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Master's Thesis

The Impact of International Resources
on Internationalization:

Small Designer Firms in the Korean Fashion Industry

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SoHee Kwon

Graduate School of Seoul National University

Department of Textile, Merchandising and Fashion Design

Abstract

In the information age, international business is not an option but compulsory, which causes intense global competition. Common sense would suggest that a mature large firm with abundant resources would dominate the international market, but newly launched small international firms can be easily found, especially in a value-added industry. The fashion industry is one of these value-added industries, and this research initiated from the observation of the internationalization phenomenon in the Korean fashion industry. Korean designer fashion firms currently conducting international business seem to be mostly operated by internationally experienced entrepreneurs and become international fairly soon after foundation.

Along with this scenario, both stage development theory (Johanson & Vahlne, 1977) and international new venture theory (Oviatt & McDougall, 1994) argue that internationalization occurs based on international resources which are obtained from prior international experience and involvement. Based on an understanding of international resources being the antecedents of internationalization, the Resources-based view explains the process of these resources gained from experience being developed into a firm's sustained competitive advantage and eventually promoting international performance.

Based on a literature review, the research set three research objectives: The research 1) finds elements of international resources based on further literature review, 2) identifies the current international status of the Korean fashion industry, and 3) empirically examines the relationships between international resources and internationalization.

As a result, human and organizational resources were considered important for firms at early stages due to their limited physical resources. The extent of international network, managerial attitude towards internationalization, and a firm's capability to internationalize were found to be important human and organizational resources related to internationalization (Barney, 1991).

Many firms were import/export start-ups that conduct a couple of activities across few countries, yet there were also a good number of global start-ups which conduct various value-chain activities regardless of borders. The results implicate a great possibility for the Korean fashion industry in the international market.

The relationship between international resources and internationalization is found to be significant. Internationally experienced entrepreneurs tend to have more extensive international networks and a positive attitude towards internationalization. And, firms founded by such entrepreneurs are capable of internationalizing their business. These resources create a firm's own competitive advantage which can differentiate from other competitors and eventually increase international performance.

This study provides an understanding on strategic management of resources and entrepreneurs' decision-making approach in internationalization. The importance of entrepreneurs' backgrounds can initiate further studies on their personal motivations and a detailed process of resources management. Additionally, firms planning to internationalize should better form a top management with members who have international backgrounds, well-managed international networks, and positive attitudes towards internationalization.

Keyword : International Resource, International Experience, Internationalization,
International New Venture, Designer Fashion, Small Firm, Korean
Fashion Industry

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Chapter 1. Introduction

In this chapter, the background and purpose of this research is identified along with the expected contribution of this study. A chapter-by-chapter outline is given at the end of this chapter.

1.1. Research Background

Fashion has experienced dramatic changes throughout the last decade with falling barriers to international trade due to an increase in cross-border communications and advancements in technology (Pett et al., 2004). International business, which was traditionally favorable to large firms, became much more accessible, enabling small firms to easily engage in international activities (Brush, 1992). A Free Trade Agreement (FTA) is a great example that made a big contribution to promote internationalization as well as economic growth (Hana Bank, 2014.11). This unified global environment provides international opportunities not only to existing small enterprises but also to new startup companies.

Established internationalization theories by Johanson & Vahlne (1977) and Dunning (1988), both assert that a firm needs international experience and resources to become successful in foreign markets, because these elements provide a competitive advantage. International experience and resources were considered to

be properties monopolized by mature and experienced international firms. However, recent studies have found that newly established firms also acquire such requisites from their inception (Oviatt & McDougall, 1994) which means that they gain international experience and have access to international resources even before they are founded. It appears that these firms are instantly international, and scholars define them as born-global firms (Knight & Cavusgil, 1996) or international new ventures (Oviatt & McDougall, 1994). Our study focuses on the term “International New Venture.”

Human resources, is a core asset of international business (Nielson & Nielson, 2011; Ruzzier et al., 2007). In other words, the entrepreneur or top-management is either already internationally experienced or they already have broad international connections for accessing international resources before founding the company (Katz & Gartner, 1988). Instead of owning tangible foreign assets from the beginning, they have intangible international connections, which can provide either direct access or ways to gain access to tangible resources. Hence, young entrepreneurs use such international knowledge and resources to develop Firm’s own capabilities for internationalization so their firms can gain a competitive advantage in the international market (Eriksson, 2013). To be more specific, both international experience and international network are used as a means to create resources that a company requires for internationalization. These tools become a big portion of, or in some cases, everything, that a company has in its early stages (Doving & Gooderham, 2008).

The finding that international new ventures do not necessarily own foreign assets for internationalization explains the definition of international new ventures being more concerned with value added (Buckley & Casson, 1976; Casson, 1982). The fashion industry is representative of a value-added industry, which provides conditions favorable to the formation of international new ventures (British Fashion Council [BFC] & Oxford Economics, 2010). As the modern fashion industry becomes more commercial, it is dividing into various categories. The designer brand sector is one of the categories and it has the most value-added characteristic, since its opportunities mainly depend on the designer's capability and creativity (BFC & Oxford Economics, 2010; Korea Creative Content Agency [KOCCA], 2015). Considering the benefits of global recognition of one's talent and unique design, internationalization is rather critical to designer fashion brands. Internationalization provides not only the bigger market and the opportunities for larger profits, but also the groundwork for fame and acknowledgement.

Due to these advantages, the number of new Korean designer fashion brands deploying internationally at launch is constantly increasing, and existing local designer brands continue to enter foreign markets (KOCCA, 2015). This phenomenon presents the need of appropriate assistance for internationalization. Likewise, prior studies have found that strongly motivated and well prepared companies tend to have a better chance to be successful in the international market than weakly motivated ones (Welch & Wiedersheim-Paul, 1980; Wiedersheim-Paul et al., 1978). Identifying the driving force behind this phenomenon and

investigating the impact of each variable are crucial in understanding this phenomenon and developing further guidance.

As many scholars of organization behavior argue, internationalization of firms within such value-added industries tends to be more dependent on the entrepreneurs' skills and networks (McDougall et al., 1994). Entrepreneurship scholars also report that internationally experienced and experienced entrepreneurs are capable of managing resources from multiple countries to satisfy international market demands (Coviello & Munro, 1992; Hoy et al., 1992; McDougall & Oviatt, 1991). According to the UNESCO Research Center (2012), South Korea ranked #3 in the number of students studying abroad (123,000). It is important to note that #1 and #2 are China (694,000) and India (189,000)—considering the fact that these countries are the two largest countries in the world by population. Korea has, by far, the largest proportion of students pursuing education abroad (Yeonhap News, 2014.06). In addition, numerous fashion students apply for famous global fashion schools to learn fine design and merchandising skills. Statistics show that about 30 to 40% of current undergraduates at Parsons, a renowned fashion school in New York, are Korean students (Korean Economics, 2016.02). As stated above, many Korean students have been, and currently are, studying abroad. In the process, they obtain important resources, such as international experience and an international network. Many Korean designers are currently launching and operating international businesses based on such resources (KOCCA, 2015).

Such environment has led most new firms in the Korean fashion industry to be

international new ventures. In order to empirically gauge the impact of international resources utilized by these firms on international activities, it is ideal to first identify and analyze international new ventures through a literature review.

With the importance of international experience and resources verified, industry professionals and designers will be able to take advantage of the resources they have to internationalize their brands. For academic professionals, identifying the criteria for international new firms in the fashion industry and analyzing the phenomenon in detail will be useful for future research.

1.2. Research Objectives

This study is going to focus on Korean fashion industry, most of which are small-sized enterprises. The main objective of the research is to understand their internationalization behavior and the impact of international resources on their internationalization. Overall objectives in detail are as follows.

Firstly, the study aims to investigate factors for international resources and competitive advantage in value-added industry based on literature review.

Secondly, the objective of this study is to identify current international status of Korean fashion industry by categorizing firms into different groups.

Finally, the research seeks to empirically examine the relationship between international resources and international performance.

Research Outline

The aim of this study is to understand the impact of a Firm's international resources on the degree of its internationalization. Accordingly, this study is constructed in 5 chapters as follows.

In Chapter 1. Introduction, Background and Aim, the background and aim of the study are introduced, along with expected contributions and an overall outline of the chapters.

In Chapter 2. Industrial Background, definition of Designer fashion as well as the background of Korean fashion industry is described, which is the main objective of this study.

In Chapter 3. Theoretical Background, Internationalization and Resources Based View are explained in order to construct theoretical framework of the study.

In Chapter 4. Methodology, the conceptual framework and hypotheses are introduced, and the measurements used to collect data and the statistical tools used to analyze them are presented.

In Chapter 5. Results and Discussion, the results and data analyses are presented to test the hypotheses, followed by a discussion on the outputs.

In Chapter 6. Conclusion and Implications, Summary of overall result of the study and implications for both academics and industry are suggested. Finally, limitations of this study and expected future research are suggested.

Chapter 2. Industrial Background

In this chapter, the overall background of Korean fashion industry is reviewed to understand its current phenomenon. Fashion critics appoint Korea as a next global fashion hub with diverse fashion trend and advanced level of information technology (Suzy Menkes & Karl Lagerfeld, Conde Nast Conference 2015.04). Renowned traditional fashion design houses host essential fashion events in Seoul (e.g. Prada Transformer Exhibition 2009, Dior cruise collection 2010, Louis Vuitton Series Exhibition 2014/2015, Chanel cruise collection 2015). A number of Chinese visitors flowing into Korea have reached up to 6 million on annual basis (MK News, 2016.04) which explains a growing consuming power of Korea. All these events did not just instantly happen one day. The origin of such trend and effect of current environment on Korean fashion industry are important aspects to review. Hence, definition of fashion industry is described then, overall characteristics and current status of Korean fashion industry are explained to follow.

2.1. Designer Fashion

The world is currently transitioning from the Industrial Economy to Creative Economy, and prosperity in future societies rests on the ideas and contributions of the individual (Coy, 2000). Even now, the role of a fashion designer is extremely important. Calasibetta Chalotte (1975, p.133) defined a “fashion designer” as “a person who creates authentic (original) apparel and accessories in various fields of

the fashion industry”. To focus on “original” in this context, the Oxford English Dictionary defines the term as “not dependent on other people’s ideas; inventive or novel: the earliest form of something, from which copies may be made.” Based on this definition, fashion designers are required to constantly strive for innovations and creativity in order to produce a piece that the world has never seen before.

A number of these designers launch their own brands without being affiliation to other entities, and the fashion industry is basically a large cluster of such brands. A Study of the Designer Fashion Sector (2003) funded by the department of Trade and Industry in the UK, described Designer Fashion as an “independently labeled apparel collection designed with creativity and originality, participating in international trade fairs either individually or as a team, and ones who produce additional lines to the flagship collection, which varies from global brands to newcomers.” All these definitions present the fashion industry as being a knowledge-intensive industry as well as a value-added industry, which is an environment where many ventures are easily involved with international business (Zucchella et al., 2007).

In countries such as the United Kingdom, the Netherlands, and Singapore, the “Fashion industry” is considered to be a part of the creative industry. They acknowledge the importance of the creative industry in future societies. Since creativity originates from stored knowledge and experience, many scholars predict that developed countries will have a competitive advantage in this perspective (KOCCA, 2015). As the core asset of international new ventures is human resource

with innovative ideas, obtaining creative people is often a firm's first mission in the creative industry (Goo, 2005). The fashion industry within the creative industry is market with potential profits from its overall activities, including all fashion products and services, retaining the economic value generated from the creativity of a designer (KOCCA, 2015). Potential is an adjective with meaning of "having or showing the capacity to develop into something in the future" (Oxford English Dictionary 2016.11.03) which refers to the fact that fashion industry is a system with more than immediate numerical results. Long-term investment on their value and design talent development is critical and one of biggest complains of Korean designer fashion brands, regard to government subsidiaries was found to be its immediate merit system (S. Jang, personal communication, October 10, 2015). In order to provide structured suggestion for this problem which is one of research goals of this thesis, a brief history and current status of Korean fashion industry are analyzed in following section.

2.2. Korean Fashion industry

Porter (1998) explains that the country is able to gain economies of scale through home market demand, leaving the firms better-equipped for global competition. Having internationally competitive suppliers and related industries, firms will be able to produce better goods (Porter, 1998). Since South Korea used to be one of the biggest sourcing sites for fashion industries in developed countries in 1960s, Korean textiles industry became advanced and its innovative

technologies became some of the best worldwide (KOCCA, 2015). Due to this value-chain environment, designers can easily get their hands on a variety of materials and try to create unique samples. Reliable suppliers within the home country enable designers to create unique products for export activities (Wiedersheim-Paul et al., 1978).

In addition to such history, Korea literally became a small version of global fashion market nowadays. Korea Tourism Organization announced that a number of Koreans traveling outside of country increased about 15.1% and foreigners visiting South Korea also showed 17.5% increase (MoM; 2016.01). As these Korean fashion consumers travel around the globe, they add sophistication and diversity to their taste and higher rate of visitors to South Korea shows increased attention and potential opportunities for Korean fashion industry. Due to such exposure and visibility of South Korea to the world as well as congregation of global consuming power, Seoul has become a hub of international fashion brands (Suzi Menkes, Conde Nest Luxury Conference, 2015.04). Proportion of foreign labels in overall Korean fashion market reached up to 50% and international fashion firms nowadays often use South Korea as a test market before launching new products (Segye Daily News, 2009.08). In a positive light, such demand and high taste of local consumers encourage creative design and unique product for survival which are important element of this study as well as international new firms (Leonidou, 1995). In a negative light, high demand creates intense competition which leaves the local designer brands with no choice but to consider

entering foreign markets in order to avoid the saturated domestic market. Better or not, such conditions promote internationalization of Korean designer fashion brands and even a phenomenon of international new ventures: brands are launched specifically for the international market. These new firms just have founded to launch new brand and the size of these firms, in most cases, are kept small at early stages (Kyvik et al., 2013).

Internationalization of small firms largely depends on human capital (Ruzzier et al., 2007). Some of the most important conditions for such human resources include knowledge, infrastructure, and physical ability need to be fulfilled (Porter, 1998). Fashion industry professionals with such skills can be described as an “experienced creative designer with a well-connected network and the ability to lead a brand” (KOCCA, 2015). Such conditions are frequently taught in countries with advanced fashion industries, such as Europe and the United States as they train many aspiring designers to become talented designers at renowned design schools and institutions (BFC & Oxford Economics, 2010; New York City Economic Development Corporation [NYCEDC], 2010;). As Korea’s exposure to the global market continues to increase, many Korean students are studying abroad, and a big proportion is being trained under such well-managed curricula (Korean Economics, 2016.02). In their education, they gain not only knowledge and skill, but also an infrastructure and an international network from their working experience in countries with developed fashion industries, training them to be competent in entering the global market with an advantageous and favorable

position (KOCCA, 2015). These internationally experienced designers tend to focus on the international market rather than the limited domestic market, and often launch an international brand from the start. Industry professionals have designated these international new ventures as the next generation of the Korean fashion industry as they have outstanding communication skills, are more responsive to foreign clients, and have better global market awareness than traditional firms that became international after a start in the domestic market base (KOCCA, 2015).

Despite the significance, only limited studies have been conducted regarding international new ventures founded by globally talented designers. Overall internationalization literature regarding both fashion industry and Korean fashion designers itself is not rich enough for future studies. This study found the importance of the topic based on literature review and interviews, therefore plans to investigate the impact of international resources on Firm's international performance at early stages.

Chapter 3. Theoretical Background

This chapter explains how internationalization generates from international experience and resources based on stage development theory and the concept of “International New Venture” is described in international new venture theory. Additionally, a conceptual model of Resources Based View is introduced to explain the influence of international resources into internationalization. Hypotheses are developed in the process.

3.1. Internationalization

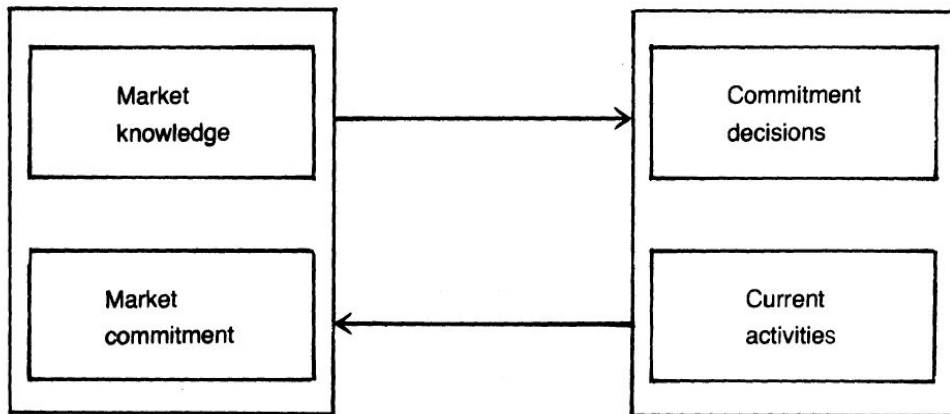
Internationalization is a phenomenon whose cause and effect have been substantiated by many great studies (Caves, 1971; Dunning, 1991; Hymer, 1976; Johanson & Vahlne, 1977; Penrose, 1959; Porter, 1990; Rugman, 1981). The recent phenomenon of internationalization, however, is somewhat different from the traditional theories. Small firms with differentiation advantage and international experience do not necessarily place their roots in a single country at the beginning. In the late 1980s, both scholars and industry professionals became aware of these startups (Oviatt & McDougall, 1994). This study begins with stage development theory, gradually evolving into international new venture model through literature review, in order to explain the phenomenon. International knowledge and resources are constantly emphasized as core motives of these new ventures. A few important

models will be presented in the process.

3.1.1. Stage Development Theory

A number of scholars have explained the various aspects of internationalization. Stage development process, which has been a key theory in small enterprise literatures for many years, states that international knowledge and experience provide the motive for a firm to engage in international activities (Johanson & Vahlne, 1977).

Market knowledge is divided into two types: 1) objective knowledge and 2) experiential knowledge. The first type can be learned through literature, but the latter can only be gained through personal experience. Johanson & Vahlne (1977) value experiential knowledge over objective knowledge, and state that it is a critical factor in the process of internationalization. Personal experience, in context, represents the importance of not only the Firm's knowledge, but also its international connections. For instance, the authors suggest hiring a local agent who has already acquainted with the firm in order to reduce burden. A local agent is a foreign network and for such connection to be formed, a firm needs international experience—they are linked. Stage development model has the same characteristic as the output of one cycle becomes the input for the next cycle, and vice versa. The model is introduced below in <Figure 3-1>.



<Figure 3-1>

The Basic Mechanism of Internationalization (Johanson & Vahlne, 1977)

<Figure 3-1> is constructed in two parts: 1) State aspect: market knowledge and market commitment; and 2) Change aspect: commitment decisions and current activities. The entire scheme is based on behavioral management and each following cause and effect.

The motive to maximize the profit and minimize the risk drives market commitment decisions and knowledge seeking activities. Constant engagement in international activities provides hands-on experience together with increasing confidence, which decreases associated risk in the process. Firms will be able to achieve a better position in the international market by repeating this cycle of decision and commitment activities. This is a routine of safely adjusting to the international market (Johanson & Vahlne, 1977, 1990). To explain in a more

industry-friendly manner, the exports start with unexpected orders from foreign buyers, and as the size of these businesses grow, they start to set up operations in foreign countries along with in-house teams in charge of international business. At this stage, whether they develop into more established level defines genuine global startups which modern scholar set measures later in century (Aharoni, 1966; Bilkey & Tesar, 1977; Czinkota & Johnston, 1981; Stopford & Wells, 1972). This international business growth requires constant trial and error of finding better solution at each stage.

The stage development model is based on case studies that revealed the hardship of obtaining foreign market information and hesitation due to potential risks (Johanson & Vahlne, 1977, 1990; Oviatt & McDougall, 1994). To overcome these difficulties, repeated cycle of a series of stages were perfectly appropriate for many multinational firms, and it has since been adopted by numerous executives and consultants (Bartlett & Ghoshal, 1991, p.31). However, when communication, technology, and transportation advanced to a level where the hurdles to obtaining foreign market information have disappeared, the stage model was neither a solution nor an example anymore. The modern homogeneous market enables firms to skip the traditional steps towards internationalization, and sometimes, they do not experience such hieratical stages at all (Oviatt & McDougall, 1994). The next section presents the modern market environment.

3.1.2. International New Venture

The biggest error when applying the traditional stage development to modern international firms is in deciding when internationalization happens. It was traditionally believed that firms get involved with international business long after incorporation (Hymer, 1976; Rugman, 1981), and stage development theory itself was created based on the observation that internationalization happens gradually, and that firms do not consciously operate towards internationalization from inception (Johanson & Vahlne, 1977). Yet, entrepreneurship and strategic management researchers have found that this is not always the case. They have discovered a new phenomenon where firms instantly become international soon after formation or start as an internationalized firm (Servais & Rasmussen 2000). It is in stark contrast to the traditional definition of internationalization: “the process of increasing involvement in international operations” (Welch & Luostarinen, 1988 p.36). This new form of international organizations are mostly small firms, since they are newly established, which demonstrates that neither the age nor the size of a firm are defining characteristics of internationalization anymore (Oviatt & McDougall, 1994). Recent studies defined them as “International new ventures” and described that these organizations derive competitive advantage from multiple nations based on their international origins (McDougall et al., 1994). International new ventures not only sell products or services to foreign countries but also use foreign resources. Thus, they are not necessarily based in their native country (Oviatt & McDougall, 1994).

Although the international new venture model was created in academically rich fields (entrepreneurship and strategic management), studies on international new ventures have been limited. Many scholars only focus on the activities of experienced and large firms. Small Enterprise literature was not so different, as they are more concerned about the domestic activities of new firms. International activities of new and small firms were not in their concern because scholars believed that a considerable amount of time is necessary to collect international experience and resources to obtain a competitive advantage in the international market (Johanson & Vahlne, 1977; Porter, 1990). However, the recent phenomenon in knowledge-intensive industries shows that there are ventures that conduct international business from inception and their number only increase by time. Considering its growing numbers, these ventures need to be appropriately investigated and analysed.

3.1.2.1. Definition of International New Venture

As the development of communication and transportation technologies gives us the freedom to connect to and meet anyone, anywhere, traveling around the globe has become easier than ever (Kobrin, 1991). The number of people with international experience has increased dramatically, and studies have found that an internationally experienced person who can coordinate resources from multiple countries to meet market demands can start a business that is international from inception (Barreto, 1989). Most of the time, profitable business opportunities came

from their previous experiences (Casson, 1982). All the international knowledge and network needed for market competition are already gained from their experience before the foundation of company. Therefore, modern startups with international resources upon establishment can engage in various activities ranging from marketing to production in multiple countries with limited resources (Oviatt & McDougall, 1994).

A number of scholars have suggested different definitions for international new ventures. They have given a wide range of criteria, from a minimum of 3 years to a maximum of 8 years from foundation to becoming internationally active, and overseas market sales ranging from 5% to 50% of total sales (Acedo & Jones, 2007; Andersson & Evangelista, 2006; Knight & Cavusgil, 1996; Kuivalainen et al., 2007; Luostarinen & Gabrielsson, 2004; Shrader, 2001; Zahara et al., 2000; Zucchella et al., 2007). Many studies suggest both speed of internationalization and proportion of overseas sales to total sales at the time of foreign market entry as shown in below <Table 3-1>. However, it is hard to find public source for the past sales record of each companies considering most international new ventures being small enterprises. Moreover, common method to collect data in empirical research is survey or interview and their sales record is hard to be obtained through such method (Rhee & Park, 2009). Hence, this study uses a definition from McDougall et al. (2003), “a company that generates overseas sales within 6 years after incorporation”, which is in the middle to compromise minimum and maximum speed of internationalization suggested.

No.	Criteria	Main Researchers
1	Export within 3 years of incorporation	Madsen and Servais (1997), Zucchella et al. (2007)
2	International activities within 3 years from incorporation Overseas Sales Proportion: 25% and more	Knight and Cavusgill (1996), Kuivalainen et al. (2007), Moen (2002)
3	Number of countries entered are more than minimum numbers	Oviatt & McDougall (1994)
4	50% of sales profits from outside of home continent	Luostarinen and Gabrielsson (2004)
5	Overseas sales within 6 years of incorporation	McDougall et al. (2003), Shrader (2001)
6	Overseas Sales Proportion: 5% within 8 years of incorporation	McDougall (1989)
7	Internationalization within 5 years of incorporation	Acedo and Jones (2007)
8	Overseas Sales Proportion: 5% and more within 6 years of incorporation	Zahra et al. (2000)

<Table 3-1>

Definitions of International New Firms (Rhee & Park, 2009)

According to Buckley and Casson (1976), small international firms are more resource driven than visible assets. Based on this argument, Oviatt & McDougall (1994) define an international new venture as “a business organization that, from

inception, seeks to derive significant competitive advantage from the use of resources and the sales of outputs in multiple countries” (p.49), which focuses on resource commitment to remain competitive in the international market. Then, the authors categorized international new ventures into different types based on firm’s commitments. The criteria comprise the coordination of value chain activities and the number of countries involved and the model is shown in <Figure 3-2> below.

Few Activities Coordinated Across Countries (Primarily Logistics) Coordination of Value Chain Activities	New International Market Makers	
	Export/Import Start-up i	Multinational Trader ii
Many Activities Coordinated Across Countries	Geographically Focused Start-up iii	Global Start-up iv
	Few	Many
	Number of Countries Involved	

<Figure 3-2>

Types of International New Ventures (Oviatt & McDougall, 1994)

Firms coordinating only a few activities, mostly logistics, across different countries are defined as New International Market Makers, and they are divided into two groups based on the number of countries involved. Export/Import Startups are only involved with a few countries, while Multinational Traders are involved

with multiple countries. When Export/Import Startups internationally conduct value chain activities more than just logistics, they become Geographically Focused Startups. Finally, Multinational Traders who are already involved with multiple countries while also coordinating numerous activities such as production, logistics, advertising, sales and financial aid are defined as Global Startups. This is the difference between a simple exporter and an international venture. Global Startups place their roots internationally and can start their business anywhere they want, because they can pull resources across different countries (McDougall et al., 1994; Oviatt & McDougall, 1994). Classifying international new ventures into different types can show the overall international status of Korean fashion industry.

3.1.2.2. Sustainable International New Ventures

Growing number of these new ventures was recognized by renowned business press in late 1980s and since then, increasing studies have been conducted on this specific topic (Brokaw, 1990; The Economist, 1992, 1993b; Gupta, 1989; Mamis, 1989). Studies naturally came to the point of sustainability of business just as other mature areas of studies do. These firms needed to survive with a strong presence in international market in order to become genuine global start-ups. Successful international new venture require following characteristics: international vision from foundation, intense network with industry relatives, appropriate management skills, focused attitude towards international growth, and unique service or product (Ganitsky, 1989; Jolly et al., 1992; McDougall et al., 1994). Under a mutual

understanding of the above characteristics, Oviatt & McDougall, (1994) have analyzed elements of sustainable international new ventures through several case studies.

The most emphasized element is “Unique resources” which keeps international new ventures to survive in the market. This does not account for only the new ventures but also mature firms. Every company needs exclusive skills or products to maintain its existence in the market (Barney, 1991). Such exclusive property plays a key role in formation of strategic alliance with mature international firms.

The only weakness to this matter is imitability. Secrecy must be kept before release and even after the release; protection from illegal copies is needed. Patent, copyright, and licensing can be type of these protections (Oviatt & McDougall, 1994). Strategic alliance with other organizations somewhat control the risk, but a better solution is personal relationships with other international venture members who are sharing economic opportunities because at least they are refrained from copying each other which is proven in organizational behavior studies (Larson, 1992; Teece, 1987). It is easier to maintain trustful relationship with foreign ventures when founders of firm have international background (Oviatt & McDougall, 1994).

Such international background also provides international market insight, therefore a firm is able to seek opportunities and identify appropriate needs which becomes firm’s own competitive advantage (Eriksson, 2013; Teece, 2007) therefore knowledge and resources gained from international experience are important in this

context. As internationalization theories constantly emphasize the importance of international experience and resources in firm's internationalization and the needs of Differentiation advantage development for sustainable international business in previous literature (Johanson & Vahlne, 1977; Oviatt & McDougall, 1994; McDougall & Oviatt, 1991), requirement of international resources as well as the process for them to be developed into competitive advantage is described in following section.

3.2. Resources Based View

International fashion market is diverse and is always under intense competition. In order to survive in such environment, firms obtain international resources to develop competitive advantage that can differentiate from competitors. The theory to explain this organizational behavior is “Resources Based View (RBV)” (Barney, 1991, Grant, 1991; Wernerfelt, 1984). It is widely adopted by both strategic management literature and organizational behavior literature to explain steps to develop sustainable strategy (Grant, 1991) and organizational capability (Conner, 1991; Makadok, 2001). This section conceptualize the model and identify international resources for sustained competitive advantage.

Resources Based View (RBV) was originally developed to explain that competitive advantage lays its foundation on the use of resources. Firms possess a set of resources to gain sustained competitive advantage (Penrose, 1959; Wernerfelt, 1984) and such competitive advantage in the end, advances organizational performance (Crook et al., 2008). Conceptual model of RBV is shown in below <Figure 3-4>.



<Figure 3-3> Conceptual Model of Resources-Based View

(Sources: Barney 1991; Grant, 1991; Wernerfelt, 1984)

RBV shows the linkage between resources and performance through competitive advantage. Each stage is explained in reverse order from performance, sustained competitive advantage, to resources. First, since the study focuses on internationalization, international performance is used to measure the performance and the term is introduced as follows.

3.2.1. International Performance

According to RBV, firm resources initiate competitive advantage which eventually increases the performance. The ultimate goal of this study is to find a relationship between international resources and internationalization. International performance which includes both numerical international performance and international involvement is adopted as performance measure to meet the aim of this study (Chen & Jaw, 2009; Jantunen et al., 2005). International performance includes international sales profit, international contribution of human capital, and adaptation to international market environment (Sullivan, 1994; Ramaswamy et al., 1996; Reuber & Fischer, 1997). Most common measure is international intensity which examines the proportion of foreign sales profits to overall sales (Axinn, 1988). However, each firm has a different goal and perspective regards to internationalization. In this perspective, the subjective measure on its degree of performance is an important indicator for success of international business (Koolen et al., 2005). Therefore, the use of both objective and subjective measure increases the accuracy (Hung et al., 2007; Morgan et al., 2009; Slater et al., 2006). And, such

international involvement and performance largely depend on firm's sustained competitive advantage (Crook et al., 2008) which explained in following section.

3.2.2. Sustained Competitive Advantage

The difference between competitive advantage and sustained competitive advantage is inimitability. If the competitive advantage provides values that first-movers can have which other competitors also can later access, sustained competitive advantage provides the same value but its benefits cannot be imitated by others (Barney, 1991). Such differentiation factors create sustained competitive advantage to continue the business (Grant, 1991). Barney (1991) and Oviatt & McDougall (1994) both emphasizes that sustained competitive advantage requires its resources to be unique and further suggest "Unique Resources" as the element needed to become sustainable international new venture. Such differentiating value which other competitors can hardly imitate makes a normal international new venture to sustainable international new venture (Oviatt & McDougall, 1994). Also, Barney (1991) suggested four elements required for firm resources to become sustained competitive advantage: Value, Rareness, Imperfect imitability, and Non-substitutability. Especially for Imperfect imitability, the resource should be history dependent, casually ambiguous and socially complex (Barney, 1991). Differentiation advantages are valuable since they provide comparative advantage to survive in competition (Barney, 1991; Oviatt & McDougall, 1994) and rare because the same resources are not accessed by other large number of firms. If they

are actively possessed by others, it is not a differentiation factor. Additionally, it requires exclusive know-how and skills which mostly earned from past experience, which explains imperfect imitability. Finally, they can hardly be substituted by other factors because consumer loyalty and brand awareness are already built upon them.

Modern global environment does not prefer just large and mature firms anymore and it is rather more favorable to firms with unique assets (Oviatt & McDougall, 1994; Vesper, 1990). Markets are homogeneous themselves where ability to transfer resources between countries is not a big problem nowadays (The Economist, 1993a). A unique talent that can differentiate from other international competitors is a crucial aspect of sustainable international business (Barney, 1991; Caves, 1996; Hamel & Prahalad, 1990; Stalk et al., 1991). To compete with internationally experienced mature firms, new ventures need a special weapon. Most new firms are short of physical resources and market power yet firm-exclusive information can substitute lack of resources and power (Vesper, 1990). Combination of one's innovative idea and international resources obtained from past experience can create unique products and skills to meet international demands, which provide competitive advantage to small young firms (Gomez et al., 2004). In such a competitive and fast-changing environment of global fashion industry, innovative product provides competence and sustainability for business (Knight & Cavusgil, 2004; Nelson & Winter 1982). Having this powerful instrument, managers at international new ventures will have competence to enter

global market and consider further intensive internationalization. Cavusgil & Naor (1987) also found that unique firm advantages that differentiate from competitors and characteristics of decision maker are both resource-driven factors, as well as have direct impact on international involvement and performance. Based on findings, the study proposes below hypothesis,

H: Firm's possession of Differentiation Advantage positively influences firm's international performance.

3.2.3. International Resources

There are various kinds of resources and Resources Based View categorizes them into three types: Physical resource, Human resource, and Organizational resource (Becker, 1964; Tomer, 1987; Williamson, 1975). Physical resources include raw material, equipment, and location. Human resources include experience, relationships, insights, judgment, and intelligence. Organizational resources include within-between organizational relationships and management system (Barney, 1991). According to RBV, such firm resources need to fulfill characteristics of heterogeneity and immobility in order for them to achieve sustained competitive advantage (Barney, 1991) therefore, sources of sustained competitive advantage are found to be human and organizational resources (Barney, 1991; Wernerfelt, 1984).

International new venture is a phenomenon occurred based on the successful use

of human and organizational resources. These ventures are mostly small and have limited physical resources at early stage but they still successfully manifest as international business from inception (McDougall, 1989; Oviatt et al., 1991) because they were able to achieve competitive advantage with human and organizational resources (Oviatt & McDougall, 1994; Vesper, 1990). Hence, the research will focus on such intangible human resources and organizational resources to explain international behavior of new ventures and competitive advantage formation in process.

Barney (1991) listed examples of human resources as experience, relationships, judgment, intelligence and insights. One's relationship, judgment, and intelligence are under the premise of individual experience and knowledge which is one's property that differs from another's. Thus, firm-specific human resources are heterogeneous and immobile (Barney, 1991). And, these heterogeneous and immobile human resources together form organizational resources (within-between organizational relationship and firm's marketing & management system) which makes each firm's organizational resources to be also heterogeneous and immobile. Consequently, the study adopts "International experience", "International Network" and "Managerial Attitude towards internationalization" as firm's human resources and "Firm's Capability to internationalize" as firm's organizational resources. International experience explains the international experience and knowledge of entrepreneur. International network describes relationship and insights of entrepreneur. The attitude of entrepreneur towards internationalization is

cognitive base for judgment. Firm's capability to internationalize includes firm's skills to develop products and conduct business strategies to meet international demands. Each term: International experience, International Network, Managerial Attitude, and Firm's Capability are explained below. International experience is introduced at last as it is not only an important human resource but also the background of other firm resources: International network, Managerial attitude, Firm's capability (Wernerfelt, 1984).

3.2.3.1. International Network

Network is relationship between persons and international network is relationship with foreign entities (Larson, 1992). It encourages partnership between firms for mutual benefits which nowadays became critical element for enterprise (Colarelli et al, 2008; Macpherson et al., 2004; Williamson, 1991; Zimmer, 1986). International new ventures can make a great use of partnerships to make up for their poverty of resources and power in international market (Chang, 2003; Liao et al., 2009; Vesper, 1990). Generally, new venture provides firm-specific innovative skills and knowledge then in turn, being provided with the capital or production capacity (e.g. manufacturing facility, materials) (Reich, 1991). Such alliance not only provides competence to a firm but also enables these ventures to perform better in international market (Ayuso et al., 2006) and the partnership premises international network, which mostly obtained through international experience. This private network is more starkly involved with each other and tends to be more

inhibited from inappropriate manners than formal relationships (Larson, 1992). Academics revealed that international network is crucial aspect in development of exclusive skills and knowledge for international business (Conner et al., 2008; Macpherson, 2004). Strategic alliance through network can provide complimentary resources between partners for synergetic international performance and it is especially important for small firms due to their limited internal assets (Chang, 2003; Doving & Gooderham, 2008). International network can further promote small firm's ability to identify exclusive opportunities and market needs which become a learning relationship to develop firm's own differentiation advantage (Ayuso et al., 2006). Therefore the study suggests,

H: The extent of International Network of entrepreneur positively influences a firm's possession of Differentiation Advantage.

3.2.3.2. Managerial Attitude

Managerial attitude toward international expansion and operation often described as the single most important indicator of firm's international performance (Axinn, 1988; Kedia & Chhokar, 1986). The alertness to potential business models is greatly influenced by personal experience (Casson, 1982; Ronstadt, 1988). Attitude of entrepreneur towards importance of international market can make newly founded firms to seriously consider international business since entrepreneur has maturely large impact on overall activities of firm at their early stages (Knight,

1996). The decision making process of entrepreneur is based on one' cognitive base, which composed of past experience and background (Schwenk, 1988). Moreover, strategic choices are mostly made on top executives' perception rather than the actual situation (March & Simon, 1958) which exhibits the critical role of top managers' perception on Firm's internationalization strategy. Managers with positive attitude towards internationalization tend to be less concerned about complexities in market expansion (Axinn, 1988) and have low uncertainty tolerance (Hambrick & Mason, 1984; Wiedersheim et al., 1978). Prior studies also have found a key variable to decide a firm's success in international competition is managerial attitude toward the international market (Abdel-Malek, 1978; Axinn, 1988; Cavusgil et al., 1979). Willingness to enter global market and extend geographical coverage tremendously depends on international vision of entrepreneur (Jolly et al., 1992). Such international vision promotes entrepreneurs to be always aware and informed of international market needs therefore enables their firms to achieve sustained competitive advantage in international market environment. Therefore, the study proposes following hypothesis,

H: Managerial Attitude towards internationalization positively influences a firm's possession of Differentiation Advantage.

3.2.3.3. Firm's Capability

As stated above, firm's capability to internationalize largely depends on founder's knowledge and attitude (Knight, 1996). There are entrepreneurs who have the same international experience and knowledge but going on different paths or failed to operate successful international business. While there might be many psychological and environmental reasons behind, being able to make use of surrounded environment and integrate resources for better performance has a direct influence on successful business (Helfat et al., 2007; Teece, 2007; Winter, 2003). Forward-thinking and progressive attitude are not everything to this matter. The ability to stay alert with international opportunity and engage resources of different continents to satisfy international demands is qualification of a genuine international entrepreneur (Coviello & Munro, 1992; Hoy et al., 1992; Oviatt & McDougall, 1994; Ray, 1989). Integration of accumulated international knowledge enables international product offerings and marketing skills which in the end, creates firm's own differentiation advantage (Lewin & Massini, 2003).

Sustained competitive advantage reflects a firm's capability to handle such operations (Autio et al., 2000; Knigh & Cavusgil, 2004; McDougall et al., 1994; Schumpeter, 1934; Zahra et al., 2000). Furthermore, operational capabilities highly influence performance through unique resource that is tough to imitate (Eisenhardt & Martin, 2000; Teece et al., 1997). The improvement of products and consumer satisfaction can be enhanced by firm's use of accumulated knowledge and resources (Dosi, 1988; Nelson & Winter, 1982). Especially, knowledge and

resources possessed upon foundation build a firm's capability to meet international demands, which determines a firm's competitive advantage in international market (Barney, 1991; Grant, 1996; Prahalad & Hamel, 1990; Teece & Pisano, 1994; Wernerfelt, 1984). Accordingly, the study suggest below hypothesis,

H: Firm's Capability to internationalize positively influences firm's possession of Differentiation Advantage.

3.2.4. International Experience

One of motives for internationalization is "decision maker characteristics" which include past history and experience of manager (Wiedersheim et al., 1978), which constantly appear as the background of other firm resources. It is one of the biggest facilitating factors of internationalization and increases the awareness to overseas market opportunities (Tihanyi et al., 2000). It can be measured as the extent to which manger engages in foreign travels, the number of language spoken by manager, and whether decision maker was born, lived, or worked abroad which found to have significant influence on success of internationalization (Athanasiou & Nigh, 2000; Dichtl et al., 1990; Manolova et al., 2002; Meisenbock, 1988; Reid, 1981; Reuber & Fischer, 1997). It is not only one of the important human resources but also basis of other resources. As internationalization requires experiential knowledge and resources (Dunning, 1988; Johanson & Vahlne, 1977; Oviatt & McDougall, 1994), such experience of entrepreneur is found to be one of most

important stimuli of firm's overall international activities (Gripsrud, 1990; Katsikeas & Piercy, 1993). The size of Korean designer fashion brands is mostly small and some are medium enterprise (KOCCA, 2015) and firm's direction is highly dependent on decisions made by entrepreneur or top management in small firms (Kyvik et al., 2013; Penrose, 1959). Furthermore, firms are more likely to have organizational outcome when initiating elements are related to and operated by top management (Eriksson, 2013; Narayanan et al., 2009). Therefore, international experience of decision maker is significant source of human and organizational resources as well as has a direct impact on international performance of new ventures.

Founders of international new ventures tend to be more experienced in international environment and traveled foreign countries (Birley & Norburn, 1987), which increase chances to engage in international activities after establishment compared to other firms founded by un-experienced entrepreneurs. Prior literatures also found that international experience promotes firms to serve better in international market environment therefore encourage them to be more involve in international business (Athanassiou & Nigh, 2000; Reuber & Fischer, 1997; Sambharya, 1996; Tihanyi et al., 2000). Firm-specific knowledge and resources that is path-dependent are mostly built up through experience (Camuffo & Volpato, 1996; Farrant & Flynn, 1999; Macher & Moowery, 2009; Pandza et al., 2003). In addition, studies have revealed that internationally experienced entrepreneur is well disposed to international environment and tends to have more extensive

international relationship formed through past international experience (Ghoshal & Bartlett, 1989). They also easily adapt to international environment which navigate a firm to develop competitive advantage in global market (Gupta & Govindarajan, 2002). Hence, the study suggests following hypotheses,

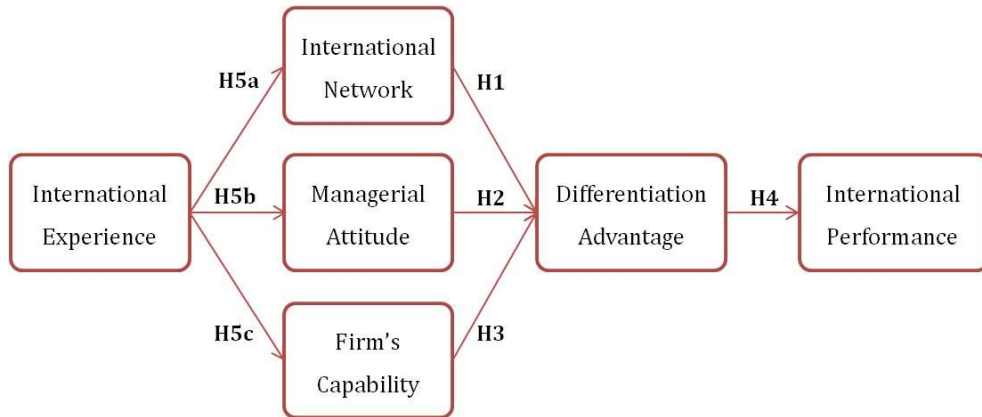
Ha: International experience of entrepreneur positively influences the extent of International Network.

Hb: International experience of entrepreneur positively influences Managerial Attitude towards internationalization.

Hc: International experience of entrepreneur positively influences Firm's Capability to internationalize.

3.3. Conceptual Framework

Empirical studies regarding relationships between resources and performance have been conducted based on sustained competitive advantage (Barney, 1991; Crook et al., 2008; Wernerfelt, 1984). Therefore, this study suggests relationship between international resources and performance based on conceptual model of Resources Based View. The research model is shown below <Figure 3-5>.



<Figure 3-4> Research Model

H1: The extent of International Network of entrepreneur positively influences a firm's possession of Differentiation Advantage.

H2: Managerial Attitude towards internationalization positively influences a firm's possession of Differentiation Advantage.

H3: Firm's Capability to internationalize positively influences firm's possession of Differentiation Advantage.

H4: Firm's possession of Differentiation Advantage positively influences firm's international performance.

H5a: International experience of entrepreneur positively influences the extent of International Network.

H5b: International experience of entrepreneur positively influences Managerial Attitude towards internationalization.

H5c: International experience of entrepreneur positively influences Firm's Capability to internationalize.

Chapter 4. Methodology

In order to take an empirical approach to the conceptual framework, cross industry surveys were conducted to collect the necessary data. The survey instrument was a questionnaire based on previous literature. This chapter describes a sample and research administration, overall design of the survey, and the methods adopted for data analysis.

4.1. Sample Administration

The sample was obtained from the member directory available at the Council of Fashion Designers in Korea (CFDK), Korea Fashion Association (KFA), and Korean Apparel Industry Association (KAIA). Only the firms within designer brand category were reviewed for accurate data. The Google Online Survey System was used to collect data, and the survey was distributed to the firms' founders and top management teams via Email. Both the notice and the question to ensure that the founder or CEO of firm was answering the questionnaire were included at the beginning of survey. In order to increase the return rate, office visits and phone calls were carried out in parallel. The data was collected between April 7th, 2016 and April 20th, 2016, and the questionnaire was sent to 589 firms. Contacting 88 of those firms failed due to invalid email addresses, which left 501 samples. A total of 139 respondents replied which yields a response rate of 27%.

According to McDougall et al., (2003), the definition of new international

venture is “a company that generates overseas sales within 6 years after incorporation.” 27 respondents who did not meet requirements were excluded which leaves 112 responses in the final data set for analysis.

4.2. Survey Context

The survey contained six variables: international experience, international network, managerial attitude, firm’s capability, differentiation advantage, and the international performance, as well as further questions on the level of internationalization and Firm’s background information.

The questionnaire was developed based on prior studies and was reviewed by academic professionals. A pre-test of its questions was conducted on CEOs, top managers of Korean designer brands, and industry professionals who are familiar with the topic in order to enhance the understanding of its context and make the delivery clear. A further modification has made based on the comments from academic professionals and the results of preliminary survey and the interviews conducted with the founders of targeted firms.

A total of 30 questions was developed using a 5-point Likert Scale, which varies from “strongly disagree” to “strongly agree,” in addition to multiple choice questions and open-end questions. International experience adopts five questions and for the rest of variables: International Network, Differentiation advantage, Managerial Attitude, and Firm’s Capability each employed three questions. Four questions were included to measure International performance, two questions for

level of Internationalization and four questions to obtain background information of founder and firm. Questions testing the level of internationalization were based on the new international venture model by Oviatt & McDougall (1997), as shown above in <Figure 3-2>, in order to classify the current status of new international ventures in the Korean fashion industry. Specific items used for each variable are listed in below <Table 4-1> along with relevant literature based on which each question was developed.

<Table 4-1> Questionnaire Items and Sources for Variables

Variable	Items	Source
International Experience	How long have you lived, studied, or worked abroad?	Ruzzier et al. (2007), Leonidou et al. (1988), Manolova et al. (2002)
	How long have you involved in international business before launching own brand?	
	How many foreign languages do you fluently speak?	
	I frequently went on business trips before launching my own brand.	
	I frequently traveled overseas before launching my own brand.	
International Network	I have many formal/social relationships in foreign markets.	Bloodgood et al. (1996), Westhead et al. (2001)
	I frequently keep in contact with these networks.	
	I can access international marketing information through these networks.	

Differentiation advantage	Our product has a unique feature for international market that differentiates from other competitors.	Miller (1988), Roth & Morrison (1992), Knight & Cavusgil (2004) Wiedersheim et al. (1978)
	We have special international marketing and management skills that differentiate from other competitors.	
	Our brand especially appeals to international clients than other brands.	
Managerial Attitude	International business will enhance profitability of my firm.	Acedo & Jones (2007), Moini (1992), and Sitkin & Weingart (1995).
	Internationalization generates an important opportunity for my firm.	
	Internationalization positively influences my business.	
Firm's Capability	My firm is able to internationalize product offerings.	Eshghi (1992) Cavusgil & Zou (1994)
	Our foreign sales will eventually increase.	
	Foreign clients are satisfied with my Firm's performance.	
International performance	How many employees spend over 50% of their time for international business?	Axinn (1988), Reuber & Fischer (1997), Sullivan (1994)
	What is the proportion of foreign sales to total sales?	
	Are you satisfied with your Firm's performance in international market?	
	Are you satisfied with your Firm's sales in international market?	

4.2.1. International Experience

The most common measure used for International experience is the length of time spent outside of country, the number of languages spoken by top managers, and likeness to travel to foreign countries (Antoncic et al., 2007; Leonidou et al., 1988). Moreover, this study adopts measures for overseas business experience (Manolova et al., 2002), since exposure to experience in a specific area is also critical for future capability in the said field (McCauley, Ruderman, Ohlott, and Morrow 1994). A total of 5 items were used for measuring the International experience variable: frequency of overseas travel and business trips before launching the brand was asked in a 5 point Likert Scale; the period of time spent outside home country and work experience related to international business, as well as the number of fluent languages were asked in multiple choice questions.

4.2.2. International Network

Westhead et al. (2001) have found that exporters are more likely to form strong personal or formal relationships in foreign countries and constantly interact with these networks. This dense networking becomes an important source of information for international activities (Ruzzier et al., 2007). As an international network is an important international business skill, it is a significant source of competitive advantage to internationalize (Bloodgood et al., 1996; Ruzzier et al., 2007). This study adopts scales from the studies of Bloodgood et al. (1996),

Ruzzier et al. (2007), Westhead et al. (2001). Three 5-point Likert Scale questions asked about the existence of an international network, interconnectedness with said network, and access to information through this network.

4.2.3. Managerial Attitude

To measure the attitude of entrepreneur or the founder towards internationalization, most questions were designed to measure the degree of positivity towards foreign markets and being able to sense the appropriate international opportunities. These modified questions were obtained from the studies of Acedo & Jones (2007), Moini (1992), and Sitkin & Weingart (1995). The measurement was done on a 5-point Likert Scale and a total of 3 items asked about their acknowledgement of internationalization as a positive influence and an important opportunity for the firm and its future profitability.

4.2.4. Firm's Capability

International capability was used to measure "International experience" in the study by Knight and Cavusgil (2007); however, the researcher considers the Firm's capability as having a wider spectrum which comes after experiential measures and therefore it is hypothesized in the study to be a dependent variable influenced by international experience. Hence, capabilities for both current and future status were tested on a 5-point Likert Scale, and the 3 items included ask about the Firm's

capability in international product offerings and foreign consumer satisfaction, as well as future sales in the international market (see for: Eshghi, 1992; Cavusgil & Zou, 1994; McKee et al., 1992).

4.2.5. Differentiation Advantage

As mentioned in both the international new venture theory (Oviatt & McDougall, 1997) and the traditional diamond theory by Porter (1988), differentiation advantage is an important competitive advantage to for sustainable international new venture. Being able to perform Firm's exclusive marketing and management strategy, develop unique product features and create appealing brand image are differentiation advantages that other competitors cannot imitate (Edvardsson et al., 1993; Westhead et al., 2001; Knight & Cavusgil, 2004). The measurement of "Differentiation advantage" was brought from the scales used in Miller (1988), Roth & Morrison (1992), Knight & Cavusgil (2004), and Wiedersheim et al. (1978). Three questions were asked on the 5-point Likert Scale about the existence of an unique product feature; marketing and management skills; and an appealing brand image that cater to the international market and can differentiate the firm from other international competitors.

4.2.6. International Performance

The most common scale for evaluating internationalization is the ratio of foreign sales to total sales, which is a more appropriate measure for International Intensity (Axinn 1988). However, in order to measure the international performance, which takes a broader context, Sullivan (1994) argues in his study that multiple items are needed. Ramaswamy et al. (1996) discovered few limitations in this five-point measure and Reuber & Fischer (1997) made the final adjustments to more appropriately measure entrepreneurs of small firms. This research adopts the scale created by Reuber & Fischer (1997) with revisions to make it more suitable for this study. Therefore, two numerical and two subjective scales were used to measure the international performance, which makes a total of 4 questions. Numerical scale is used for the number of employees who spend more than 50% of their time on international activities and the ratio of foreign market sales to overall sales of a firm. As far as for the subjective scale, a 5-point likert scale is adopted to measure international performance and sales satisfaction.

4.3. Data Analysis

The survey was constructed with three sections and scales used were 5 point likert, multiple choices, and Open-end answers. Data was analyzed via SPSS 22.0 as well as frequency analysis, exploratory factor analysis, and both multi and simple regression analysis were used in process.

Chapter 5. Results and Discussion

This chapter describes the results of collected data analyzed using SPSS 22.0. The overall background and current international status of the Korean designer fashion firms are explained through frequency analysis, and validity and reliability of variables are confirmed through factor and reliability analysis. Then in order to test suggested hypotheses, multi-regression analysis have been conducted.

5.1. Background Information

Since the study aims to investigate a Firm's international behavior, the backgrounds of responding firms have been analyzed through frequent analysis instead of demographic information of respondents.

5.1.1. Business Profile of Responded Firms

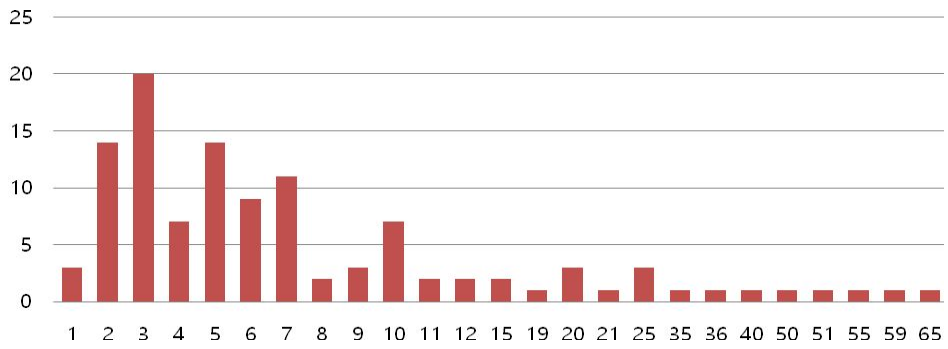
The total number of respondents was 112. For the size of firms, 79% of respondents had fewer than 10 employees and 18%, which is the highest rate of all, had only 3 employees. This result generates the same finding with international new ventures being small sized in previous literature (Gupta, 1989; Oviatt & McDougall, 1994). Additionally, more than half of CEOs were in their 30s and 91% of responded firms were founded after 1990s. To be more specific, these firms were mostly founded in 2009 and 2010 as each year contains the rate of 16% and

15% of firms established. The overall result shows most firms are recently founded small firms that are operated by young entrepreneurs. Lastly, multiple answers have been collected for type of product that firms carry. As a result, 47% of firms produce Apparel and 31% produced Accessories to follow. The detail information is shown in below <Table 5-1>.

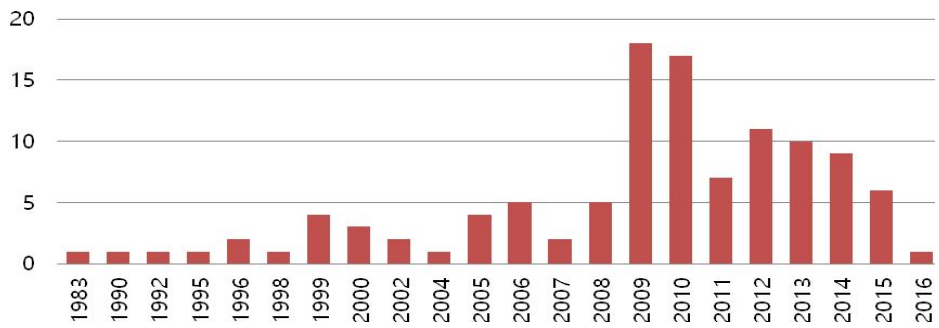
<Table 5-1> Business Profile of Responded Firms

Category	Type	Frequency	Percentage
Total		112	100%
Number of employees	1~5	58	51%
	6~10	32	28%
	11~20	10	9%
	21~50	7	6%
	Above 50	5	4%
Age of CEO	20s	6	5%
	30s	69	62%
	40s	18	16%
	50s	13	12%
	60s & above	6	5%
Established year	1980 - 1989	1	1%
	1990 - 1999	10	9%
	2000 - 2009	41	37%
	2010 - current	61	54%
Type of product (multiple answers Total = 155)	Apparel	69	47%
	Accessories	46	31%
	Jewelry	16	11%
	Etc	16	11%

<Figure 5-1> Number of Employees at Responded Firms



<Figure 5-2> Established Year of Responded Firms



5.1.2. International Background of Respondents

It is important to review international background of entrepreneur before heading to the next step to find relationship between their international resources and firm's performance. 38% of respondents stayed outside of Korea for 1 to 3 years and 27% had no experience staying abroad. But, about 77 respondents had 1 to 7 years of international business working experience before foundation of a company, which is 68% of total respondents and only 19% had no international business working experience. The difference in numbers between no experience staying abroad (30) and no international business working experience (22) shows that there are managers who have worked related to international business but no experience staying abroad. Additionally, majority of respondents could fluently speak one foreign language other than Korean which is native language. The detail information is shared in below <Table 5-2>.

<Table 5-2> International Background of Respondents

Category	Type	Frequency	Percentage
Total		112	100%
Time stayed abroad	None	30	27%
	1-3 years	43	38%
	4-7 years	17	15%
	8-10 years	19	17%
	Above 10 years	3	3%
International business working experience	None	22	19%
	1-3 years	50	44%
	4-7 years	27	24%
	8-10 years	9	8%
	Above 10 years	4	4%
Number of languages fluently spoken	None	20	18%
	1	69	61%
	2	22	19%
	3	1	1%

5.1.3. International Background of Responded Firms

International background of responded firms was as follows: More than half of firms was international from inception or took less than 1 year for internationalization. Furthermore, firms that took 2 to 3 years to internationalize were 29%. Such statistic shows that majority of responded firms took less than 3 years to internationalize, which describes the rapid pace of internationalization of Korean fashion industry. There is a definite international new venture phenomenon (Madsen and Servais, 1997; Zucchella et al., 2007) in Korean fashion industry. Proportion of employees spending over 50% of their working hours for international business was evenly distributed but below 10% was the highest (26%). Additionally, 29 firms out of 112 firms were making more than 70% of their sales from the foreign market but in contrast, 26 firms which is the similar number, were making less than 10% of its sales from foreign market. These numbers shows an extreme difference in foreign market sales proportion regardless of internationalization speed. The detail information is suggested in below <Table 5-3>.

<Table 5-3> International Background of Responded Firms

Category	Type	Frequency	Percentage
Total		112	100%
Years took to enter international market after foundation	From inception	31	27%
	1 year	30	27%
	2 years	21	19%
	3 years	11	10%
	4 years	8	7%
	5 years	8	7%
	6 years	3	3%
Proportion of employees spending over 50% of working hours for international activities	Below 10%	29	26%
	10%-30%	21	19%
	31%-50%	23	20%
	51%-70%	20	18%
	Above 70%	19	17%
Proportion of foreign sales to total sales	Below 10%	26	23%
	10%-30%	24	21%
	31%-50%	17	15%
	51%-70%	16	14%
	Above 70%	29	26%

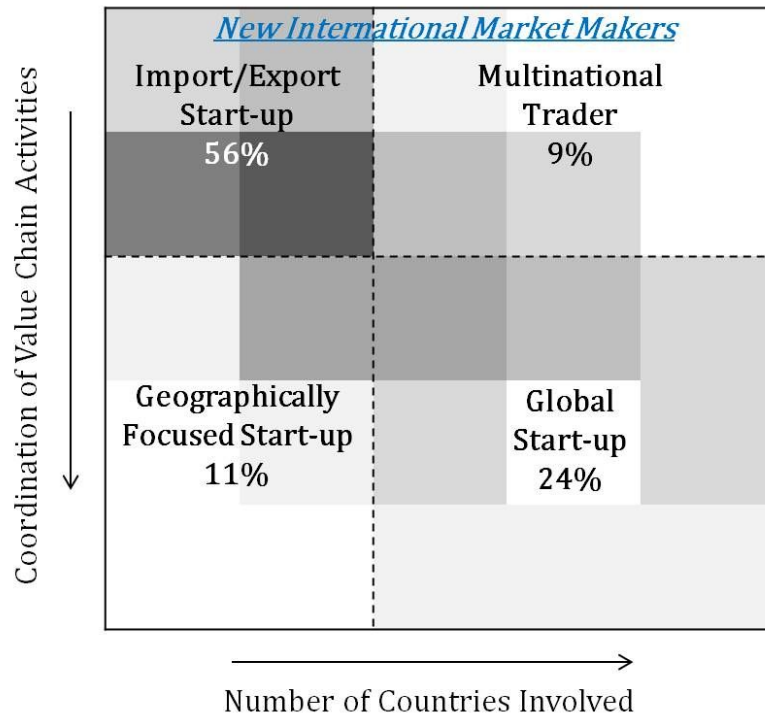
5.1.4. International Status of Responded Firms

In order to review international types of Korean designer fashion firms, cross tabulation analysis was conducted. Overall, about 38% of firms were conducting 1 to 2 activities across 2 to 5 countries. 50% of firms were involved in 2 to 5 countries and 81% were coordinating 1 to 4 activities across countries. The detail information is shown in <Table 5-4>.

<Table 5-4> International Status of Responded Firms

		Number of countries involved					Total
		1	2-5	6-10	11-20	Above 20	
Coordination of value chain activities	0	4 (3.6)	5 (4.5)	2 (1.8)	0 (0)	0 (0)	11 (9.8)
	1-2	12 (10.7)	42 (37.5)	5 (4.5)	3 (2.7)	0 (0)	62 (55.4)
	3-4	2 (1.8)	9 (8.0)	8 (7.1)	6 (5.4)	4 (3.6)	29 (25.9)
	5-6	0 (0)	1 (.9)	3 (2.7)	0 (0)	3 (2.7)	7 (6.3)
	Above 6	0 (0)	0 (0)	1 (.9)	1 (.9)	1 (.9)	3 (2.7)
	Total	18 (16.1)	57 (50.9)	19 (17.0)	10 (8.9)	8 (7.1)	112 (100.0)

<Figure 5-3> International Types of Responded Firms



According to types of international new venture suggested by Oviatt & McDougall (1994) in <Figure 2-2>, majority of firms (56.3%) fell under Export/Import Start-up and there were few Global Start-ups (24.2%) as well. Export/Import start-ups usually serve few countries that entrepreneur is familiar with and categorized under New International Market Makers, which generate foreign market profits from logistics activities. Their sustained competitive advantages largely depend on being able to find and act on the emerging international opportunities, insights of foreign suppliers and markets, and the capacity to maintain international network (Oviatt & McDougall, 1994) which list

international resources possessed by most international new ventures in Korean fashion industry.

Global start-up is the most difficult stage for international new venture to achieve since it requires capability to coordinate extensive activities across multiple countries. These firms achieve significant competitive advantages with active approach to opportunities around the globe and instant response to globalizing markets (Oviatt & McDougall, 1994). International new ventures categorizing under Global start-up possess suggested international resources and sustained competitive advantages to the full extent which shows positive future of Korean fashion industry in global market.

5.2. Reliability Analysis

Explanatory factor analysis was conducted to test validity and Cronbach's alpha coefficient was also used to confirm internal consistency. For factor analysis, International experience had one item ("I frequently traveled overseas before launching") that is below .7 (.586) for the factor loading score, which was excluded for the rest of analysis then the eigen-value of each factor was all shown above 2.00. For reliability analysis, Cronbach's α of each variable was all above .7 which is in the safe zone for confirmatory approach: International experience (.722), International Network (.927), Managerial Attitude (.872), Firm's Capability (.898), Differentiation advantage (.805), International performance (.863). Therefore, the internal consistency of variables along with validity and reliability of items are confirmed. The detail information is shown in below <Table 5-5>.

<Table 5-5> Reliability Analysis

Factor	Item	Validity			Reliability
		Factor loading	Eigen value	Varian ce (%)	Cronba ch's α
International experience	Time stayed abroad.	.768	2.256	56.409	.722
	International business working experience.	.711			
	Number of languages fluently spoken.	.716			
	I frequently went on business trips before launching my own brand.	.733			
	I frequently traveled overseas before launching my own brand.	.586			
International Network	I have many formal/social relationships in foreign markets.	.923	2.624	87.470	.927
	I frequently keep in contact with these networks.	.952			
	I can access international marketing information through these networks.	.931			
Managerial Attitude	International business will enhance profitability of my firm.	.850	2.417	80.555	.872
	Internationalization generates an important opportunity for my firm.	.945			
	Internationalization positively influences my business.	.895			

Firm's Capability	My firm is able to internationalize product offerings.	.924	2.498	83.276	.898
	Our foreign sales will eventually increase.	.928			
	Foreign clients are satisfied with my Firm's performance.	.885			
Differentiation advantage	Our product has a unique feature for international market that differentiates from other competitors.	.878	2.177	72.576	.805
	We have special international marketing and management skills that differentiate from other competitors.	.813			
	Our brand especially appeals to international clients than other brands.	.864			
International performance	Number of employees with over 50% of workload for international business.	.859	2.907	72.687	.863
	Proportion of foreign sales to total sales.	.880			
	Degree of satisfaction on International market adaptation.	.869			
	Degree of satisfaction on International market sales.	.801			

5.3. Regression Analysis

Expressions are used to test hypothesis using regression approach via SPSS 22.0 in this chapter. First, the relationship between international resources (international experience, international network, managerial attitude, and firm's capability) and differentiation advantage is measured. Then, the impact of differentiation advantage on international performance is tested and finally, the impact of international experience on international network, managerial attitude, and firm's capability is measured to follow.

5.3.1. The impact of International Network, Managerial Attitude, and Firm's Capability on Differentiation Advantage

As it is shown in <Table 5-6>, the proposed regression model is significant and international resources account for 58.9% of the variance in differentiation advantage ($F=51.500$, $p \leq .001$). The regression analysis results demonstrate that not all international resources have a great impact on firm's possession of differentiation advantage. As H1 predicted that the extent of international network has a positive influence on firm's differentiation advantage, the result supports this hypothesis ($t=4.521$, $p \leq .001$). Moreover, results indicate significant impact of managerial attitude towards internationalization and firm's capability to

internationalize on firm's possession of differentiation advantage, thus H2 ($t=3.029$, $p \leq .01$) and H3 ($t=4.027$, $p \leq .001$) are supported.

To summarize, international network and attitude of decision maker are positively associated with differentiation advantage and firm's capability to internationalize also have positive relationship with differentiation advantage that firm possess. If decision maker has more intensive international network and positive attitude towards international market, a firm has more chance to develop Differentiation advantage. Moreover, if a firm is capable of conducting international business, their Differentiation advantage advances.

<Table 5-6> Multi-Regression Analysis of International Resources toward Differentiation Advantage

Dependent Variable	Independent Variable	B	Std Error	β	t	Sig.
Differentiation Advantage	(Constant)	-.056	.302		-.186	.853
	International Network	.233	.052	.289***	4.521	.000
	Managerial Attitude	.305	.101	.299**	3.029	.003
	Firm's Capability	.418	.104	.390***	4.027	.000
	R2=.589, F=51.500, p=.000					

*** $p \leq .001$, ** $p \leq .01$, * $p \leq .05$

5.3.2. The impact of Differentiation Advantage on International Performance

<Table 5-7> summarize the result of regression analysis and presents that proposed model is significant ($F=46.114$, $p \leq .001$). Differentiation advantage accounts for 29.5% of variance in international performance. As H4 predicts a strong relationship between firm's possession of differentiation advantage and firm's international performance, the result support suggested hypothesis ($\beta=.543$, $p \leq .001$). Thus, a positive relationship between differentiation advantage and firm's international performance is found which means as a firm possesses more differentiation advantage, firm's international involvement and performance increase.

<Table 5-7> Regression Analysis of Differentiation Advantage towards International Performance

Dependent Variable	Independent Variable	B	Std Error	β	t	Sig.
International Performance	(Constant)	.266	.401		.663	.509
	Differentiation Advantage	.733	.108	.543***	6.791	.000
R ² =.295, F=46.114, p=.000						

*** $p \leq .001$, ** $p \leq .01$, * $p \leq .05$

5.3.3. The impact of International Experience on International Network, Managerial Attitude, and Firm's Capability

A total of three regression analyses were conducted to test H1a, H1b, and H1c and results are summarized in <Table 5-8>. The results reveal that each proposed model for H5a ($F=91.632$, $p \leq .001$), H5b ($F=6.986$, $p \leq .01$), H5c ($F=4.257$, $p \leq .05$) is significant and international experience of entrepreneur accounts for 45.4% of variance in the extent of international network of entrepreneur, 6% in managerial attitude towards internationalization, and 3.7% in firm's capability to internationalize.

International experience of entrepreneur has a strong relationship with the extent of international network that entrepreneur access ($\beta=.674$, $p \leq .001$) which shows H5a is supported. Moreover, as the rest of hypotheses predicted, international experience of entrepreneur has a positive impact on both managerial attitude towards internationalization and firm's capability to internationalize. Hence, the results support H5b ($\beta=.244$, $p \leq .01$) and H5c ($\beta=.193$, $p \leq .05$).

A result of the model explains that international experience of entrepreneur has a positive relationship with international network, managerial attitude towards internationalization, and firm's capability to internationalize. If entrepreneur of a firm is more experienced with international environment, a firm is more capable of handling the overall activities to meet international demands. Internationally

experienced manager has more extensive international relationships and has more favorable attitude about international activities.

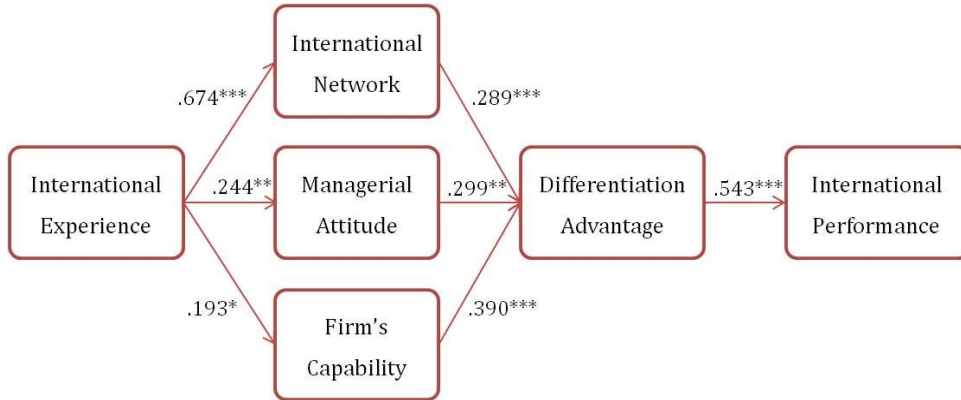
<Table 5-8> Regression Analysis of International Experience towards
International Resources

Dependent Variable	Independent Variable	B	Std Error	β	t	Sig.
International Network	(Constant)	.787	.245		3.213	.002
	International Experience	.898	.094	.674***	9.572	.000
	R2=.454, F=91.632, p=.000					
Managerial Attitude	(Constant)	3.458	.255		13.585	.000
	International Experience	.258	.097	.244**	2.643	.009
	R2=.060, F=6.986, p=.009					
Firm's Capability	(Constant)	3.633	.245		14.815	.000
	International Experience	.194	.094	.193*	2.063	.041
	R2=.037, F=4.257, p=.041					

***p ≤ .001, **p ≤ .01, *p ≤ .05

5.4. Hypotheses Test

The overall result is summarized in a conceptual model below <Figure 5-4>.



<Figure 5-4> Result of Regression Analysis

A positive impact of International experience on International Network, Managerial Attitude, and Firm's Capability has been found and these firm-specific resources also have significant impact on Differentiation Advantage. In the end, Differentiation Advantage increases International Performance. The result of hypotheses is presented below.

[H1: The extent of International Network of entrepreneur positively influences a firm's possession of Differentiation Advantage. has been **supported**.

[H2: Managerial Attitude towards internationalization positively influences a firm's possession of Differentiation Advantage.] has been **supported**.

[H3: Firm's Capability to internationalize positively influences firm's possession of Differentiation Advantage.] has been **supported**.

[H4: Firm's possession of Differentiation Advantage positively influences its international performance.] has been **supported**.

[H5a: International experience of entrepreneur positively influences the extent of International Network.] has been **supported**.

[H5b: International experience of entrepreneur positively influences Managerial Attitude towards internationalization.] has been **supported**.

[H5c: International experience of entrepreneur positively influences Firm's Capability to internationalize.] has been **supported**.

Chapter 6. Conclusion and Implication

This chapter concludes the research findings and how it can be implicated in both academic field and industry. Furthermore, limitations on overall research procedure and content is discussed with further possible investigations to follow. In this process, internationalization strategies for Korean designer fashion firms are suggested based on result of data.

6.1. Conclusion

Although majority of designer fashion firms are small and access limited physical resources such as manufacturing facilities, they are mostly international from foundation or doesn't take long to get involved in international business (Choi, 2015.11, Park, 2015.11). The result of this study presents that internationalization of these new ventures is based on their international resources which comes from their experience prior to foundation.

6.1.1. International Resources and Sustained Competitive Advantage

International resources provide a firm to seize a favorable stand in international market and this competitive advantage can differentiate from other competitors,

which eventually increases international performance. Such firm's behavior process is well explained in Resources-Based View (Wernerfelt, 1984; Barney, 1991). Barney (1991) further suggests that competitive advantage becomes sustainable if the firm resource is inimitable by other firms. To meet inimitable standard, firm's "Differentiation advantage" is suggested for sustained competitive advantage that increases a "International performance" which measures international involvement and performance. And human resources and organizational resources are identified as important resources for firm's competitive advantage therefore, four international resources are chosen as follow: "International experience", "International Network", "Managerial Attitude", and "Firm's Capability".

6.1.2. International Background of Korean Fashion Industry

Based on the result of data analysis, the research has found international status of both Entrepreneurs and Korean designer fashion firms. The research has found that entrepreneurs of Korean designer fashion firms that are currently conducting international business mostly have international working experience prior to foundation and bi-lingual. However, the longitude of time stayed abroad was not as long as their career in international business, which shows that these entrepreneurs are able to obtain their international knowledge and resources from indirect experiences such as related jobs and studying.

Concerning current international status of overall Korean designer fashion firms,

majority of them took less than 3 years to internationalize including fair proportion was international from inception which fits the definition of international new venture in prior literature (Madsen and Servais, 1997; Oviatt & McDougall, 1988; Zucchella et al., 2007). The interesting finding was that both human resources involvement towards international business and proportion of foreign sales to overall sales were widely distributed. Although internationalization speed of Korean designer fashion firms is high, it does not have a great impact on international performance.

In addition, most of responded firms were Export/Import start-ups and Global start-ups had fairly high proportion considering that it is the ideal type of international new ventures. The result presents that although many of them yet largely depend on sales activities across limited countries, there is a great potential for them to become global start-ups. There are a quite large number of successful internationalization cases that conduct various activities across multiple countries in less than 6 years of international operation. These firms not only achieve a significant competitive advantage but also actively response to international demands across countries. Presence of such international leaders within Korean fashion industry will eventually lead to promotion of internationalization across brands, which is the aim of many subsidiary programs funded by Korean government (KOCCA, 2015) and ideal state of Korean fashion industry.

6.1.3. The relationships between International Resources and Internationalization

Most of all hypotheses have been confirmed: 1) significant impact of international experience on international resources, 2) significant impact of international resources on differentiation advantage, and 3) significant impact of differentiation advantage on international performance. Such result of overall model can summarize that internationally experienced entrepreneurs have more extensive and well managed international network based on their favorable attitude towards internationalization which formed through previous experience. Additionally, such entrepreneur with international background encourages a firm's capability to offer international products and perform appropriate marketing strategies to meet international demands. And, these international resources which are international network, positive attitude, and capacity to internationalize together, create firm's own differentiation advantage, which cannot be imitated by other firms. Thus, it becomes competitive advantage for a firm to survive in international market competition. Having such distinctive advantage, firms increase their international performance.

6.2. Implication

Implications of this study for both academics and practice are analyzed and

further investigations are suggested. Additionally, limitations of the research are discussed following with areas of future research.

6.2.1. Academic Implication

There are four implications for academics as follows.

First, international behavior model for designer fashion firms has been constructed based on resources based view and the importance of international resources in internationalization has been confirmed in the process. International new venture theory by Oviatt & McDougall (1994), which arguing that international resources initiate internationalization of new firms has been empirically examined through this behavioral model.

Second, the research made contributions to both strategic management literature and entrepreneurship literature. The study provides understanding on strategic management of resources and entrepreneurs' decision approach in internationalization. The empirical study was conducted on entrepreneurs' personal background and its transition into performance. The importance of entrepreneurs' background can initiate further studies on their personal motivations and detail process of resources management.

Third, Types of international resources that have influence on sustained competitive advantage have been analyzed: International experience, International Network, Managerial Attitude, and Firm's Capability. Firm's capability found to be the most influential international resource that a firm can have to gain sustained

competitive advantage in international competition, therefore increasing firm's international performance. Yet, International experience of entrepreneur itself cannot directly contribute to sustained competitive advantage. It is rather an antecedent of other international resources (International network, Managerial attitude, Firm's capability) which directly influence sustained competitive advantage.

Lastly, current international status of Korean designer fashion firms is analyzed. As the result of data shows, most firms are Import/Export start-ups and not a small portion is also at the stage of Global start-ups. Moreover, the way of classification for international new ventures in value-added industry is suggested. These findings provide background for further study on internationalization of Korean designer fashion firms which there is yet small number of studies in the area.

6.2.2. Practical Implication

There are also three implications for practice in fashion industry.

First, a direct impact of differentiation advantage on internationalization has been testified and required international resources to create such differentiation advantage have been found. Firms planning to internationalize should better form a top management with members who have international background, well-managed international network, and positive attitude towards internationalization. Then, firm's differentiation advantage that is not imitable by other competitors need to be developed in order to increase international performance.

Second, founders and entrepreneurs of firms who already have international background can identify which resources to develop based on the result of study. They need to maintain well-managed international network, develop firm's capability to meet international demands, and always keep positive attitude towards internationalization in order to achieve a sustained competitive advantage which is not easily imitable by other competitors.

Lastly, project managers who develop government subsidiary programs for designer fashion firms can plan various projects based on the result of this study. International press event to promote foreign network, international fashion leadership speech to provide a positive perspective about internationalization, and international fashion trend forecasting service to develop capacity to meet international demands in fast-changing environment. Moreover, Global start-ups can share knowledge and insights with the rest of designer fashion firms to promote internationalization of Korean Fashion industry.

6.3. Limitations and Future Research

Confirmed data set used to analyze was limited due to its characteristics of samples to be collected. Samples had to be Korean designer fashion firm that has internationalized within 6 years since the time of foundation and also currently involved in international business. Therefore, the result of data is hard to be generalized to overall Korean fashion industry and also for other mature international fashion firms.

Furthermore, there weren't many prior studies conducted regarding internationalization of Korean fashion industry. Hence, the industrial background, especially on current international status of Korean fashion industry could not be informative enough to conduct further study. If a thorough analytical research on overall international status of Korean fashion industry is conducted in future studies, such analysis will largely contribute to research background of internationalization studies on Korean fashion industry.

The study reviewed internationalization which is the key variable, only through sustained competitive advantage. And, its percentage of variance was 29.5 showing that there are other factors influencing internationalization of international new ventures than sustained competitive advantage. Future research can either find these other factors or more elements constructing sustained competitive advantage.

Lastly, measures have taken from research works of other academic fields therefore they may not fully relevant to fashion industry. Future study an develop more relevant measures based on more researches.

Such future researches can compensate limitations of this study and further extend the area of internationalization studies in fashion industry. Understanding values of fashion industry and factors behind their internationalization in the process will promote enhanced internationalization strategies and better performance.

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[Appendix 1] IRB Approval

심의결과 통보서

수신

책임연구자	이름: 권소희	소속: 서울대학 의류학과	직위: 석사과정
지원기관	해당없음		

과제정보

승인번호	IRB No. 1606/001-006		
연구과제명	기업의 무형자산이 국제화에 미치는 영향 - 한국 패션 디자인 업계를 중심으로		
연구종류	학위 논문 연구, 설문조사		
심의종류	신속심의		
심의일자	2016-05-27		
심의대상	연구계획서(재심의), 연구참여자용 동의서 또는 동의서 면제 사유서		
심의결과	승인		
승인일자	2016-05-27	승인유효기간	2017-05-26
정기보고주기	12개월		
심의의견	<ol style="list-style-type: none"> 1. 심의결과 제출하신 연구계획에 대해 승인합니다. 2. 연구자께서는 승인된 문서를 사용하여 연구를 진행하시기 바라며, 만일 연구진행 과정에서 계획상에 변경사항(연구자 변경, 연구내용 변경 등)이 발생할 경우 본 위원회에 변경 신청을 하여 승인 받은 후 연구를 진행하여 주십시오. 3. 유효기간 내 연구가 끝났을 경우 종료 보고서를 제출하여야 하며, 승인유효기간 이후에도 연구를 계속하고자 할 경우, 2017-04-26까지 지속심의를 받도록 하여 주십시오. 		

2016년 05월 27일

서울대학교 생명윤리위원회 위원



[Appendix 2] English Questionnaire

This survey aims to investigate the impact of intangible assets on international intensity of Korean fashion designer brands. Please provide most suitable answer for each question. If founder of company can provide the answers, it will be very much appreciated.

The survey will be taken voluntarily. All data collected will be kept strictly confidential and will only be used for academic purposes. Thank you so much for your participation.

If you have any questions, please contact via email or phone.



2016. 4. Dept. Textiles Merchandising and Fashion Design

Instructor: Karen Moon

Researcher: SoHee Kwon (MA)

Contact: 010-3384-2518, sohee88@snu.ac.kr

✘ **Are you the Founder or CEO of company?**

☞ If yes, please answer below questions on your personal will.

☞ If no, please answer on behalf of founder or CEO under permission.

I. This section includes questions for intangible assets of your firm. Please check “√” on the most suitable answer for each question.

1.1. How long have you lived, studied, or worked abroad?

- ① N/A ② 1-3 years ③ 4-7 years ④ 8-10 years ⑤ Above 10 years

1.2. How long have you involved in international business before launching own brand?

- ① N/A ② 1-3 years ③ 4-7 years ④ 8-10 years ⑤ Above 10 years

1.3. How many foreign languages do you fluently speak? (Exclude native language)

- ① N/A ② 1 ③ 2 ④ 3 ⑤ Above 3

Please check most suitable answer.		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I frequently went on business trips before launching my own brand.	①	②	③	④	⑤
2.	I frequently traveled overseas before launching my own brand.	①	②	③	④	⑤
3.	I have many formal/social relationships in foreign markets.	①	②	③	④	⑤
4.	I frequently keep in contact with these networks.	①	②	③	④	⑤
5.	I can access international marketing information through these networks.	①	②	③	④	⑤
6.	Our product has a unique feature for international market that differentiates from other competitors (e.g. Design, Fit, Quality, Fabrics, etc.)	①	②	③	④	⑤
7.	We have special international marketing and management skills that differentiate from other competitors.	①	②	③	④	⑤
8.	Our brand especially appeals to international clients than other brands.	①	②	③	④	⑤

9.	International business will enhance profitability of my firm.	①	②	③	④	⑤
10.	Internationalization generates an important opportunity for my firm.	①	②	③	④	⑤
11.	Internationalization positively influences my business.	①	②	③	④	⑤
12.	My firm is able to internationalize product offerings.	①	②	③	④	⑤
13.	Our foreign sales will eventually increase.	①	②	③	④	⑤
14.	Foreign clients are satisfied with my firm's performance.	①	②	③	④	⑤

II. This section includes questions for the current status of internationalization. Please check “√” on the most suitable answer for each question.

2.1. How many employees spend over 50% of their time for international business? (Please provide in its' percentage to total number of employees)

- ① Below 10% ② 10%-30% ③ 31%-50% ④ 51%-70% ⑤ Above 70%

2.2. What is the proportion of foreign sales to total sales?

- ① Below 10% ② 10%-30% ③ 31%-50% ④ 51%-70% ⑤ Above 70%

2.3. Are you satisfied with your firm's performance in international market?

- ① Strongly Disagree ② Disagree ③ Neutral ④ Agree ⑤ Strongly Agree

2.4. Are you satisfied with your firm's sales in international market?

- ① Strongly Disagree ② Disagree ③ Neutral ④ Agree ⑤ Strongly Agree

2.5. How many countries is your business involved?

* Countries your business (Export, Import, Production, etc.) is involved – including South Korea.

- ① 1 ② 2-5 ③ 6-10 ④ 11-20 ⑤ Above 21

2.6. How many coordinated activities do you undertake outside of your country?

* Activities such as Promotion, Sales, Productions, Logistics, Warehouse.. etc. undertaken through Foreign agency, subsidiaries or any form of business.

① 0

② 1-2

③ 3-4

④ 5-6

⑤ Above 7

III. This section includes information of Entrepreneur and the firm. Please check and fill out most suitable answer to each question. The data will be used only for statistical purpose and the answers will be coded in numbers. Please kindly do not skip any questions.

3.1. When did the company established? () year

3.2. When did you start international business? () year

*The year when first foreign sales occurred.

3.3. What type of product does your firm offers? (Multiple choices)

① Apparel

② Accessories (Shoes, Bags, Scarf.. etc.)

③ Jewelry

④ Etc.

3.4. How many employees do you have? (Owner included) () employees

3.5. How old is CEO of your firm?

① 20s

② 30s

③ 40s

④ 50s

⑤ Above 60s

3.6. What is your position at company?

① CEO

② Senior

③ Junior

④ Staff

⑤ Others

[Appendix 3] Korean Questionnaire

안녕하세요, 본 설문지는 무형자산이 기업의 국제화 정도에 미치는 영향에 대한 자료를 얻기 위한 것입니다. 응답에는 옳고 그른 것이 없으니 귀하께서 평소 생각하시는 것을 솔직하게 답해 주시기 바랍니다. 연구의 특성 상 귀사의 대표자 또는 최고결정권자께서 설문에 응답해 주시면 감사하겠습니다.

본 조사의 참여는 자발적으로 이루어지며, 귀하의 응답에 대한 비밀 유지를 위해 비공개적으로 진행됩니다. 또한 수집된 귀하의 응답자료는 학문적 연구목적으로만 사용될 것을 약속 드리며, 여러분의 많은 참여를 부탁드립니다. 연구에 협조해 주셔서 진심으로 감사 드립니다.

연구에 대한 의문사항이 있으시면 언제든지 연락바랍니다. 감사합니다.



2016. 4. Dept. Textiles Merchandising and Fashion Design

지도교수: Karen Moon

연구자: 석사과정 권소희

연락처: 010-3384-2518, sohee88@snu.ac.kr

※ 귀하는 회사의 창업자 또는 대표자입니까?

예, 귀하의 의견을 바탕으로 아래 질문 작성 부탁드립니다.

아니오, 대표님의 허락 하에 대표님의 입장을 대신하여 작성 부탁드립니다.

I. 다음은 귀사가 지니는 무형자산에 대한 문항들입니다. 각 문항마다 귀하의 생각과 일치하는 곳에 “√”표 해 주십시오.

1.1. 해외에서 거주 또는 학업 및 근무를 한 경험이 있다면, 그 기간은 얼마나 되십니까?

- ① 없음 ② 1년-3년 ③ 4년-7년 ④ 8년-10년 ⑤ 11년 이상

1.2. 현재 회사 운영 전 해외시장 관련 업무를 한 경험이 있다면, 그 기간은 얼마나 되십니까?

- ① 없음 ② 1년-3년 ③ 4년-7년 ④ 8년-10년 ⑤ 11년 이상

1.3. 현지인과 소통이 가능한 수준으로 구사가 가능한 외국어는 몇 개입니까? (모국어 제외)

- ① 없음 ② 1개 ③ 2개 ④ 3개 ⑤ 4개 이상

다음 문항에 대하여 귀하께서 동의하는 정도를 체크하여 주십시오.		전혀 그렇지 않다	그렇지 않다	보통이다	그렇다	매우 그렇다
1.	회사 설립 전, 해외 출장을 자주 다녔다.	①	②	③	④	⑤
2.	회사 설립 전, 해외 여행을 자주 다녔다.	①	②	③	④	⑤
3.	나는 해외에 공식/비공식적 인맥이 많다.	①	②	③	④	⑤
4.	나는 이들(해외인맥)과 자주 연락하는 편이다.	①	②	③	④	⑤
5.	나는 이들(해외인맥)을 통해 해외 마케팅 정보를 얻는다.	①	②	③	④	⑤
6.	우리 회사는 해외시장에 적합한 상품력으로 경쟁자들과 차별화된 상품을 수출한다. (e.g. 디자인, 착용감, 품질, 소재 등)	①	②	③	④	⑤
7.	우리 회사는 해외시장에 적합한 마케팅 기술과 조직력으로 경쟁자들과 차별화된 해외시장전략을 펼친다.	①	②	③	④	⑤
8.	우리 브랜드는 다른 브랜드에 비해 해외고객들에게 더 어울리는 특별함이 있다.	①	②	③	④	⑤

9.	해외사업은 우리 회사의 수익률에 도움이 된다.	①	②	③	④	⑤
10.	해외사업은 우리 회사에게 중요한 기회를 제공한다.	①	②	③	④	⑤
11.	해외진출은 우리 회사에 긍정적인 영향을 미친다.	①	②	③	④	⑤
12.	우리 회사는 해외시장에 적합한 상품을 제공할 수 있다.	①	②	③	④	⑤
13.	향후 우리 회사의 해외시장 매출은 증가할 것이다.	①	②	③	④	⑤
14.	자사에 대한 해외고객들의 만족도는 높은 편이다.	①	②	③	④	⑤

Ⅱ. 다음은 귀사의 국제화 정도에 관한 질문입니다. 각 문항마다 귀하의 생각과 일치하는 곳에 “√” 표 해 주십시오.

2.1. 전 직원 중 몇 명이 업무의 50% 이상을 해외사업 관련 업무에 투자합니까? (비율로 답해주시시오)

- ① 10% 미만 ② 10%-30% ③ 31%-50% ④ 51%-80% ⑤ 81% 이상

2.2. 귀사의 전체 매출 대비 해외 매출의 비율은 얼마입니까?

- ① 10% 미만 ② 10%-30% ③ 31%-50% ④ 51%-80% ⑤ 81% 이상

2.3. 귀사의 해외시장 적응도에 만족하십니까?

- ① 전혀 그렇지 않다 ② 그렇지 않다 ③ 보통이다 ④ 그렇다 ⑤ 매우 그렇다

2.4. 귀사의 해외시장 매출에 만족하십니까?

- ① 전혀 그렇지 않다 ② 그렇지 않다 ③ 보통이다 ④ 그렇다 ⑤ 매우 그렇다

2.5. 귀사는 현재 총 몇 개의 국가에서 사업을 전개하십니까?

*상품수출, 자재수입, 생산 등 자사가 관여하는 모든 국가 (한국 포함)

- ① 1개 ② 2개-5개 ③ 6개-10개 ④ 11개-20개 ⑤ 21개 이상

2.6. 현재 총 몇 가지의 업무를 해외에서 전개하십니까?

*해외활동: 홍보(PR), 영업(소름), 생산, 운송(배송), 물류센터 등과 같은 업무를 해외 에이전시에 위탁 또는 해외지사/생산공장/해외법인 등을 통해 전개.

- ① 0개 ② 1개-2개 ③ 3개-4개 ④ 5개-6개 ⑤ 7개 이상

Ⅲ. 다음은 귀하와 대표자의 특성에 관한 문항입니다. 해당되는 곳에 체크해 주시기 바랍니다. 자료는 통계처리를 위한 목적으로만 사용되므로 안심하시고, 빠짐없이 기입해주시기 바랍니다.

3.1. 귀사의 설립 년도는 언제입니까? () 년

3.2. 귀사의 첫 해외진출 시기는 언제입니까? () 년

* 첫 해외매출이 발생한 년도

3.3. 귀사의 취급상품은 다음 중 무엇입니까? (복수응답 가능)

- ① 의류 ② 잡화 (신발, 가방, 스카프 등) ③ 주얼리 ④ 기타

3.4. 귀사의 총 직원 수는 몇 명입니까? (본인/대표 포함) () 명

3.5. 대표이사 연령은 어떻게 되십니까?

- ① 20대 ② 30대 ③ 40대 ④ 50대 ⑤ 60대 이상

3.6. 귀사에서 귀하의 직위는 어떻게 되십니까?

- ① 대표 ② 임원 ③ 중간관리자 ④ 직원 ⑤ 기타

국문초록

현대 패션산업에서 국경이란 더 이상 의미 없는 장애물이 되었다. 소비자는 언제 어디서든 원하기만 하면 희망하는 상품을 눈으로 보고 주문하여 수일 내에 받아볼 수 있다. 이렇게 국제화가 현실이 되자 한국패션업계도 그 움직임을 따라 해외진출을 위한 다양한 시도를 하고 있다. 1970년대 한국은 전세계 패션 브랜드들의 소싱 근원지로 자리매김한 끝에 뛰어난 제조기술을 갖추었으며, 이는 한국이 지금의 디자인 강국으로 발돋움할 수 있는 초석을 마련해 주었다. 다수의 한국 디자이너 브랜드들이 해외시장에서 인정 받고 있으며, 최근 생겨나는 기업들은 설립 초부터 국내와 해외 영업을 당연하게 병행하는 추세이다.

‘국제화’는 지속적인 해외경험으로 축적되는 자원을 바탕으로 일어나는 현상으로 규명되고 있으며 (Johanson & Vahlne, 1977), 특히 설립자 및 임원들이 설립 전에 쌓은 해외경험과 자원으로 설립과 동시에 국제화가 가능하다고 설명된다 (Oviatt & McDougall, 1994). 개인의 경험으로 쌓인 자원들은 해당기업만의 지속경쟁우위를 형성하며, 이는 곧 성과로 이어진다 (Barney, 1991). ‘신생국제벤처’ 이론은 신생기업들이 설립자의 역량과 보유 자원에 의존한다 주장하였고, ‘자원기반이론’은 지속경쟁우위를 형성할 수 있는 자원의 조건으로 ‘이질성’과 ‘부동성’을 제안하며 인적자원과 조직적 자원의 중요성을 주장하였다. 대표적인 인적자원으로는 ‘해외 네트워크’ 및 ‘국제화에 대한 태도’를 들 수 있으며, 조직적 자원으로 ‘기업의 국제화 역량’을 들 수 있다. 또한, 기업의 ‘차별화 우위’는 지속경쟁우위의 조건인 가치, 희소성, 모방불가, 대체불가를 만족한다.

따라서, 본 연구는 경영자의 해외경험을 바탕으로 생성되는 해외자원인 경영자의 해외 네트워크, 국제화에 대한 경영자의 태도,

기업의 국제화 역량이 기업의 차별화 우위를 형성하여 최종적으로 해외진출성과에 영향을 준다는 가설을 설정하고 이를 검증하는 실증적 연구를 진행하였다. 연구 결과 첫째, 해외자원은 기업의 차별화 우위에 영향을 미치는 것으로 나타났다. 둘째, 차별화 우위는 해외진출성과에 큰 영향을 미치는 것으로 나타났다. 셋째, 경영자의 해외경험은 기업 및 개인의 해외자원을 구성하는 바탕이 됨을 확인하였으며, 그 중에서도 경영자의 해외 네트워크에 가장 큰 영향을 미치는 것으로 나타났다. 이는 해외경험이 많은 경영자일수록 탄탄한 해외 네트워크와 해외진출에 대한 긍정적인 태도를 바탕으로 자신이 속한 기업이 해외시장에서 더 큰 역량을 발휘할 수 있도록 한다는 의미로 해석될 수 있다. 또한, 이러한 요소들을 갖춘 기업은 해외시장에서도 경쟁자들과 차별화된 경쟁우위를 선점하여 더 높은 진출성과를 기대할 수 있다는 점을 시사한다.

본 연구는 전략적 경영 측면에서 자원의 중요성과 더불어 기업의 국제화에 있어 경영자의 중요성을 지각하는데 기여하였다. 또한, 연구 결과를 바탕으로 경영자의 경험에서 나오는 개인적인 국제화 동기 및 그들이 보유한 해외자원이 국제화에 활용되는 세부적인 경로에 대한 추후 연구를 진행할 수 있다. 마지막으로, 해외진출을 희망하는 기업들은 최고경영진 구성 시 그들의 풍부한 해외 경험, 탄탄한 해외 네트워크, 해외진출에 대한 긍정적 태도를 검토할 필요가 있음을 시사한다.

주요어 : 국제화, 해외진출, 해외자원, 해외경험, 한국패션업계, 디자이너 패션, 소규모 기업, 신생국제벤처

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마지막으로, 이 연구를 함에 있어 많은 도움 주신 협회 식구들, 의미 있는 조언 아끼지 않고 적극적으로 참여해주신 디자이너 대표님 및 실장님들, 감사합니다. 이 외 도움 받은 모든 분들께 다시 한번 감사드립니다!