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GLOBAL MARKETING STRATEGY: THE CASE OF A BORN GLOBAL SOFTWARE FIRM IN COLOMBIA

ESTRATEGIA DE MARKETING GLOBAL: EL CASO DE UNA EMPRESA DE SOFTWARE GLOBAL NACIDO EN COLOMBIA

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ABSTRACT

Born globals are a phenomenon that is increasingly being observed and researched around the globe. Yet, few studies exist that research born globals' marketing strategies. This paper sheds light on the global marketing strategy of a small software firm in Colombia that globalized instantly and that serves global business-to-business markets by using an Internet-based sales channel strategy. Due to its holistic nature, Zou and Cavusgil's (2002) conceptual GMS (global marketing strategy) model is used as the guiding framework for analysis. It was found that standardization of different elements of the marketing program is highly important, with the exception of product standardization. The GMS model seemed to be applicable in its current form only to a certain extent to the analysis of small born global software firms' marketing strategies. The elements that appeared to be still highly relevant though are standardization aspects of the marketing program, external globalizing conditions and global orientation. For a more comprehensive analysis of born global software firms' marketing strategies, future research should take into consideration findings of the services- and business-to-business marketing literature. Besides, the GMS model's applicability to born globals should be compared to more case firms operating in different businesses, and the adjusted model tested statistically based on survey data.

Key words: Born global, international entrepreneurship, global marketing strategy, Colombia.

RESUMEN

El fenómeno de los *born globals* se puede observar y se investiga cada vez más alrededor del mundo. No obstante, pocos estudios existen que investiguen las estrategias globales de mercadeo de los *born globals*. Este artículo analiza la estrategia global de mercadeo de una pequeña empresa colombiana de software que se internacionalizó al instante desde su fundación, y que se enfoca en los mercados globales *business-to-business* a través de una estrategia de venta basada en Internet. A raíz de su cualidad holística, el modelo conceptual *GMS (global marketing strategy)* de Zou y Cavusgil (2002) se toma como referente para el análisis en este artículo. Se pudo observar que la estandarización de los diferentes elementos de la mezcla de mercadeo es muy relevante, excepto la estandarización del producto. El artículo evidencia que el modelo *GMS* en su forma actual se puede aplicar solamente con limitaciones al análisis de las estrategias globales de mercadeo de las pequeñas empresas *born globals* de software. Los elementos del modelo que aparecieron muy relevantes todavía son la estandarización de la mezcla de mercadeo, las condiciones externas de globalización y la orientación global. Para un análisis más detallado de la estrategia global de mercadeo de los *born globals* de software, futuras investigaciones deberían tener en cuenta los resultados de la literatura relacionada con el mercadeo de servicios y el mercadeo de *business-to-business*. Adicionalmente, la aplicación del modelo *GMS* a *born globals* debería investigarse con aplicación a otras empresas de diferentes sectores y se debería comprobar estadísticamente el modelo ajustado basado en datos de encuestas.

Palabras clave: Born global, empresarismo internacional, estrategia global de mercadeo, Colombia.

Introduction

Born globals are a phenomenon that is increasingly being observed and researched around the globe. Yet, few studies exist that research born globals' marketing strategies. Hence, this paper tries to contribute to the recent debate about the topic by comparing previous research findings of born globals' marketing strategies with the results of a case analysis about a small software firm in Colombia that globalized instantly and that serves global business-to-business markets by using an

Internet-based sales channel strategy. The paper, thus, falls in the cross-section between studies about international entrepreneurship and global marketing strategy, an area which has received little attention by researchers so far.

The paper builds on the conceptual model developed by Zou and Cavusgil (2002) about global marketing strategy (*GMS model*). This model is considered to provide an adequate framework due to its holistic nature and empirical validity. Although this paper does not try to validate statistically the *GMS model* with a new sample, it provides a first step to assess qualitatively the relevance of the model for born globals. By taking into consideration the results of previous research regarding marketing strategies of born globals and software firms, and by using the *GMS model* as a guiding framework, this paper tries to give answer to the following two research questions: 1) How does global marketing strategy manifests itself in a small born global software firm? 2) To what extent does the *GMS model* provide an adequate framework for researching global marketing strategies of small born global software firms?

First, the phenomenon of born globals is outlined, followed by an explanation of global marketing strategy. Then, the findings of extant literature regarding born globals' marketing strategies are presented. In a next step, the case is described followed by a discussion of its findings and compared to conclusions of other authors. Finally, the conclusions and areas for future research are presented.

Born globals

Research conducted over the last two decades regarding the internationalization of firms emphasizes the existence of companies that internationalize rapidly soon after their foundation

or instantly from inception, often not even having sales in their home market. Such firms are termed differently. They are known as global start-ups (Oviatt & McDougall, 1994), high technology start-ups (Jolly, Alahuhta, & Jeannet, 1992), international new ventures (McDougall, Shane, & Oviatt, 1994), born globals (Knight, 1997; Knight & Cavusgil, 1996; Madsen & Servais, 1997; Rennie, 1993) or instant internationals (Preece, Miles, & Baetz, 1999). This is in contrast to conventional firms whose international involvement is described as a gradual development process characterized by a relatively long domestic business period before internationalization occurs (Bilkey & Tesar, 1977; Cavusgil, 1980; Johanson & Vahlne, 1977; Luostarinen, 1979). For the purpose of this paper, the term born global is used.

Oviatt and McDougall (1994, p.49) 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 sale of outputs in multiple countries.” Knight (1997, p.1) follows a similar definition and defines a born global company as “a company which, from or near its founding, seeks to derive a substantial proportion of its revenue from the sale of its products in international markets.” Following both definitions, internationalization from inception is the dominant perspective adopted in this paper. Besides, knowledge-intensive firms hold a competitive advantage that can be exploited in multiple countries (Oviatt & McDougall, 2005), and the more knowledge-intensive the firm, the faster it grows with its international sales (Autio, Sapienza, & Almeida, 2000). Following Oviatt and McDougall (2005, p.543) a knowledge-intensive firm is characterized by its usage of complex knowledge to design a new product, an improved production method, or more efficient service delivery. Such type of firm will be the focus of this paper.

In a more recent contribution, Gabrielsson, Kirpalani, Dimitratos, Solberg and Zucchella (2008) provided criticism regarding the different definitions of how different authors characterize born globals, measuring the degree of internationalization and time to export after foundation ranging from a export ratio of 25% over 50% to 80% in different studies, and time to export from inception over 2 years to 3 years. Luostarinen and Gabrielsson (2006) even suggested that for a firm to qualify as a born global it should at least derive 50% of its sales outside its home continent. Thus, Gabrielsson, Kirpalani, Dimitratos, Solberg and Zucchella (2008, pp.387-389) suggested a set of four criteria a firm has to meet to be defined as a born global: a) It should be a small- and medium sized firm with a global vision from inception; b) The firm’s products should be unique and have a global market potential; c) It should be an independent firm; d) The firm should have the capability for accelerated internationalization, i.e. its international activities feature both precocity and speed. Such criteria should contribute to broaden the definition of born globals and take into consideration “that the context of BGs [born globals] varies greatly with regard to the home market potential, product, and export market receptivity. Hence, absolute figures and percentages may well vary from one setting to another.” (Gabrielsson, Kirpalani, Dimitratos, Solberg, & Zucchella 2008, p. 400).

Madsen and Servais (1997, pp. 565-566) identified three important factors that gave rise to the phenomenon of born globals, namely, new market conditions, technological developments in the areas of production, transportation and communication, and more elaborate capabilities of people. Increasing specialization in production creates ever more niche-markets and firms will have to turn to international markets simply because domestic markets become too small.

Innovative products are sold quickly in global markets also because consumers' needs and wants become more homogenous. Communication technologies allow easier access to markets and international business activities can be carried out from the same desk. The increasing mobility of people across nations, languages and cultures creates competences necessary to exploit opportunities that emerge from these new market conditions and technological changes.

Advances in the development of information and communication technologies, and the Internet in particular, allow small entrepreneurial firms to conduct new ways of business and to exchange and communicate ideas and information (Loane, 2005, p.263). Firms demonstrating presence in the World Wide Web enter instantaneously global markets and show international presence by definition (Berthon, Pitt, & Watson, 1996; Kotha, Rindova, & Rothaermel, 2001; Quelch & Klein, 1996). Virtual entry into global markets does not require investments in assets and activities abroad which is especially important for small firms that need to be effective in leveraging scarce resources (Morgan-Thomas & Jones, 2009, p.75-76).

Global marketing strategy

The phenomenon of globalization, mainly influenced by technological advances, equally caused an ongoing debate among scholars in the field of marketing. Some argue that globalization led to a convergence of consumer demand (e.g., Levitt, 1983; Yip, 1989), others argue for an improved technological infrastructure for global marketing strategies to be executed (e.g., Yip, 2002; Zou & Cavusgil, 1996), and others stress the increased competitive pressure caused by global markets (e.g., Porter, 1986; Yip, 2002). Globalization is best confronted with a global marketing strategy. Yet, Zou and Cavusgil (2002)

criticized the lack of consensus in the marketing literature about what constitutes a global marketing strategy. Hence, they proposed a broad conceptualization of global marketing strategy that incorporates all three dominant perspectives from the marketing literature regarding the topic. These are: standardization of marketing programs (i.e. the degree to which a firm standardizes its product, its promotional mix, its channel structure and its price across country markets), configuration and coordination of value-chain activities, and integration of competitive moves (i.e. the extent to which a firm's competitive marketing moves in different countries are interdependent). Besides, it is argued that a firm's global marketing strategy is positively influenced by external globalizing conditions (i.e. the before mentioned convergence of consumer demand, the technological infrastructure for global marketing and the competitive pressure in the global market), a firm's global orientation (i.e. the organization-wide emphasis on a global basis rather than on a country-by-country basis), and the firm's international experience.

Born globals and global marketing strategy

The impact of the Internet on global marketing strategies received increased attention due to the Internet's global nature and communication possibilities (Czinkota & Ronkainen, 1990; Hamill, 1997; Melewar & Smith, 2003; Nicovich & Cornwell, 1998; Quelch & Klein, 1996; Samiee, 1998; Schlegelmilch & Sinkovics, 1998). In a study about the impact of the Internet on international marketing strategies of small- and medium sized Norwegian exporters, Moen (2002, p.41) found "that there is now an "Internet generation", a group of newly established firms proactively taking advantage of new the technology [...]", characterized as young firms, technologically

advanced, niche focused, aggressive and ambitious with a strong international vision. Yet, such born globals have not received much attention from the marketing literature. Few has been written on born globals' marketing strategies (e.g., Knight, 1997). The extant literature is mainly dominated by contributions from Mika Gabrielsson who shed light on born globals' marketing strategies from different perspectives of the marketing program (e.g., Gabrielsson, 2005; Gabrielsson & Gabrielsson, 2003; Gabrielsson & Gabrielsson, 2004; Gabrielsson & Gabrielsson, 2010; Gabrielsson & Kirpalani, 2004; Gabrielsson, Kirpalani, & Luostarinen, 2002; Luostarinen & Gabrielsson, 2006).

Gabrielsson and Gabrielsson (2003) argue for an increased importance of standardization regarding product, brand and marketing channel along with the globalization of the firm. Thus, it is stated that from a conceptual-analytic perspective of the paper, born globals are forced to standardize those aspects from the very beginning.

In a study about globalizing internationals, firms that gradually internationalize from domestic to home continent markets before entering global businesses, Gabrielsson and Gabrielsson (2004) concluded that the standardization of the marketing mix was found to be most vital with respect to product assortment and less likely with respect to brand architecture and channel coverage. Those results, however, need to be compared with future research on born globals.

Gabrielsson (2005) elaborated more closely on the aspect of branding of born globals, a topic that has remained almost untouched, and found that the importance of global branding and standardization increases as globalization of born globals proceeds. Business-to-business born globals that achieved the global phase, that is when sales outside the domestic continent exceed 50% of the total, used

corporate global branding which was standardized across the globe. Furthermore, the empirical evidence revealed that business-to-business born globals rely more on push based marketing that is the emphasis on personal selling due to the specialized character of their products, targeted at global niches in industrial markets.

Adequate channels of distribution seem to be spurred by global value chains where the born global acts as a component or end-product supplier for an often multinational corporation (Gabrielsson & Kirpalani, 2004). Besides, the born global can become partner of a network and build and leverage relationships with its main customer in the network. Most effective, however, seemed to be the usage of the Internet as a sales channel by the born global combined with a network relationship with a multinational firm (Gabrielsson & Kirpalani, 2004, p.569); Gabriellson and Gabriellson (2003), in their conceptual-analytic paper, further stressed the importance of horizontal-cooperation from inception for born globals to prosper and survive (i.e. both parties, the born global and its partner, are likewise dependent on the outcome). In regard to Internet-based sales channels for born globals, Gabrielsson and Gabrielsson (2010) concluded: a) The frequency of using Internet-based channels increases during the globalization process of the firm; b) Most firms use an Internet-based sales strategy based on a multiple channel approach, either a dual or a hybrid one; c) The use of Internet-based sales channels is more common among business-to-consumer than business-to-business born global firms. However, greater usage of Internet-based sales channels could often be explained by the digital nature of the products, such as software and digital services.

In regard to the use of the Internet for the purpose of marketing software products globally, Moen, Endresen and Gavlen (2003) found that

standardized products are best suited for Internet-based sales. Contrary to the findings of Kiang, Raghu and Shang (2000) who argue that digital products or services with a high product-customization potential and high transaction complexity are most suitable for direct sales and promotion on the Internet. In regard to a software firm's promotional mix, Moen, Endresen and Gavlen (2003, p.141-145) concluded:

- The Internet does not replace the need for personal sales due to the unfamiliarity and complexity that software often involves and the proactive search for business opportunities that it requires. This might be an indication of a key international marketing activity where the Internet has limited potential. Such limitations should equally be taken into consideration in future research (Moen, Endresen, & Gavlen, 2003, p.146).
- The Internet can be used to build a company's image. The software purchasing process usually requires a long-term interaction between client and supplier. Thus, customers are not only concerned about the capabilities of the product but also about the reliability of its supplier.
- To reduce the uncertainty often perceived by potential customers with respect to unknown suppliers, software firms should consider partnership agreements with well-known firms and positive product reviews to enhance a firm's image.

Global orientation and international experience are likewise conditions frequently discussed within the literature on born globals. Global orientation is related to the manager's commitment to international markets, international vision and proactiveness, and more generally, to customer

orientation, responsiveness, marketing competence and the use of advanced communication technologies (Knight, 1997; Moen, 2002; Moen & Servais, 2002, as cited in Nummela, Saarenketo, & Puumalainen, 2004). International experience by the founder or entrepreneurial team gained through living abroad or prior work experience in international markets is often mentioned to cause more rapid internationalization and increased commitment towards it (Almeida & Bloodgood, 1996; Bloodgood, Sapienza, & Almeida, 1996; Reuber & Fischer, 1997; Shrader, Oviatt, & McDougall, 2000).

Method

The empirical investigation of this paper was carried out as an explorative single case study of Dewak S.A. Due to its instant presence on several continents right from inception (no sales within the home market), its micro-firm characteristic (five employees) and virtual character (all marketing activities are solely carried out through the World Wide Web), Dewak can be considered an extreme case (Yin, 2002) worth of studying in the context of born globals. Data collection was carried out in three phases. October 2008: Participation of Dewak's general manager and founding member in an online survey that gathered data about characteristics of born global firms in the software sector in Colombia; November 2008 - February 2010: Several interviews were conducted with the five founding members and current employees of Dewak with the aim to document a case study about the firm; June 2010: An interview was conducted with the general manager to follow-up on previous interview findings. Besides, interview data were complemented by follow-up communication via email with the general manager and information consulted in the Internet (e.g. Dewak's website, client and partner websites, online forums). Semi-structured open-ended interviews were conducted. This enabled asking about the main

questions and then make further, more detailed questions (Yin, 2002).

Dewak S.A.

Dewak S.A.¹ was founded in June 2008 in the city of Rionegro in Colombia, South America, shortly after Carlos Orozco, Andres Berdugo, Nicolas Ibarra, Diego Agudelo and Daniel Osorio were released from their previous employer, a software development company, due to insolvency. At their former employer they already got exposed to the customer support solutions of Kayako (helpdesk software and live chat solutions) in which they saw a unique opportunity for commercial exploitation in global markets. Since then, the two system engineers, two informatics students and one graphic design student, offer custom development based on Kayako to their clients which constitutes approximately 80% of their annual turnover as of June 2010. Besides, Dewak offers customizations based on Joomla!, an open source content management system platform for publishing content in the Internet and intranets, development of customized applications based on LAMP (an acronym for a bundle of open source software solutions, originally coined from the first letters of Linux [operating system], Apache HTTP Server, MySQL [database software], and PHP [scripting language to produce dynamic webpages]) and training services related to Kayako.

Each one of Dewak's founders participates with a 20% share in the company. The firm still consists of five employees, its founders, and since its inception no additional personnel were hired.

Even before the official start of the company, Dewak received its first order from a client in

Germany regarding a customization work for Kayako. Soon after, their client base diversified internationally, and as of June 2010, Dewak received 50% of its annual income from clients in the United States, 20% from customers in Great Britain, 20% from clients in Australia and 10% from customers located in countries such as China, Philippines, Singapore, Denmark, Germany, Sweden and Norway. Hence, Dewak's income is entirely based on export sales and there are currently no clients neither within the firm's home country Colombia nor within Latin-America.

Due to this unique situation of having all clients based outside Colombia, the five founders decided to locate the company within Rionegro's free trade zone to take advantage of fiscal benefits such as a lower income tax for goods and services produced within the zone and sold exclusively to customers abroad. According to Carlos Orozco, General Manager of Dewak, "markets abroad tend to be more attractive than the Colombian market, on the one hand, due to economic reasons, and on the other hand, because of the experience" (Orozco, personal conversation, June 2010). Clients abroad usually pay better than their national counterparts and Dewak benefits from the experience of dealing with customers that permanently want to stay at the forefront of the latest technological developments. Thus, constant innovation becomes an integral part of Dewak's daily work. Besides, dealing with internationally renowned clients also adds to the reputation of Dewak and makes the firm internationally more attractive. Among their customers is one of the largest telecommunications companies in the world - NTT Communications headquartered in Hongkong - ranked 44th in the Global Fortune 500 list of 2009.

1 Sociedad Anonima (S.A.) in Colombia can be compared to the legal structure of a Private Limited Company (Ltd.) in Great Britain.

As a new company in the business of custom development for Kayako applications, Dewak had to make itself known among potential clients and to create awareness for its brand which simply is the company name - Dewak. One strategy of marketing promotion consisted in the creation of brand awareness by participation in online expert communities such as the community forums on the Kayako website, other online discussion forums that are consulted by firms searching for answers to their specific problems related to Kayako, and by search engine optimization in Google. Dewak's staff participated in these online communities with its expertise to solve specific problems of Kayako users for free. Besides, Dewak developed free tools for Kayako applications that were promoted among those communities. Very soon the company's staff made themselves known based on their expertise among Kayako users and thus, created awareness for Dewak among potential clients. Furthermore, a new topic thread called Review of Dewak was created within Kayako's community forums where users can comment about their experience with Dewak's services. Another strategy of marketing promotion consisted in the establishment of a strong relationship with the actual firm behind Kayako obtaining the company's support as a referral partner and to get listed in the third-party directory on their website which eventually led to contacts with potential clients. Moreover, Dewak registered both a phone number and a P.O. box address in the United States and Great Britain to overcome the problem of being perceived a microfirm operating solely from Colombia. As Carlos Orozco commented (Orozco, personal communication, June 2010)²:

The objective is that we are perceived as a large firm with phone numbers and

addresses both in the United States and Great Britain. Although all communication is transferred at the end to our office in Colombia it makes us look larger.

As the company broadened its customer base over time, Dewak also asked current clients to put the Dewak logo on their website to generate additional leads to Dewak's webpage. As most of Dewak's clients are located in English speaking countries, mainly the United States, Great Britain and Australia, offering the website in English has been sufficient so far. There is currently no version offered in Spanish despite the company located in Colombia, a Spanish speaking country.

Each of Dewak's clients requires its own, specific customized solution (the software coding is different for each client). Yet, Dewak developed a standardized procedure of how to interact with its customers: a) provide answers as quick as possible to client requests, b) deliver products (software goods and services) in a timely manner, and c) be reachable permanently through different communication channels such as email, chat, Skype and phone. Nevertheless, Dewak does not operate around the clock. This sometimes causes communication problems due to time differences between Colombia and especially clients from Europe and the Asia-Pacific region.

Dewak developed a very close relationship with most of its clients, characterized by mutual trust and a loyal customer base. After sales support services that often include small modifications of the customized application are generally for free. In case of the multinational NTT, Dewak even forms part of the firm's support service plan based on an annual contract. Larger multinational

2 The direct quoting provided here is a translation of the original recording in Spanish revised by the interviewee.

corporations constitute approximately 5% of Dewak's client base. All others are more or less evenly distributed among large national, and small- and medium sized enterprises.

Dewak does not own any (quality) certification of the industry such as CMMI (Capability Maturity Model Integration), PSP (Personal Software Process) or TSP (Team Software Process). Their clients have not asked for these certifications yet but Dewak perceives them as important for future business development.

Dewak's products (software goods and services) are solely distributed through the Internet. As Carlos Orozco commented (Orozco, personal communication, June 2010)³:

Our channel of distribution and communication with clients is above all based on the Internet. Videoconferencing is often used for the project kick-off phase. Nevertheless, we also visited once our main client in the United States. Andres went there to develop a project in-house. We also wanted to do the same with NTT to have some kind of cultural exchange to get to know each other physically but NTT did not want to do that because of the higher costs it would involve. However, in this case it would have been useful, especially as we already have a longer-term relationship with them and it involves the development of larger projects. It simply makes a difference to shake hands physically and see each other in the eyes. Especially larger projects we would like to develop more often in-house. Such physical contacts would be beneficial. Especially with the clients we are involved

in larger projects they should have a closer contact with us were more trust is created and they can perceive us made out of flesh and bones.

Such on-site visits to clients will be included shortly in Dewak's business portfolio under the name of Dewak Trip.

Dewak perceives itself as the strongest among competitors. Besides Dewak and numerous individuals operating as freelancers scattered around the globe, there are principally three other companies in the world, two of them in Great Britain and one firm in the United States. Yet, in many cases clients switched from a competitor to Dewak due to the better perceived expertise and customer service provided by Dewak. The multiple channels of communication, especially the live chat function on the firm's website and the registered phone numbers in the United States and Great Britain, provide an additional competitive edge. Thus, Dewak "in contrast to many freelancers and competitors shows permanent visibility despite of being a virtual company" as Carlos Orozco affirmed (Orozco, personal communication, June 2010)⁴.

Case analysis and discussion

Dewak seems to fit the definition of born globals as defined by Gabrielsson, Kirpalani, Dimitratos, Solberg and Zucchella (2008): 1) The firm easily fits within the category of a small- and medium sized enterprise with its five employees. Besides, the founding team was aspired from inception to commercialize their business idea in global

3 The direct quoting provided here is a translation of the original recording in Spanish revised by the interviewee.

4 The direct quoting provided here is a translation of the original recording in Spanish revised by the interviewee.

markets; 2) The custom development of Kayako equally seem to be a unique product targeted at global niche markets - just four companies exist world-wide; 3) Dewak is privately owned by the founding team and thus, independent; 4) Dewak internationalized rapidly with clients on four continents within less than a year from its foundation. It derives 100% of its sales outside its home continent South America and thus, also fits the more strict definition of a born global as put forward by Luostarinen and Gabrielsson (2006).

Dewak's global marketing strategy will be analyzed by following the components of the GMS model (Zou & Cavusgil 2002), i.e. standardization of marketing programs, configuration and coordination of value-chain activities, integration of competitive moves, external globalizing conditions, global orientation, and international experience.

Standardization of marketing program

The extant literature on born globals' marketing strategies emphasize the standardization aspect of product, brand and marketing channels, especially for firms such as Dewak that internationalized instantly and serve business-to-business markets (e.g., Gabrielsson, 2005; Gabrielsson & Gabrielsson, 2003; Gabrielsson & Gabrielsson, 2004). Dewak makes use of a standardized corporate brand (the company name combined with a logo and the slogan "building software" [in English]). The corporate brand was used right from the beginning to promote all products and services the company has to offer. Hence, it confirms the research findings of Gabrielsson (2005).

Dewak's products, customizations based on Kayako, Joomla! and LAMP, are per se product-customizations and cannot be produced as standardized products for various clients (each

customer requires a different software coding based on their individual requirements). This is in contrast to Moen, Endresen and Gavlen (2003) but confirms the findings of Kiang, Raghu and Shang (2000). Yet, what seems to be an important element for standardization is the process of product fulfillment in such case. Dewak clearly standardized its procedure of how to interact with clients regarding speed of customer attention and delivery, and forms of communication during the product's development process. An important aspect to consider in the discussion about standardization and adaptation of software is its dual nature as software falls in the cross-section between a product and a service (Moen, Endresen, & Gavlen, 2003, p.130). Thus, depending on the specific type of software a born global produces, product standardization might be more or less relevant within the firm's global marketing strategy. In the case of Dewak, product standardization seems to be less relevant.

Dewak's marketing channel is characterized by an Internet-based direct sales channel strategy. This is in contrast to Gabrielsson and Gabrielsson (2010) who found that most born globals make use of a multiple channel approach (i.e. dual or hybrid). This might be due to the pure digital nature of Dewak's products and its dominant market position that includes very few competitors. Furthermore, Dewak entered in a network relationship with Kayako and custom develops Kayako's software applications. Therefore both firms entered in a horizontal-cooperation and are likewise dependent on the outcome with respect to their clients. These findings both confirm, on the one hand, Gabrielsson and Kirpalani (2004) who argued that the most effective marketing channel for a born global is an Internet-based sales channel combined with a network relationship with a multinational firm, and, on the other hand, Gabriellson and Gabriellson (2003) that stressed the importance of horizontal-cooperation

from inception for born globals to prosper and survive. Yet, it is important to consider Dewak's dependency on Kayako - not as a client but its dependency on Kayako's applications that Dewak customizes.

Dewak's promotional mix is characterized by various elements:

- Creation of corporate brand awareness through participation in online expert communities, search engine optimization, development and distribution of free tools, and promotion of Dewak's logo on clients' websites;
- Partnerships with international renowned clients (e.g. NTT Communications) to enhance image and reliability;
- Creation of product reviews (i.e. topic thread Review of Dewak on Kayako website) to enhance image and reliability;
- Kayako as referral partner to enhance image and reliability;
- Phone numbers and P.O. box addresses in United States and Great Britain to show global presence;
- Development of close relationships with customers based on mutual trust;
- Intensive after sales support services most often for free;
- Multiple Internet-based channels of communication with its clients.

This is in line with the findings of Moen, Endresen and Gavlen (2003), who showed that the Internet is an effective tool to build a company's image. Besides, partnership agreements and product reviews enhance a firm's image and thus, allow reducing the uncertainty often perceived by potential customers with respect to unknown suppliers. It is worth to highlight that Dewak registered phone numbers and P.O. box addresses in the United States and Great Britain. Such a

move provides new possibilities to small "virtual" born globals to overcome the perception of being perceived as too small and to be "closer" to their main clients despite of doing business in the World-Wide-Web. Yet, this can also be interpreted as a limitation that global virtual businesses still face.

Another limitation that is discussed within the literature is the fact that the Internet does not replace the need for personal sales, especially for born globals that focus on business-to-business markets (Gabrielsson & Gabrielsson, 2010; Moen, Endresen, & Gavlen, 2003). As seen, Dewak sells its products exclusively through the Internet. Video-conferencing is sometimes used for project kick-off. All other communication with clients is done via the Internet. It is often argued that products sold in industrial markets are more complex with higher asset specificity and thus less suitable for Internet-based sales (Gabrielsson & Gabrielsson, 2010, p.5; Moen, Endresen, & Gavlen, 2003, p.142). It is argued here that Dewak's sales approach is indeed very personalized. Yet, the company uses Internet-based communication tools for personal selling. Hence, the Internet seems to be an effective platform for personal sales of software products in global business-to-business markets. Nevertheless, the case study also provides evidence that business performance might be improved by more frequent on-site visits of clients. Such argument might be interpreted as another limitation that global virtual businesses still face.

Gabrielsson (2005) argued for push based marketing, especially for business-to-business born globals that need to emphasize on personal selling due to the specialized character of their products, targeted at global niches in industrial markets. In the case of Dewak it is rather a combination of push and pull strategies. The creation of brand awareness among potential clients through

different online marketing tools relates to a pull strategy that is complemented through a push strategy by personal selling through using various Internet-based communication tools.

Configuration and coordination of value-chain activities

In such a view, global marketing strategy is considered the means to exploit the synergies that exist across different countries as well as the comparative advantages that are associated with various host countries (Zou & Cavusgil, 2002, p.41). Such a view becomes relevant if a firm spreads its value chain over different country markets. Regarding born globals and especially small firms this might rather be critical due to resource limitations. It is not ruled out that such cases exist. However, with regard to the case findings in this paper, such view does not apply.

Integration of competitive moves

This view is concerned with how a firm's competitive strategies are planned and executed across countries and analyzes the extent to which a firm's competitive marketing moves in different countries are interdependent and integrated (Zou & Cavusgil, 2002, p.42). It is argued here that such a view is less relevant for small born global software firms, especially for companies such as Dewak that focus on global business-to-business niche markets. Firms such as Dewak do not target specific countries. They sell products that are per se global and get pulled into global markets through their clients who are globally dispersed. Hence, competitive moves do not need to be integrated across different country markets - there is just one competitive strategy that is planned and executed globally.

External globalizing conditions

The external globalizing conditions impact all firms. Some firms, however, take differently advantage of such conditions. As previously mentioned, advances in information and communication technologies contributed significantly to the phenomenon of born globals. In the case of Dewak, the company simply would not exist if there were no Internet. Hence, external globalizing conditions are considered an important factor that impact global marketing strategies of small born global software firms.

Global orientation

Global orientation is the organization-wide emphasis on success on a global basis rather than on a country-by-country basis (Zou & Cavusgil, 2002, p.46). As mentioned before, global orientation is considered a defining characteristic of a born global. Dewak's founders were inspired from inception to market customized solutions for Kayako on a global basis. Hence, global orientation is considered an important factor that impact global marketing strategies of small born global software firms.

International experience

International experience is a driver in a firm's global expansion. It affects not only whether a firm pursues a global marketing strategy but also how well it positions itself in the global market (Zou & Cavusgil, 2002, p.46). For a born global, international experience manifests itself less on the level of the firm but rather on the level of the individual entrepreneur or entrepreneurial team. As mentioned before, in the born global literature, international experience is often positively related

with speed of internationalization and an increased commitment towards it. In the case of Dewak, just one founder had prior international work experience of one and a half year altogether in the United States. Hence, international experience does not seem to influence significantly the global marketing strategy of Dewak. Recent research also showed that Internet appear to compensate the lack of critical mass in international experience for born globals using the Internet as a sales channel (Arenius, Sasi, & Gabrielsson, 2006).

Regarding the first research question of how does global marketing strategy become evident within a small born global software firm, it is apparent that standardization of different elements of the marketing program is important. A standardized corporate brand seems to be highly relevant for positioning the firm's products in global business-to-business niche markets. Product standardization seems to be less relevant. This can be attributed to the dual nature of software that falls in the cross-section between a product and a service. Thus, depending on the type and specific characteristic of the software product that a born global produces (its positioning on the product-service continuum), product standardization has a different meaning. In the case of Dewak, standardization rather manifested itself in a standardized procedure of how to manage product fulfillment. Dewak relies principally on an Internet-based direct sales channel strategy. Thus, distribution is highly standardized. Although the firm's promotional mix consists of numerous activities, all are handled communicating consistently the same corporate brand and messages. Thus, promotion is also highly standardized. Pricing strategies have not been considered for this research.

Configuration and coordination of value-chain activities, and integration of competitive moves, two other major views of the global marketing strategy literature, seem to be less relevant in

this case due to the small size of the firm and the truly global orientation of its business and where a distinction between different country markets are not relevant anymore.

The GMS model holds that external globalizing conditions, global orientation and international experience drive a firm's global marketing strategy (Zou & Cavusgil, 2002, p.44-45). This seems to be true in this case only for the impact of globalizing external conditions and the importance of the global orientation of the entrepreneurial team. International experience seems to be less relevant and is rather compensated, as recent research has shown (Arenius, Sasi, & Gabrielsson, 2006), by Dewak's business model that is built on an Internet-based sales channel strategy.

Regarding the second research question, if the GMS model provides an adequate framework for researching global marketing strategies of born globals, it became evident that this is possible to a certain extent. The elements that seem to be less relevant are, as before mentioned, configuration and coordination of value-chain activities, integration of competitive moves, and international experience. The elements that seem to be still highly relevant are standardization aspects of the marketing program, the external globalizing conditions and global orientation.

It should be noted, however, that the conclusions given here are highly dependent on the specific case that was analyzed. Dewak is characterized as a very small software firm with five employees, that globalized instantly and that serves global business-to-business markets by using an Internet-based sales channel strategy. Such an extreme case allows stimulating discussion about current perspectives on born globals, even though it is difficult, if not impossible, to generalize such findings. This, however, is not the intention of this paper.

Maybe the most important finding of this paper lies in the fact that there are companies out there that consider the world as one single market united by the Internet. Such firms operate in cyberspace and do not target specific countries. They sell products that are per se global and get pulled into the global market (cyberspace) through their clients who are globally dispersed. In such an environment global marketing strategies are per se global and thus, highly standardized, as if the firm would target one single country market. This type of born global “[...] operates with resolute constancy [...] as if the entire world [...] were a single entity; it sells the same things in the same way everywhere.” (Levitt, 1983, p.92-93).

Conclusions and future research questions

Born globals are a phenomenon that is increasingly being observed around the globe. Yet, few studies exist that research born globals’ marketing strategies. Hence, this paper tries to contribute to the recent debate about the topic. A single case study is applied that analyzes the global marketing strategy of a small software firm with five employees, that globalized instantly and that serves global business-to-business markets by using an Internet-based sales channel strategy.

It was found that standardization of different elements of the marketing program is highly important. Product standardization was the only exception and might be explained due to the dual nature of software products that fall in the cross-section between products and services. Furthermore, the GMS model seems to be an adequate framework to analyze global marketing strategies due to its integrative and holistic nature. Yet, there are clear limitations regarding its applicability in its current form to analyze global marketing strategies of small born global

software firms. The elements that seem to be still highly relevant though are standardization aspects of the marketing program, the external globalizing conditions and global orientation.

It is argued that Dewak presents an extreme case that is able to stimulate discussion about current perspectives on born globals. Such firms operate in cyberspace and global marketing strategies are per se global and thus, highly standardized, as if the firm would target one single country market. Yet, as the study has shown, there are still limitations regarding a firm’s solely reliance on cyberspace (i.e. Dewak’s move to register phone numbers and P.O. box addresses in the United States/Great Britain and its desire to undertake more on-site visits to clients) and that directly impact the way how global marketing is planned and executed - aspects that should be included in future research. Another important aspect for future research is to consider more specifically the actual type of business for analyzing a born globals’ marketing strategy. Dewak sells software to business-to-business markets. Thus, the literature on services marketing should provide additional insights on such type of firms as well as the literature on business-to-business marketing. Although the GMS model was only used as a guiding framework to analyze the global marketing strategy of the case firm, it would be interesting to explore further the model’s applicability to born globals comparing it to more case firms operating in different businesses. If future research results would indicate a modification of the current GMS model for born globals more in general, the adjusted model could then be tested statistically based on survey data.

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