drivers	
<ul style="list-style-type: none"> • Thinking of going more international • Goal of reaching 200 countries/hospitals • New Pak Medica project in Pakistan 	Expansion opportunity	
<ul style="list-style-type: none"> • Company is based on Cloud based computing technology • Centralized work structure • Compliance with international medical standards 	Firm specific advantage	
<ul style="list-style-type: none"> • Employees are from Pakistan 	Polycentric approach	Strategic orientation
<ul style="list-style-type: none"> • Created networks in Pakistan • Market operations are dealt by local partners • Less cost than sending expats 	Operational reasons	Reason for choosing local partner
<ul style="list-style-type: none"> • Language barrier 	Social risks	

<ul style="list-style-type: none"> • Different rules, regulations and laws • Every country has separate laws, regulations and legislations. Compliance to separate regulation in every country • Understanding health structure in every country • Stand with the legislation and laws of the country. • Providing suitable software according to country conditions. Software is adapted to country conditions 		Regulatory risks		Challenges and risks in Pakistan
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