

# Internationalization of goods and services

A comparison of the internationalization of service providers and manufactures in Switzerland

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*In the Swiss economy, the service sector has gained a great share of international trade and foreign investments. Export promotion measures, though, are mainly focused on the internationalization of manufacturing companies. From literature it remains unclear if the internationalization behavior of service and manufacturing firms differ and if promotion measures should be adapted. The present study describes the internationalization of Swiss consulting, information technology and education enterprises and compares it with the behavior of manufacturing companies from the areas of food, textiles and chemical products. Results show that the psychological distance to foreign markets has a greater importance for service providers than for production companies. Service providers prefer direct distribution systems and develop foreign markets more simultaneously than production companies. The conclusion is that export promotion programs should be tailored to the specific needs of different segments of the economy.*

## Key Words

Service industries, internationalisation, international services marketing, internationalisation theory, Switzerland

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## 1. Introduction

The service sector has achieved a significant position in Switzerland. More than three quarters of corporate turnovers are generated in the tertiary sector (value added tax statistics 2003). Service providers however, do not only render their services in and for Switzerland, but also increasingly in and for foreign countries. In 2003, service accounted for almost 80 % of all exports of the Swiss economy, according to the value added statistics of the Swiss tax authorities.<sup>1</sup> The share of service companies in direct investments abroad amounted to approximately two thirds according to the figures published by the Swiss National Bank (Monthly Bulletin of Banking Statistics; March 2007) .

Reasons for the increasing internationalization of the tertiary economic sector can be found in the international adjustment of service requirements, the increasingly complementary correlation between real assets and service, the higher mobility of employees thanks to provisions like the Act on the General Freedom of Movement, improved means of communication with remote customers, and the liberalization of service markets through a reduction of trade barriers (GATS) (Bruhn 2005, Porter 1991, Czinkota/Ronkainen 2000, Hermanns/Wissmeier 2001, Javalgi/White 2002).

The increasing significance of the service sectors in international competition remained largely unregarded by economic policy. Osec Business Network Switzerland, like most export promotion organizations in Europe, focused their investigations on traditional export sectors like mechanical engineering, electronics, the pharmaceutical and food industries. Service providing branches such as tourism, education and advanced vocational training or the health care sector remained largely unregarded (Reynolds 2005), although the World Investment Report 2004 revealed that the tertiary sector still bears a large potential for internationalization (UN 2004, 114).

This heaviness of the Swiss internationalization promotion organization on production is now to be corrected. Thus, the question arises as to how and to what extent internationalization of manufacturing firms is different from service providing firms. To this day, research has not been able to conclusively answer this question for the international business sector (Javalgi/White 2002, Vinh 2005). The scientific interest in the internationalization of service providing companies was generated in the late 1980s. It reached a peak in the mid 1990s and then lost momentum again (Bruhn/Stauss 2005). Subjects of research were the significance of services in various world regions (e.g. Kassem 1989), internationalization processes within specific service providing industries (e.g. Bhuian 1997, Terpstra/Yu 1988) and differences between the various kinds of services and their implications on marketing (e.g. Nicoulaud 1988, Patterson/Cicic 1995). All in all, the number of studies seems to be small in relation to the significance of the service providing industries, research seems to be fragmented into non coherent topics without having built a sufficient theoretical basis, and it seems to be purely exploration-oriented, which shows that "research on international services marketing is still very much at an early stage" (Knight 1999, p. 348).

Models to describe and explain the internationalization of service providing companies are to this day mainly based on the investigation of manufacturing firms, and the question arises whether these models are able to adequately map the internationalization behavior of service providing firms (Mösslang 1995). Services are distinguishable from commodities in that such characteristics as their materiality, storage and transportability, intensity of customer contact and differentiation degree are different – characteristics which may have an essential influence on internationalization.

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<sup>1</sup> According to the value added statistics, the export share of the tertiary sector is significantly higher than the share resulting from foreign trade statistics. One reason is for instance the fact that value added statistics also include so-called "foreign-foreign" business transactions, which reach considerable volumes especially in the wholesale sector. On the other hand, fiscal transactions of the credit and insurance industries are also considered in the value added tax statistics, which may increase the export turnovers of these industries.

Literature is divided in its opinion (Grönroos 1999). Some authors hold the view that the internationalization of the service providing and manufacturing industries go through a similar process and there is no need to adjust the existing internationalization models: Boddewyn et al. (1986), Terpstra and Yu (1988) and Elango and Abel (2004) investigated to what extent the theoretical approaches for the explanation of direct investments in foreign markets are suitable to map the behavior of service providing companies. They came to the conclusion that there is no need for a fundamental adaptation of the existing models, and that internationalization of service providing firms can be explained by simple qualitative differentiations, e.g. regarding the significance of the advantage of a location. Katrisha and Scordis (1998) analyzed to what extent multi-national insurance companies are in a position to take advantage from the internationalization of their field of business activities due to the company size and came to the conclusion that service providing companies – similar to manufacturing companies – practise Economies of Scale. Javalgi et al. (2001) examined the question which influence the origin has on the marketing of services in foreign markets, and came to the conclusion that the significance of the country of origin for a service corresponds approximately to that for the marketing of tangible goods.

A second group of authors argues that there are distinct differences between the internationalization of a material product and an immaterial service: Javalgi et al. (2003) analyzed the motives for internationalization of business-to-business service providers on the basis of Dunning's Eclectic Theory (1980) and came to the conclusion that internationalization models that are based on the examination of manufacturing companies cannot simply be transferred to service providing companies. "Rather, each underlying assumption from the manufacturing literature must be carefully examined (both theoretically and empirically) to determine its appropriateness for application in the service industry" (p. 195). Dunning (1993) and O'Farrell et al. (1995) showed that the special characteristics of a service, like its intangibility, perishability, lack of transportability and close customer contact exert a significant influence on the target markets that are selected by service providers. Ekeledo and Sivakumar (2004) examined a resource-based model to explain market entry strategies of service providing companies and showed that service providers strive for a stronger control of their foreign business than manufacturers do.

A third group of authors holds the opinion that the internationalization of service providing companies cannot be viewed generally, since a distinction must be made between different kinds of services: Erramilli (1990) and Blomstermo/Sharma (2006) showed that the entry strategies of service providers strongly vary between different sectors. The behavior of suppliers of so-called hard services (like software and engineering) tends to be similar to that of manufacturers, whereas the behavior of companies offering soft services is very different. Coviello and Martin (1999) examined the internationalization behavior of engineering consulting firms. They found out that the internationalization process of these firms was significantly determined by specific service features, such as the great importance of the personal know-how of the employees, the strong involvement of the customer in the performance process, the high capital intensity and the project-dependant organization. Neither the direct investment theory nor the stage models or the networking approach proved to be suitable to explain the behavior of these enterprises. Moreover, it turned out that the deviations from the internationalization behavior of manufacturing firms became less when comparing the consulting firms to small manufacturing enterprises. Coviello and Martin therefore posed the question "whether industry influences are less important than those related to size" (p. 60).

All in all these studies present an inconsistent answer to the question: Is there a difference between the internationalization behavior of service and manufacturing firms? The results suggest that service providers tend to exert a stronger control on their foreign activities. They contradict themselves as far as the criteria and the scope of the target market selection are concerned, and they imply that the extent of the difference between the internationalization of service providers and manufacturers depends on the type of service offered. However, evaluation of these different positions remains difficult. The empirical research basis is still too weak in order to be able to judge whether the currently applied internationalization theories are suitable to map the

behavior of service providers, or if they have to be adapted to the specific characteristics of immaterial products.

The objective of the present study was to describe the motives, the process and the challenges associated with the internationalization of service providing firms and to compare them with those of manufacturing firms. The following paragraphs will introduce you to the research methodology applied in the project, the findings resulting herefrom, as well as their scientific and economic significance.

## **2. Methodology**

The study was structured into two consecutive rounds of data collection: the first one was explorative, qualitative-empirical. The sample consisted of twelve internationally active service companies, four each from the industries of corporate consulting, engineering and information technology. In each company the CEOs were questioned by means of partly structured interviews for the motives, the process and the challenges of the internationalization. The interviews were subjected to a standardized content analysis and then compared with each other. Based on the results, a focus group consisting of scientists, entrepreneurs and export specialists formulated theses on the internationalization behavior of service providers.

The following round of data collection was confirmatory, quantitative-empirical. As the basis for the sample the Export Directory of the Osec Business Network Switzerland - the official state-financed Swiss export promotion agency - was used.

The sample consisted of 996 organizations: 443 service providers from the sectors consulting, information technology and education as well as 553 production enterprises from the sectors food, textiles and chemical products. A questionnaire was developed to measure the agreement with the theses resulting from the qualitative survey. The questionnaire was written in German and French and was based on an internet-based survey instrument (Survey Generator). Questions were subjected to a pretest, incomprehensive formulations and incomplete answer categories were re-edited. The questionnaire was finally sent to the persons responsible for the international activities of the businesses (i.e. heads of exports, marketing managers, CEOs). Non-responding companies were contacted a second time and encouraged to answer the questionnaire. Feedback contained 330 answers (132 service providing firms, 198 manufacturing firms), which is equivalent to a 33% response rate.

The companies participating in the quantitative study had 213 employees on average (production companies 296, service providers 77). They are 55 years old (production companies 68, service providers 35) and generate a foreign sales volume of 47% of total sales (manufacturers 50%, service providers 42%). The figures illustrate that the service providers examined were considerably younger and smaller than the manufacturers. All in all, the companies achieved a large foreign market share which is probably due to the fact that, on one hand, all entries were selected from the Osec Export Directory and, on the other hand, the non-response effect only led internationally active companies to participate in the study. Large companies are overrepresented in the study. On average, Swiss companies have 11 employees (Federal Office for Statistics 2005). The allocation of companies to individual industry sectors revealed that consulting agencies are heavily overrepresented within the service category compared with information technology and training firms. Within the production sector, companies are relatively equally represented in the three sectors chemicals, textiles and food.

The methods used for evaluating the questionnaires were cross tabulation and logistic regression analysis in SPSS. By means of the cross tabulation, answers provided by the service and manufacturing companies were compared to one another and first hints were given concerning their significance of difference through Pearson's Chi Square test. The significance levels of the Chi Square tests are marked in figure 1 – 5 with asterisks (\*/\*\*).

Logistic regression analysis was then applied for testing step-by-step as to what extent the dependent variables (motives for internationalization, criteria for the selection of a foreign market, speed of market development, type of market entry, challenges associated with the internationalization) were influenced by the independent variables age of the corporation (years since foundation), size of the corporation (number of employees), degree of internationalization (foreign market revenue share) and industrial sector (manufacturing or service), and if the differences between service providers and manufacturers were maintained if the influence of the other independent variables was controlled. Contributions made through the independent variables are rated 'significant' if the value reached falls below 0.05 (asymptotic difference), and 'highly significant', if the value reached fell below 0.01. The results of the regression analysis are presented in figure 6 in the appendix.

### **3. Results**

The following paragraphs are illustrating the findings resulting from the surveys. Within the framework of the quantitative survey, the degree of agreement to the theses generated from the qualitative study will be illustrated, as well as to what extent service providers and manufactures differ in their agreement.

#### **3.1. Motives for internationalization**

From the qualitative survey of service providing companies, eight different reasons were found which had induced internationalization. The nature of these reasons is partly reactive, like the limitation of the domestic market, forcing service providers to go abroad. Partly however, their nature is proactive, like using internationalization as a competitive reference (also see Bruhn 2005; Meffert/Bruhn 2003).

The quantitative survey showed that the main motives for the internationalization of service providers of the industrial sectors included in the survey (see figure 1) consisted of four areas:

Service providers follow their customers abroad. Internationally active industrial organizations require services from one source in order to simplify procurement and to assure quality. This makes an international presence for service providers necessary without which they would also lose their competitiveness in their domestic markets (also see Behofsics 1998).

International orientation is a reference in competition. Since the market performance of a service provider is neither tangible, nor visible or verifiable, its sale is based on trust – which again is based on experience, recommendations and references. International activities may be a reference to build the customer's confidence (in Switzerland, too) in the performance of a service provider (also see Mann 1998).

The domestic market is too small for focused service providers. The trend towards the differentiation and simultaneous globalization of markets leads service providers to concentrate on increasingly shrinking market segments within which they act internationally in order to justify the development costs of their services, fully use their capacities and build up the critical corporate size which is necessary to process larger orders.

Service providers leverage Swissness in international competition. Abroad, "Swiss" stands for discretion, service orientation, multiculturalism, security, punctuality, reliability – values from which Swiss service providers benefit in international competition (also see Javalgi et al. 2001).

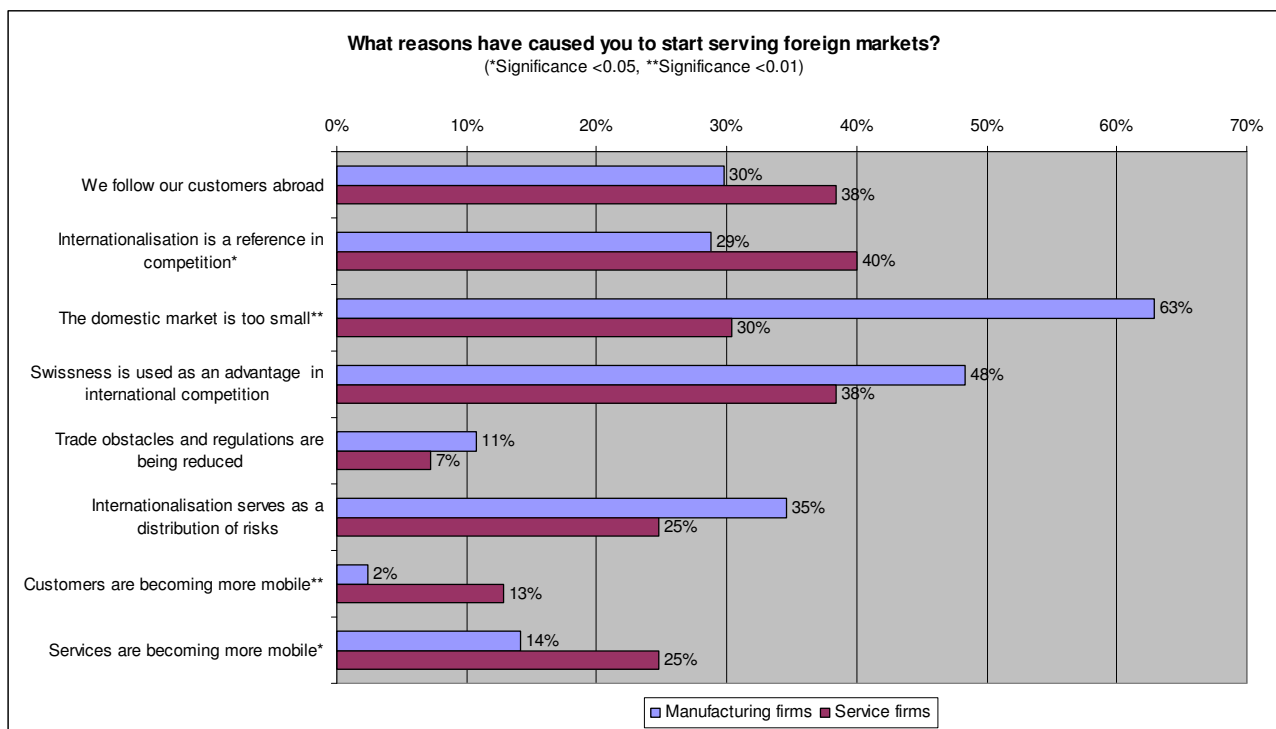


Fig 1: Motives for internationalizing

The comparison with the manufacturing companies shows that the importance of internationalization as a reference in competition is significantly higher than it is for manufacturers. The same applies for the mobility both of customers and services. New transport and communications means are more essential for the tertiary than the secondary sector. As regards the importance of the internet this is mainly correlated to the fact that the service providers examined were considerably younger on average than the manufacturers participating in the survey (see table 1 in the appendix).

Manufacturing companies indicated significantly more frequently that the size and the limitation of the domestic market are reasons for internationalization. Partly, this has to do with the fact that the manufacturing companies surveyed were on average larger than the service providers. The step-by-step regression analysis shows that the difference between the service providers and the manufacturers remains significant, but the size of the company has an additional influence. The explanation for the remaining sectoral difference could be due to the fact that the production of intangible goods is mostly capital-intensive, whereas the provision of services is more labor-intensive. Advantages due to size are therefore more essential for manufacturing companies (which would contradict the findings by Katrishen/Scordis (1998)).

### 3.2. Target market strategy

The most important criterion for the selection of foreign markets for service and manufacturing firms is sales potential. Besides this commonality, there are significant differences (see fig. 2): Feedback of the surveyed firms shows that the criteria of cultural and linguistic similarities are more important for service providers than for manufacturers when selecting foreign markets. The provision of a service often includes the personal contact with the customer. Linguistic and cultural differences are therefore significantly more essential than they are for the production of physical goods where production and use are separated regarding both time

and location. Service providers internationalize their activities primarily into markets whose language and culture are similar to the home market (also see Javalgi/White 2002; Karmarkar 2004; Raff/Billen 2005).

At first sight, the geographical distance to the domestic market seems to be a considerably more essential criterion for service providing firms when selecting foreign markets than it is for manufacturing companies. However, the more detailed step-by-step regression analysis reveals that this difference is above all generated by the age and the degree of internationalization of the companies surveyed. Younger and less internationalized corporations gave distance significantly more frequently as a criterion than older and more internationalized companies. The influence of these two variables eliminates the significance of difference between manufacturers and service providers. An explanation for this effect could be the fact that the younger companies have less experience in international competition and therefore restrict internationalization to foreign countries nearby (also see stage model by Johanson/Vahlne (1977)).

Another significant difference between service providers and manufacturing companies is the criterion of availability of qualified staff when selecting a foreign market. Rendering services is labor intensive and the quality of the service cannot be standardized, but depends on the working method of the personnel employed abroad. Products however may be manufactured centrally by maintaining the same quality worldwide. Therefore, the availability of qualified personnel when selecting foreign markets is more important for service providers than for manufacturers.

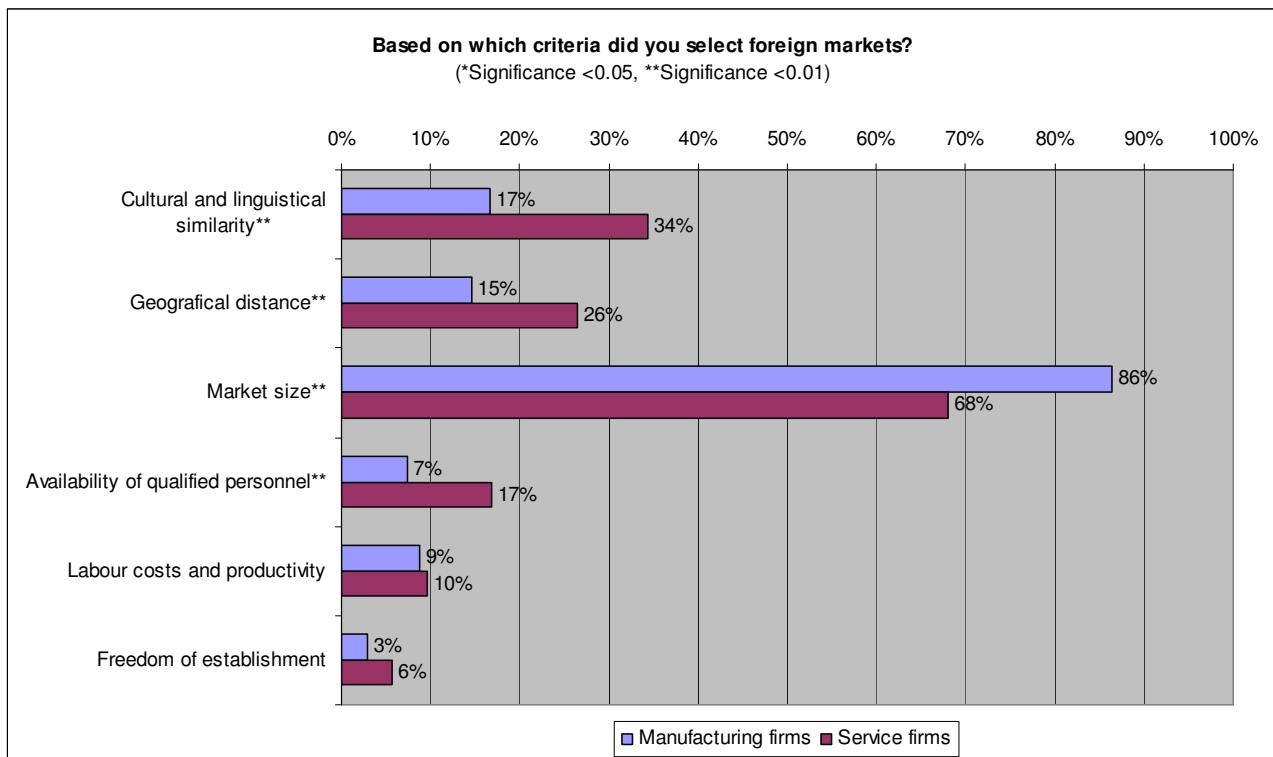


Fig 2: Criteria for the selection of foreign markets

### 3.3. Market entry strategy

The characteristics intangibility, simultaneousness of production and consumption, as well as close customer contact bring about the fact that services are rendered directly on the customer's site, thus restricting service providers to direct forms of market entry. The strategy most frequently used by the companies surveyed is

the direct export (see fig 3). The companies own employees travel abroad to render the services on the customer's site. This strategy is followed by the cooperation with foreign partners. Ranking third is the establishment of subsidiaries abroad. These three market entry forms are used parallelly by most companies. Initially, the foreign markets are catered directly from Switzerland. If there is sufficient sales potential, companies turn to more intensive forms of market development. A partnership with a foreign company is suitable in cases where the cultural differences to the foreign market is huge and the foreign partner is able to contribute valuable market knowledge and relationships to the cooperation, thus accelerating the market development. Own subsidiaries are preferred if there is a significant risk of losing know-how and the task of service quality assurance is demanding (also see Buckley et al. 1992, Pietikäinen/Tynnilä 1994, Roberts 1999).

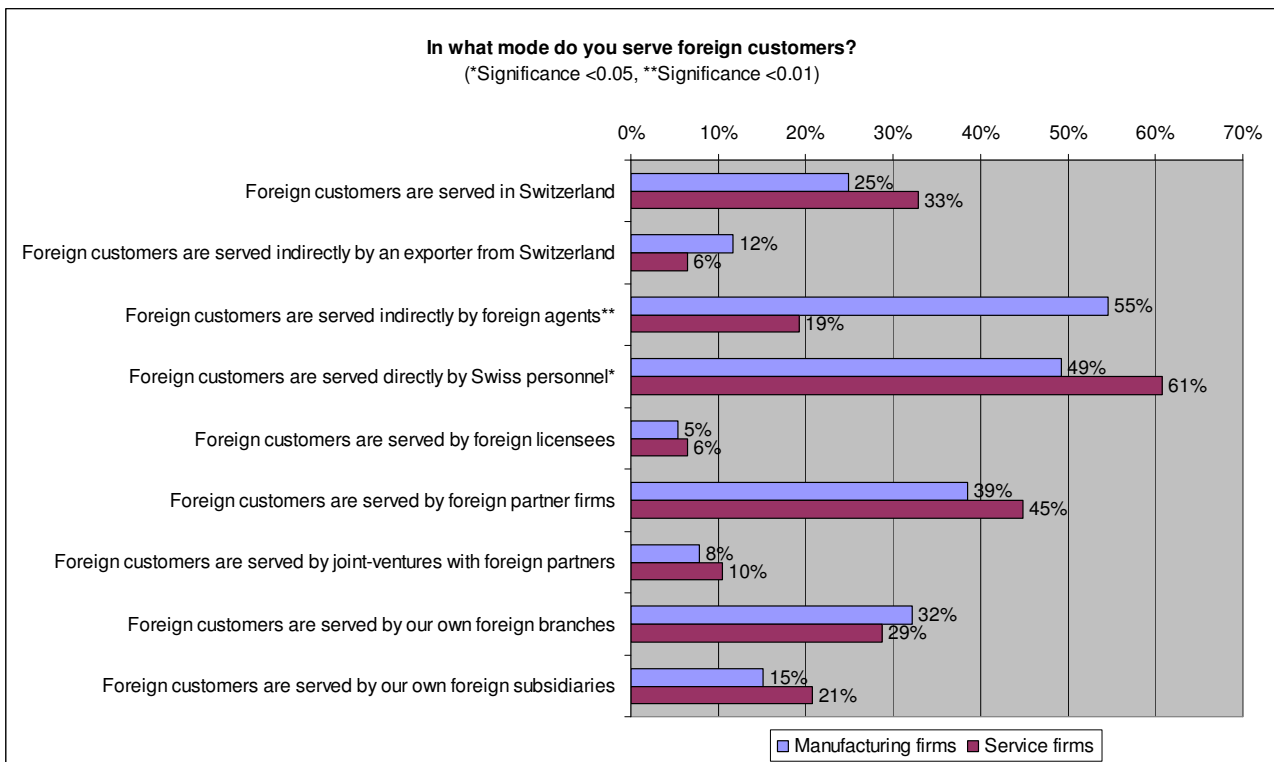


Fig 3: Market entry strategies

The comparison of the feedbacks given by service providers with those given by manufacturers shows that there are significant differences regarding the type of export; confirming the thesis that service providers use direct sales forms significantly more often and indirect sales forms significantly less often than manufacturing companies. The step-by-step regression analysis makes this result even more evident by illustrating that foreign customers of service providers significantly more often come to Switzerland to retrieve their services than those of production companies, if the age factor of the companies is eliminated. Manufactures use indirect export via domestic intermediaries significantly more often, if the influence of age and the degree of internationalization is controlled; the differences concerning the operation of own foreign subsidiaries for the provision of services becomes highly significant if the size and the degree of internationalization of the enterprises examined is taken into consideration.

The second aspect examined within the framework of market entry strategies is the market development speed. The international extension of the field of activities calls for the adjustment of capacities, which is more difficult to put into practice for service providers than it is for manufacturing companies, since the provision of a service is labor intensive and the establishment of a qualified employee base, as well as a sufficient reputation abroad, takes much time. Accordingly, we expected service providers to develop their foreign mar-



kets gradually, as opposed to the secondary sector, where it has been observed since the 1990s that corporations more and more often tend to enter foreign markets simultaneously (Lehmann/Schlange 2004). This expectation was not confirmed in the quantitative survey (see figure 4). As compared to the manufacturers, the internationalization of the service providers taking part in the survey happened significantly more often simultaneously than gradually (successively). This behavior could be explained by the fact that in many cases, service providers act as suppliers for manufacturers, forcing them to very rapidly follow the internationalization pattern of their customers. A second possible explanation assuming that the higher internationalization speed of service providers might be attributed to the fact that they were founded at a later point in time was excluded by the step-by-step regression analysis. The analysis showed that there was no correlation between the age and the internationalization speed of the enterprises surveyed.

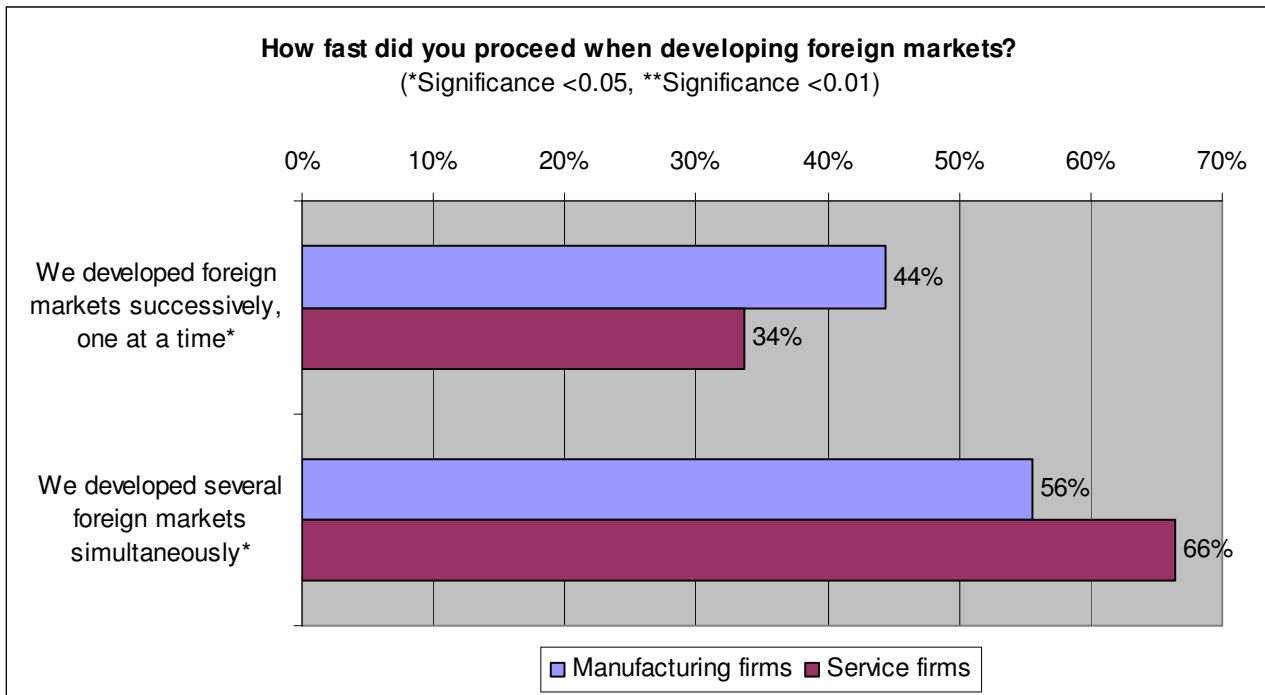


Fig 4: Internationalizing speed

### 3.4. Challenges of internationalization

The biggest challenges of the internationalization of a service providing company are brought about by the international marketing of services (see figure 5). The immaterial character of services makes the analysis of foreign markets more difficult. A material product by a competitor can be provided, examined, decomposed, and its characteristics can be analyzed. Services are intangible; their origin is not public in most cases, and very frequently, subject to discretion. The analysis of the competitive situation in foreign markets is therefore very difficult.

Services must be specifically adjusted to a country. Services are rendered in close customer contact, often by even involving the customer. Services are therefore differentiated and adjusted to the various requirements in different foreign markets. In international competition, this means that good knowledge of the market and high efforts for the adjustment of services are required.

The internationalization of services requires high intercultural competence. Services are rendered in close contact with the customer. Good language skills and a high intercultural competence of the staff are therefore central preconditions for the internationalization of services.

The marketing of services abroad is based on confidence. To build up trust and confidence turns out to be challenging for service providing companies, since the product cannot be demonstrated, presented or tested. Even references may be used for marketing purposes only to a very limited degree, because the relationship to the customer is sometimes subject to discretion (for instance for legal counseling).

Customer care is both challenging and depending on the sales person. Customer contact is closer for the establishment of services than for the provision of tangible goods, and frequently has an emotional content (trust services). Customer relationship is therefore more intensive, plus it depends on individual employees who have established the relationship with the customer. If an employee leaves, the customer is also lost.

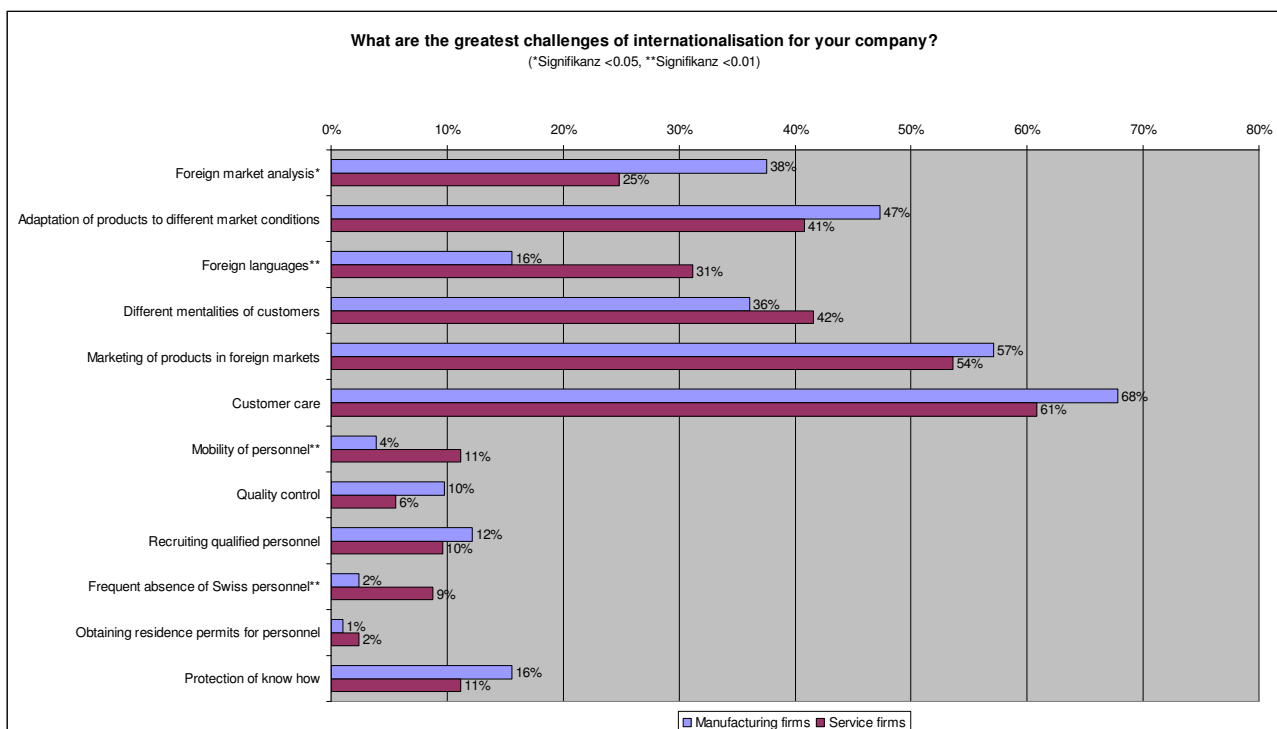


Fig. 5: Internationalization challenges

The comparison with manufacturing companies reveals that foreign languages and the required mobility of the staff represents a significantly greater obstacle for the employees of service providers than for manufacturers. Since the establishment and the consumption of services happens simultaneously, the staff of service providers must be present in a foreign country. This can be achieved by the staff traveling abroad, which requires high mobility, however is subject to limitations like entry, work and residence permits, causes travel expenses and impedes the exercise of business in the home market. The establishment of services is in most cases “language-intensive” with a personal contact to the customer. Accordingly, the good command of foreign languages is important. Analyzing foreign markets for internationalization was significantly less frequently considered a challenge by service provider than by manufacturers. According to the step-by-step regression analysis, the difference may partly be explained by the different sizes of the enterprises in the random examinations. The service providers surveyed were on average smaller than the manufacturers; the smaller the company, the less problematic seems to be the analysis of foreign markets. This result contradicts the theses retrieved from the qualitative study. Due to their immaterial character, services seem to be

more difficult to access than products, and small enterprises do have fewer resources available for market analyses than large corporations, but nevertheless, analyses are less problematic for them. The result could be explained by the fact that large manufacturing companies were active in a larger number of foreign markets than the small service providers.

#### **4. Conclusions**

The objective of this study was to describe the internationalization of service providers and to compare it to that of manufacturing companies. The resulting findings show that the internationalization of service providers is frequently triggered by the customer, that service providers use their Swissness as a competitive advantage abroad and at the same time use their internationality as a reference. Foreign markets are above all selected according to their sales potential, and secondly, according to their cultural and geographical proximity. Often, service providers do enter several foreign markets simultaneously by preliminarily using direct sales forms. The biggest challenges of the internationalization of a service provider are presented by the marketing of the services.

The comparison of the internationalization behavior of service providers and manufacturing companies showed that services are significantly more depending on culture and language. Service providing companies rather tend to expand into markets that are closely related both regarding culture and language; more often than manufacturers, they consider the good command of foreign languages a challenge within the framework of internationalization. Moreover, selling services requires a stronger geographical presence than selling tangible goods. Therefore, service providers more often use direct sales forms to develop their foreign markets and a higher mobility is required of their personnel for internationalization.

The results support the opinion in literature assuming that the internationalization behaviors of service providers and manufacturers differ and that internationalization models which are substantially based on the examination of manufacturing companies must be verified. They contradict Katrishen and Scordis (1998) and illustrate that advantages resulting from the internationalization due to size are more essential for manufacturers than for service providers. They confirm the opinion of Javalgi et al. (2003), according to whom service and production firms enter international competition for different reasons. They support Dunning (1993) and O'Farrell et al. (1995), who showed that the specific characteristics of services do have an essential impact on the selection of target markets, and they agree with Ekeledo and Sivakumar (2004) in that service providers seek to gain stronger control of their foreign business than manufacturers.

On economic-political grounds, the results of the current study mean that export promotion organizations should differentiate their services according to economic sectors. Up to now promotion measures of most European support organizations were one-sidedly oriented towards the needs of manufacturing companies, even though the degree of internationalization of the tertiary sector has surpassed that of the secondary sector in many countries and still show a large internationalization potential. If this potential is to be developed and the internationalization of service providers is to be supported, export promotion services must be adjusted to their specific requirements. Assistance in finding sales partners abroad for instance – which is a central supporting service for manufacturing companies – is of little use for service providers, since the indirect export channel is not open to them. Service providers need above all support in mobilizing their services, for instance through the internet, adapting their offers to culturally different market conditions, dealing with customers from foreign language areas and the risk management of direct investment in foreign markets.

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## 6. Appendix

Dependent variables	Independent variables (results for variables reaching significance level of <0.05)				Model quality		
	Corporate age	Corporate size	Foreign market share	Industrial sector	Significance of the model	R-Quadrat (Nagelkerkes)	Prediction (%)
What reasons have caused you to start serving foreign markets?							
Customers				0.106	0.107	0.011	67.0
Reference				0.036	0.036	0.018	67.0
Home market size		0.018	0.000	0.000	0.000	0.253	68.8
Swiss image				-0.080	0.079	0.012	55.5
Market access				-0.289	0.278	0.008	90.6
Risk reduction			0.001	-0.132	0.001	0.062	69.1
Customer mobility				0.001	0.000	0.108	93.6
Internet	0.001			0.519	0.000	0.087	81.8
Based on which criteria did you select foreign markets?							
Culture, language			0.000	0.001	0.000	0.150	73.9
Distance	0.017		0.000	0.368	0.000	0.138	80.9
Market size		0.052	0.001	-0.001	0.000	0.147	79.4
Qualified personnel	0.022	0.000		0.030	0.000	0.159	89.1
Labour costs		0.013		0.501	0.051	0.039	90.9
Freedom of establishment				0.234	0.234	0.015	96.1
In what mode do you serve foreign customers?							
Incoming	-0.015			0.014	0.014	0.037	72.1
Exporters	0.045		-0.034	-0.016	0.013	0.069	90.3
Foreign agents		0.027	0.000	0.000	0.000	0.232	68.5
Swiss personnel				0.042	0.041	0.017	54.5
Licensees			0.013	0.466	0.033	0.058	94.2
Foreign partners				0.262	0.262	0.005	59.1
Joint ventures		0.000		0.118	0.000	0.121	91.2
Foreign branches		0.000	0.005	0.453	0.000	0.185	73.9
Foreign subsidiaries		0.000	0.003	0.005	0.000	0.221	85.2
How fast did you proceed when developing foreign markets?							
Successively			0.000	0.018	0.000	0.073	63.0
Simultaneously			0.000	-0.018	0.000	0.073	63.0
What are the greatest challenges of internationalization for your company?							
Market analysis		0.020		-0.046	0.004	0.047	67.3
Product adaptation			0.033	-0.360	0.051	0.024	54.8
Foreign languages				0.001	0.001	0.050	78.5
Cultural differences				0.319	0.319	0.004	61.8
Marketing of products				-0.538	0.538	0.002	55.8
Customer care		0.040		-0.356	0.048	0.025	65.2
Mobility of personnel				0.014	0.011	0.050	93.3
Quality control			0.042	-0.277	0.045	0.043	91.8
Personnel recruitment		0.007	0.001	0.872	0.000	0.123	88.8
Absence of personnel				0.014	0.010	0.061	95.2
Residence permits				0.320	0.314	0.021	98.5
Know how protection		-0.004	0.000	-0.249	0.000	0.143	86.1

Fig 6: Results of the logistic regression analysis