

Factors for Entry Timing Choices Using Principal Axis Factorial Analysis and Logistic Regression Model

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Abstract : International market expansion involves a strategic process of market entry decision through which a firm expands its operation from domestic to the international domain. Hence, entry timing choices require the needs to balance the early entry risks and the problems in losing opportunities as a result of late entry into a new market. Questionnaire surveys administered to 115 Malaysian construction firms operating in 51 countries worldwide have resulted in 39.1 percent response rate. Factor analysis was used to determine the most significant factors affecting entry timing choices of the firms to penetrate the international market. A logistic regression analysis used to examine the firms' entry timing choices, indicates that the model has correctly classified 89.5 per cent of cases as late movers. The findings reveal that the most significant factor influencing the construction firms' choices as late movers was the firm factor related to the firm's international experience, resources, competencies and financing capacity. The study also offers valuable information to construction firms with intention to internationalize their businesses.

Keywords : factors, early movers, entry timing choices, late movers, logistic regression model, principal axis factorial analysis, Malaysian construction firms

Conference Title : ICEMBIT 2014 : International Conference on Economics, Management of Business, Innovation and Technology

Conference Location : Paris, France

Conference Dates : December 30-31, 2014