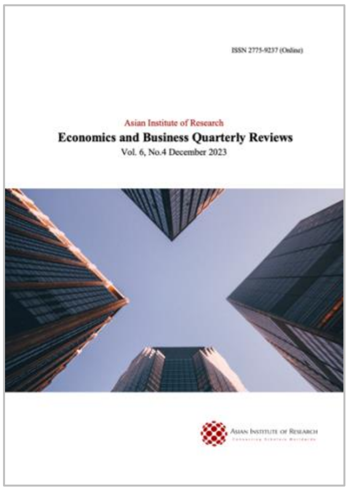

Economics and Business
Quarterly Reviews

Alokpo, J. D. M., & Kilika, J. M. (2023). Conceptualizing E-commerce Strategy as a Tool for Internationalization Performance. *Economics and Business Quarterly Reviews*, 6(4), 140-159.

ISSN 2775-9237

DOI: 10.31014/aior.1992.06.04.544

The online version of this article can be found at:
https://www.asianinstituteofresearch.org/

Published by:
The Asian Institute of Research

The Asian Institute of Research *Economics and Business Quarterly Reviews* is a peer-reviewed International Journal. The journal covers scholarly articles in the fields of Economics and Business, which includes, but is not limited to, Business Economics (Micro and Macro), Finance, Management, Marketing, Business Law, Entrepreneurship, Behavioral and Health Economics, Government Taxation and Regulations, Financial Markets, International Economics, Investment, and Economic Development. As the journal is Open Access, it ensures high visibility and the increase of citations for all research articles published. The *Economics and Business Quarterly Reviews* aims to facilitate scholarly work on recent theoretical and practical aspects of Economics and Business.

Asian Institute of Research
Connecting Scholars Worldwide

ASIAN INSTITUTE OF RESEARCH
Connecting Scholars Worldwide

The Asian Institute of Research
Economics and Business Quarterly Reviews
Vol.6, No.4, 2023: 140-159
ISSN 2775-9237

DOI: 10.31014/aior.1992.06.04.544

Conceptualizing E-commerce Strategy as a Tool for Internationalization Performance

Joy D.M. Alokpo[1], James M. Kilika[2]

[1] Department of Business Administration, School of Business, Kenyatta University, Kenya
[2] Department of Business Administration, School of Business, Kenyatta University. Kenya

Correspondence: James M. Kilika. E-mail: jmkilika@gmail.com

Abstract
We are currently living in an extremely volatile business environment emanating from accelerated changes in technology. This condition compels firms' Top managements to strategically think so as to adapt to such environmental shifts. In consequence, strategies built towards their internationalization goal are essential for their subsistence. They include e-commerce strategies and relevant dynamic capabilities. Being thus enlightened, the study endeavors to conceptualize E-commerce strategy as a tool for Internationalization Performance. However, a stumbling block was identified. It pertained to the lack of clear and exhaustive definitions of the main constructs, and to the scantiness and inadequacy of theories essential to their underpinning. The study also includes a comprehensive conceptual review touching the subjects of E-commerce strategy, Firm's Dynamic Capabilities, and Internationalization Performance and furthermore included relevant empirical studies. The major constructs were grounded on theories like UTAUT, the theory of flow, the institutional theory, the resourced-based view and the Uppsala model. As a result of this extensive study, a case for a new theoretical framework was presented, designed and thoroughly explained. Future studies should concentrate on offering thorough definitions of e-commerce strategy and internationalization performance. Additionally, it is vital such research be conducted in a variety of contexts.

Keywords: E-commerce Strategy, Firm's Dynamic Capabilities, Internationalization Performance

1. Introduction

Today's turbulent business environment, characterized by uncertainty and inability to predict the future, is extremely challenging (Suikki, 2007). This forces organizations to be more flexible as they try to continuously adapt to their environment (Tajpour, Hosseini & Moghaddm, 2018). In turn it requires the top management to strategically think in order to carry out their duty, implying they have to look for alternative ways or business models able to create value for their customers (Abraham, 2005). These rapid changes in the environment also push the management to look at their firms' dynamic capabilities as they have to deal with the industries hyper competitiveness (D'Aveni & Gunther, 1994). These dynamic capabilities are the (inimitable) capacity firms have to shape, re-shape, configure and reconfigure the firms' asset base so as to respond to changing technologies and markets (Augier & Teece, 2007). Especially in the globally oriented economy we are in, organizations need globally oriented dynamic capabilities in order to integrate resources and market- based views of the firm to enhance understanding of a firm's power in international business relationship (Griffith & Harvey, 2001).

For companies to have effective dynamic capabilities they need an innovation strategy focused at developing and introducing innovative new products or services able to lead the market (Zahra and Das, 1993; Li & Atuahene-Gima, 2001; Zhou, 2006; Naranjo-Valencia et al., 2011). One modern way to innovate in the business environment is to embrace E-commerce. E-commerce is "the electronic exchange of information, goods, services, and payments and the creation and maintenance of web-based relations" (Fruhling & Digman, 2000). It provides the possibilities to reach out to customers all over the globe (Business Sweden, 2017). Thus adoption or investment in e-commerce can be considered a viable strategic option for companies whose markets have traditionally been restricted at the domestic level and need to expand to foreign markets.

Adoption of E-commerce has been one of the key drivers towards globalization. For organizations operating at a domestic level, adoption of e-commerce can open avenues for the organizations to offer their products to a wider scope of the market beyond their national borders. Thus for firms mostly in the category of SMEs, while E-commerce may usher in competition at the domestic front from foreign firms, it also offers opportunities for venturing into global markets where they can avail their innovations. Thus E-commerce can be adopted as strategy towards internationalization of domestic firms.

Even though this might appear as a viable approach for internationalization of domestic companies, the literature in strategic management needs to undertake steps towards integration of the knowledge on e-commerce into the main literature on strategic management. On the one hand while e-commerce has been discussed within the context of Management Information System it has on the other hand been given scanty attention in Strategic Management. In scouting through the literature however, the literature in E-commerce shows richness in potential to not only influence the phenomenon of internationalization (Olsson, 2014; Siri & Renneby, 2014; Luo, Zhao & Du, 2005), international performance but also other relevant constructs, specifically constructs considered suitable for understanding and explaining firm strategic behavior such as dynamic capability (Jia & Min, 2007).

This also raises implications on the theoretical perspective to integrating e-commerce as it will require scholars to appreciate the role played by theories underpinning strategic management, such as Resource- Based View, Dynamic Capability theories on one hand while on the other theories touching on globalization and adoption of IT like the Uppsala Model, the Network theory of Internationalization, UTAUT and the theory of Flow.

1.1 Problem statement

Even though calls are emerging for firms to consider adoption of e-commerce as a viable strategic option for guiding internationalization (Olsson, 2014; Sayyah & Nilsson, 2017), it is observed, these calls face a number of issues strategic management needs to respond to.

An issue has been identified pertaining to the partial inadequacy of the theories in supporting the internationalization performance and e-commerce as contructs. For example, the resource-based view (RBV) shows the ability of valuable, unique, and inimitable firm-specific resources (Barney, 1991) to influence firm performance and shape the firm’s internationalization quest. However, the applicability of RBV to E-Commerce Corporations is limited since resources for these corporations are not only created within the firm but also around the network of internet-based embedded relationships (Singh & Kundu, 2002). The Uppsala model on the other hand ignores the fact the e-commerce is borderless and can penetrate any country despite the psychic distance. So Resource based View and the Uppsala model only partially helps in understanding the relationship between e-commerce and Internationalization performance.

Secondly a review of the extant literature highlights conceptualization issues pertaining to the construct of E-commerce strategy. After the study of various articles, there seems to be no existing definition of the construct. Instead authors have subdivided the construct into smaller strategies in order to explain what it is (e.g. Karagozoglu

& Lindell, 2004). There is also a lack of an exhaustive list of operational indicators suitable to match the highly turbulent nature of the technological environment as well as the changing nature of customers demand. The same has been found with attempts to operationalize the construct of international performance.

Thirdly, the phenomena explaining international performance as a result of employed tactics has not received enough attention in studies. While a number of studies have been done in different contexts to study the direct relationship between strategies and internationalization performance, the attempts have been limited in their conceptual rigor, therein ignoring the phenomenon brought about by the applied strategies, raising implications for both intermediate states and the conditioning responses of the contexts of application of these strategies. And there is lack of studies focusing on this phenomenon. Furthermore, few journals focus on the internationalization performance as a construct but we can find a lot of studies touching on the internationalization-performance relationship instead. Therefore it is crucial for researches to be done on the relationship between E-commerce strategy and internationalization performance and there be a clear definition of what internationalization performance is.

In view of the above issues there is need for scholarship to address the earlier cited call, so as to provide relevant models able to offer direction for practice and empirical work. This is why the paper aims at Conceptualizing E-commerce Strategy as a tool for internationalization Performance. In recognition of this prevailing situation, the paper seeks to address the theoretical and conceptualization issues in an attempt to enrich the existing literature in the multiple disciplines supporting the key constructs used in the study while conceptualizing adoption of E-commerce strategy as a tool for enhancing internationalization performance. Hence, the objectives of the paper are to review the extant theoretical and empirical literature on E-commerce Strategy, internationalization strategy and the macro environment of the home country; to identify emerging issues calling for a theoretical model linking the constructs; and to propose a theoretical framework suitable to guide the research.

The paper is significant to researchers and scholars as it uses a comprehensive array of theories capable of underpinning the constructs better. There has been lack of previously identified theories able to help in understanding e-commerce strategy and internationalization performance and the current study presents with a lead towards appropriate theories. It will also help to understand how international business and strategic management can be integrated. In the study, e-commerce will be studied as a strategic construct allowing companies to excel in their performance in foreign countries. As the area of e-commerce strategy, firm's dynamic capabilities and internationalization performance of domestic companies has not been touched before, this will bring new knowledge enabling future research, lectures and studies. It will be of help to managers as they will be able to consider the use e-commerce strategy as a way to improve internationalization performance

2. Conceptual review Key constructs

2.1 E-commerce strategy

E-commerce is the most known form of electronic technology applied to businesses and the impact of the construct on competitive strategy formulation is seen as fundamental (Lanckriet and Heene, 1999). E-Commerce often is defined narrowly to refer to using the Internet to market and sell goods and services (Barkley, Markley & Lamie, 2007). However, it is much broader and includes "the electronic exchange of information, goods, services, and payments and the creation and maintenance of web-based relations" (Fruhling & Digman, 2000). The electronic commerce framework is composed first of Infrastructure including hardware, software, databases and communications, secondly of Services providing the ability to find and present information including the search for trading partners, negotiation and agreements (Nanehkaran, 2013). The last component is named Products and Structures and it incorporates forecasts and direct provision of goods, services and trade-related information to customers and business partners, cooperation and sharing of information within and outside the organization and organizing of environment of electronic marketplace and chain of supply and support (Nanehkaran, 2013). Nanehkaran (2013) also identifies the main components of e-commerce encompassing communication systems, data management systems and security.

According to Veronika King (2009), an E-Commerce Strategy establishes the procedures and capabilities necessary for commercial transactions through data connections. An E-Commerce Strategy allows a firm to strive for a strategic target and an advance to the business rivals (King, 2009). An E-commerce strategy through the improvement of transaction, information and operation functions of the supply chain reduces transaction costs and through the logistic and promotion function reduces production costs (Henderson, Dooley, & Akridge, 2000).

In our review of the relevant literature we observe a scarcity of consolidated literature on the focus and dimensions of the construct of e-commerce strategy. We respond to this by consolidating information gathered from previous experiences of companies possessing online shopping /marketing services and secondly by summarizing the components of E-commerce strategy from the extant literature.

First in terms of facts obtained from online shopping services, we considered gathering information about the services they provide and strategies they use. We found aspects of E-commerce and classified them into categories: products access strategies, products information access strategies, company's contact and information, social media strategy, payment methods, online payment security, corporate social responsibility and legal requirements. The product access strategies include delivery options and prices and shipping destinations, a search engine, a store locator and an online shopping bag, account creation, and Apps (on google play and app store). They have product information access strategies like catalogues based on gender and the variety of the products, very visible promotional messages, Frequently Asked Questions, a newsletter. The company's contact and information comprises of their story, a Contact us link, a leave feedback button. The social media strategy encompasses google+, Facebook, twitter, Instagram, Pinterest and YouTube and a blog. Payment methods incorporate visa, visa electron, masterpass, master card, PayPal, Klarna, Maestro, America Express, Dorothy Perkins card, gift cards, and they allow purchase on credit and offer discount for students. As part of Online payment security we find: Verified trusted, verified by Visa and have Master Card secure code. For Corporate Social responsibility we have a modern slavery act, a Fashion Footprint. When it comes to the legal requirements of both parties, they have clearly stated terms & conditions, privacy & cookie policy, and an Accessibility policy.

In considering the features of the e-commerce strategy embraced by leading online marketing organizations, we are able to consolidate a number of components constituting the e-commerce strategy. From this information we classified the components of e-commerce strategy into product-based strategy, knowledge-based strategy, social media strategy and are care-based strategy.

The product based strategy facilitates the access of the customers to products and product information like catalogues based on gender and the variety of the products, delivery options and prices and shipping destinations, a search engine, very visible promotional messages, a store locator, an online shopping bag, Apps (on google play and app store),and an account creation. It is also has an emphasis on providing payment methods like visa, visa electron, masterpass, master card, PayPal, Klarna, Maestro, America Express, Dorothy Perkins card, gift cards and they allow purchase on credit and offer discount for students.

The knowledge-based strategy provides platforms allowing the access of customers to all the information they need to build trust like information about the company including their story, Frequently Asked Questions, a Contact us link, a newsletter, a leave feedback button.

The Social media strategy uses several social media like google+, Facebook, twitter, Instagram, Pinterest and YouTube and a blog. They permits the company to use social media to be able to reach out to customers.

The Care-based strategy emphasizes more on security of the customer and corporate social responsibility. The company for this strategy has clearly stated terms & conditions, privacy & cookie policy, a modern slavery act, a Fashion Footprint and an Accessibility policy. They are big on online payment security as they have been Verified trusted, verified by Visa and have Master Card secure code.

Secondly we considered evidence available from extant literature. We identified the contribution arising from the work of Karagozoglu & Lindell (2004). They divide the e-commerce strategies into three categories including customer base expansion strategy, customer service strategy and purchasing Management strategy.

The e-commerce strategy associated with customer base expansion entails operating a Website to provide product information, building brands and advertising, and selling products online (Sekhar, 2001).

The customer service strategy has been presented as an e-commerce strategy constituting a supplementary measure to the strategy of accessing new customers (Pitera, 1999). Features for customer service include, for example, providing thorough product information, implementing a question and answer data base, designing an easily navigated Web site, making it simple and secure to order online, warranty information, and clearly stated return policies and procedures (Korper and Ellis, 2001; Schneider and Perry, 2000).

The purchasing Management allows SMEs to utilize e-commerce to reduce their purchasing costs. E-commerce allows for a low transaction cost environment where search, price and terms negotiation, payment and settlement related costs decrease significantly (Kambil, 1995). Furthermore, in the e-commerce context, the inequality of information advantage by the suppliers, where the purchasing company is a victim to the suppliers' premium pricing resulting from a lack of knowledge of the competition's products and prices decreases (Straub and Klein, 2001).

In combining elements from practice and those from extant literature and based on the diversity of information from ICT, E-commerce we consolidate the various categories of strategies into: expansion strategy, online customer services strategy and purchase management.

The Expansion strategy is used when a firm wants to become significant by widening the extent of one of the business operations in the viewpoint of client gatherings, client capacities and innovation choices, either separately or together (McKay, 2010). It includes a website, online branding and advertising, online sales, providing product information, social media, Apps, account creation, delivery and shipping services, promotions, a newsletter, variety of pricing policies. This strategy allows the company to reach out to customers outside the home country through the use of social media and a website. It also provides information and options for foreigners to shop from a platform outside their country of origin and get the product delivered at their door step. The company builds a bigger customer base from different countries capable of facilitating the internationalization of operations of the company.

The Customer service strategy include: Frequently Asked Questions, a Contact us link, a leave feedback button , After sales services, Chats, Security features, user friendliness of the Website, Online warranty information, Stated return policies and procedures, terms & conditions, privacy & cookie policy, Accessibility policy, corporate social responsibility. The strategy basically allows customers' retention. It permits the company and the customers to build a relationship on trust and it impacts the decision of the customer to, in the future, transact with the same company or move to another one. Customers' fidelity is achieved using this strategy. So after the company's base broadens, customers acquired from different countries become faithful and this is important for the internationalization performance of the company.

The third strategy is purchasing management done through an online platform. It includes E-procurement, Supplier search, asymmetry of supplier's information, and Inventory management system. This strategy allows the company to have access to several suppliers outside the country. The company's will then compare costs of acquiring raw materials from a broader supplier base and reduce the cost of purchase. This will improve the organization's international performance.

When an e-commerce strategy is adopted by SMEs or domestic firms it allows them to reach new markets without making a foreign direct investment able to increase the cost of the market entry. Furthermore, e-commerce strategies increase the adaptability of the company to the conditions in a foreign market since it boosts the resource base of the company. They therefore give the company the ability to acquire various capabilities, allowing them to respond to the changing conditions of the foreign market. E-commerce also allows the organization to gain new and innovative forms of competitive advantages necessary to the achievement of their objectives. E-commerce strategy allows the company to better reach, acquire, enlarge, interact with, satisfy and keep a customer and supplier base capable of reflecting on the companies' internationalization performance. E-commerce strategy will highly be impacted the by the environment in the home country of the company because the environment will determine whether the strategies will work or not and whether the business will be profitable since it will determine the competitive edge the company will get since the environment can either be favorable to the business or unfavorable.

Firms in themselves generally have strategic resources, such as physical, human, organizational and financial resources, but they access other resources through cooperative relations with other firms and some from research and technology institutions (Fensterseifer, 2009). Resources are strategic when they have the ability to be used as a basis for generating capabilities and competencies able to underpin the competitive advantage and sustainability over time (Fensterseifer, 2009). Capabilities are a pack of resources taking shape as firm's routines while Competencies are capabilities the firm performs better at than other capabilities, strategy wise (Fensterseifer, 2009). Competencies are subdivided into two: Core competencies, capabilities enabling the firm to perform very well and distinctive competencies enabling a competitive advantage (Fensterseifer, 2009). There may also be country specific value attribution to a firm's resources: the country's macroeconomic conditions, communication, transport and technological infrastructure, legal system, government policies and regulations, natural resources, geographic location, market characteristics and image, and they are a basis for competitive advantage (Fensterseifer, 2009). These are the concepts Fensterseifer(2009) derived from his research. Fahy (2002) affirms Fensterseifer's position on the matter by confirming the multinationals as having access a larger and more diverse resource pool than home based firms. The ability to access resources from other countries, however, in our framework, is considered a firm's capability and hence it is treated at the firm level.

2.2 Firm's Dynamic Capabilities

According to the Business Dictionary (2019) a capability is the measure of the ability of an entity (department, organization, person, system) to achieve their objectives, especially in relation to the overall mission. However these capabilities need to vary in order to cope with the changes in the environment, hence the important of Dynamic capabilities.

Dynamic capabilities are defined as “the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (Teece, Pisano & Shuen, 1997). They reflect an organization's ability to achieve new and innovative forms of competitive advantage given path dependencies and market positions (Leonard-Barton, 1992). Helfat, Finkelstein, Mitchell, Peteraf, Singh (2007) define dynamic capabilities as "the capacity of an organization to purposefully extend, create, or modify the resource base." The foundational organizational and strategic practices used by managers to modify their resource base, add and subtract resources, combine and recombine them, and create new value-creating strategies are known as dynamic capabilities(Grant, 1996; Pisano, 1994). As such, they are the drivers behind the creation, evolution, and recombination of other resources into new sources of competitive advantage (Henderson and Cockbur, 1994; Teece et al., 1997).

Penrose (1959), Teece (1982), and Wernerfelt (1984) partially developed the notion of competitive advantage as requiring both the exploitation of existing internal and external firm-specific capabilities and developing new ones. However, only recently have researchers begun to focus on the specifics of how some organizations first develop firm-specific capabilities and how they renew competences to respond to shifts in the business environment (Teece, Pisano & Shuen, 1997).

Firm's dynamic capabilities are important in this study because the environment keeps changing and technologies are being updated frequently. An e-commerce would have to change the way it operates to be able to adapt to the changes in the environment in order to be effective in helping the firm to internationalize. The changes in the environment could be economic, political, social, cultural, natural, legal and technological in this case, hence the firm would have to adapt by constantly changing their way of operating.

Some dynamic capabilities integrate resources (Teece, Pisano & Shuen, 1997). As an illustration, consider how managers mix their diverse skill sets and functional backgrounds to produce products and services able to generate revenue (e.g., Clark and Fujimoto, 1991; Dougherty, 1992; Helfat and Raubitschek, 2000). Other dynamic capabilities focus on reconfiguration of resources within firms (Teece, Pisano & Shuen, 1997). Transfer processes including routines for replication and brokering (e.g., Hansen, 1999; Hargadon and Sutton, 1997; Szulanski, 1996) are used by managers to copy, transfer, and recombine resources, especially knowledge-based ones, within the firm. Other dynamic capabilities are concerned with the acquisition and release of resources. These routines create new knowledge within the company through managers and others are especially important in sectors like the oil, optical disk, and pharmaceutical industries where cutting-edge knowledge is crucial for successful strategy and performance. (e.g., Helfat, 1997; Henderson and Cockbur, 1994; Rosenkopf & Nerkar, 1999). They also include alliance and acquisition routines, bringing new resources into the firm from external sources (e.g., Capron, Dussauge, and Mitchell, 1998; Gulati, 1999; Lane and Lubatkin, 1998; Powell, Koput, and Smith- Doerr, 1996).

Dynamic capabilities can be divided into three classes according to (Breznik & Lahovnik, 2015), sensing capability, seizing capability and reconfiguring capability. Sensing capability means firms need to continuously scan their environments in order to identify opportunities and search for opportunities continually open up, inside and outside the firm’s boundaries. It consists of recognizing opportunities and anticipating competitive threats. Seizing capability is when opportunities are sensed, they then need to be seized and their value and potential have to be recognized. Secondly, seizing capability means selecting the ‘right’ technology or recognizing the target customers. Marketing capabilities are also part of it. A company's marketing team's combined body of knowledge and skill able to be used to produce outcomes capable of satisfying customers is referred to as its marketing capability. (Bush, Vorhies & Orr, 2011). They focus on market-related needs of a business, helping firms to offer superior added value and to better adapt to changing market conditions (Vorhies, 1998). They include pricing, product development, channel management, marketing communication, selling, market information management, marketing planning, and marketing implementation (Vorhies and Morgan, 2005). Finally, Vorhies and Morgan(2005) discuss reconfiguring capability implying, after opportunities are recognized and taken advantage of, they must be reconfigured. Or they mean the ability to recombine and reconfigure the resource base to address changes and opportunities in the firm's environment.

Absorptive capabilities can to certain extent be added to reconfiguring capabilities as it deals mostly with knowledge. It is “a set of organizational routines and processes by which firms acquire, assimilate, transform and exploit knowledge to produce a dynamic organizational capability pertaining to knowledge creation and utilization, which enhances a firm’s ability to gain and sustain a competitive advantage” (Zahra and George, 2002). In fact these authors suggest the acquisition, assimilation, transformation and exploitation capabilities can be combined, built upon each other to bring about a dynamic organizational capability” (Lawer, 2010). Also, the capacity of a firm to perceive the value of new, external information, and how they are incorporated and implemented towards commercial ends are crucial to the firm’s innovative capabilities and they are a form of absorptive capacity (Cohen & Levinthal, 1990). This is important for firm as it will help them identify new technologies able to improve their business including new e-commerce strategies.

Dynamic capabilities are important to the e-commerce sector. In order to survive E-commerce companies must adapt to the ICT innovations and their novel business structures by renovating their current capabilities instead of insisting on them (Jia & Min, 2017). These businesses employ e-commerce innovation to create dynamic capabilities. The dynamic capabilities of e-commerce enterprises' transformation are formed by its two fundamental capabilities—technological and commercial—combined with organizational practices. (Wheeler, 2002).

One important study in understanding dynamic capabilities in relation to internationalization is Van den Broek, J. 2014. They looked at Dynamic capabilities and internationalization as a theoretical framework. The study was conducted among employees of ARCADIS in the Dutch rail market. It was exploratory in nature and used survey and in-depth (semi-structured) interviews. There identified three dynamic capabilities comprising of sensing capability (Market scanning capabilities, Networking capabilities), Seizing capability(Marketing capabilities, Business model mindset) and Reconfiguring capability(Culture , Knowledge management). They found the company studied had a false sense of being market orientated, the railing department felt they do not have the skills and knowledge to translate opportunities into (profitable) projects, International expansion was fairly good, there was no clear knowledge management strategy, there was no extensive use of databases but a dense network seems to be present. They also found routines involving managing networks and using networks to their fullest potential were missing. Not a single department felt their manager supports risky projects in order to be able to expand internationally and no department has processes for analyzing market information. The business model mindset was average for most departments and the employees were very internally focused. The study had a decreased validity of the framework, the internal validity of the study was limited and there was no triangulation.

2.3 Internationalization Performance

The Business Dictionary (2019) defines performance as the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. Performance represents the efficacy and efficiency of an enterprise applying resources in the past, it also presents prospective influence to modify the past wrong business activity and point out the future direction of resource allocation and long-term competitiveness to help enterprises understand the strategies and execution achieving the preset objectives (Li, Cao & Liu, 2017).

According to Crina, (2010) the expansion of a company's operations outside of its home country is known as internationalization and is a process wherein a company becomes more involved in intricate operations outside of its original country. Internationalization offers access to new market, capital, valuable production processes, development of core competencies, Corporate risk management, launching of new products, networking, knowledge transfer (Strategy Train, 2009). And the understanding of performance and internationalization helps us to better grasp the concept of internationalization performance. It focuses on measuring the performance of an organization linked to the international operations of a certain company.

In past researches Internationalization Performance concentrated on the export activity and export performance of firms (Shoman, 1998). For example López Rodríguez and García Rodríguez (2005) in their study measured internationalization performance as the ratio of export sales to total sales. However those studies rarely mentioned about the performance on other internationalization activities, such as direct foreign investment (Shoman, 1998). In contrast to those studies Delios and Beamish (2001) thought internationalization performance of firms should be interpreted using measures from several points of view. Masaaki, Srini and Preet (2002) thought it should be measured through financial performance and production performance. Knight and Cavusgil (2004), in their study divided them into financial performance and strategic performance in this study. Financial performance referred to international performance observed through financial statements, like the growth of oversea sales revenue, the pre-tax profit standard, and the growth of oversea return on investment. Strategic performance was about an organization presenting the international performance after a longer period of time. It includes changes of target market share, enhancement of oversea customer satisfaction, and performance of major products.

But generally, Internationalization performance can be measured using both financial and non-financial indicators (Yoon & Kim, 2009). Financial performance is usually measured using profitability, sales growth, market share, ROI, or EVA (Li et al., 2011; Yoon and Kim, 2009). In the study of (Won Jeong, 2016). The financial performance of internationalization was assessed using market share, sales growth, and profitability (Knight & Cavusgil, 2004) and Non-financial performance variables were assessed using financial performance satisfaction and strategic performance (Cavusgil & Zou, 1994; Keh et al., 2007).

In summary internationalization performance can be evaluated using financial measures including the growth of oversea sales revenue, the pre-tax profit standard, and the growth of oversea return on investment, and the economic value added. The non-financial measures also include strategic performance measured. They are comprised of international target market share, enhancement of oversea customer satisfaction, brand positioning, internal stakeholders' satisfaction.

And a study done by So Won Jeong, (2016), focused on the types of foreign networks and internationalization performance of Korean SMEs is very instrumental in measuring internationalization performance. The specific aim of the study was to investigate the different ways various network types influence internationalization outcomes such as financial performance, financial performance satisfaction, and strategic performance. International performance was measured by three variables including financial performance, financial performance satisfaction, and strategic performance. A quantitative survey method, a survey questionnaire and a multiple regression analysis were used as a methodology. He found a positive relationship of networks with clients and strategic performance, the business network with clients had a positive impact on financial performance, Business networks with clients positively influenced financial performance satisfaction. He also found Business relationships with acquaintances from trade shows and fairs did not influence financial performance satisfaction, while strategic performance was positively changed only by business networks with clients. The study did not underpin the constructs using some theories. However the study done by Hee Jin Mun, (2018) used RBV to talk about technology and the relation to internationalization performance.

2.4 The Home Country Macro environment

An important question scholars in international business address is the set of factors accounting for success by firms in foreign markets. We regard this to be an important point of consideration for SMEs and other domestic firms intend to ride on the platform of e-commerce strategy to venture into foreign markets. One of the environments to be examined is the macroenvironment of the home country as it currently exists and influences the success of domestic firms which are internationalizing. In the era of digital technology, the technological environment is expected to play a critical role in contributing to the success of firms.

According to Porter (1990), for a nation to be competitive, the industries need to innovate and upgrade. The pressure they face against world's best competitors, and the demands of a strong domestic market helps them to gain competitive advantage and acquire a lot of benefits. They also argues, competitive advantage is made and sustained by a highly localized process and the differences in national values, cultures, economic structures, institutions and histories, among countries, all contribute to competitive success. Meaning, the conditions in the home country clearly determines the strength of a company in the international market as the high competition at home allows them to gain the ability to sustain their competitive advantage against other international competitors. Also, the individuals in a country, their skills, abilities, motivation, commitment, effort, the type of education they choose and their work emplacement are important in the achievement of a nation's competitive advantage (Porter, 1990).

According to the Business dictionary (2019) the macro environment refers to the major external and uncontrollable factors impacting an organization's decision making, and influencing the firm's performance and strategies. It is comprised of economic factors; demographics; legal, political, and social conditions; technological changes; and natural forces. In other words it can be defined as the aggregate of variables beyond the control of an organization, requiring an analysis to adapt corporate and marketing strategy to the changes in the business environments (Sammut-Bonnici, 2017). The macro economic factors influence more intensely a c multinational or globalized company, hence impacts the activities (Birnleitner, 2013).

Political factors are country specific and can include the political regime, the type of government, political party system, the stability of the current government policy measures, the stability of the policy measures taken, the fees, the attitude towards foreign investors and to investment, economic regulation, and legislation on environmental protection (Pîndiche & Ionita, 2013). Pertaining to the Regulatory Environment, the differences in the regulatory environments among nations either facilitate or constrain their economic activity and it determines the extent or the lack of regulatory support for international technology entrepreneurship (Kiss & Danis, 2008). Enabling policies such as trade and telecoms liberalization are likely to have the biggest impact on e-commerce, by making ICTs and Internet access more affordable to firms and consumers, and increasing pressure on firms to adopt e-commerce to compete (Gibbs, Kraemer and Dedrick, 2002).

According to Pondicherry University Economic conditions, economic policies and the economic system are the important external factors constituting the economic environment of a business and the nature of the economy, the stage of development of the economy, economic resources, the level of income, the distribution of income and assets are among the very important determinants of business strategies. As for Economic factors, the concern is the allocation of resources in society and commerce. These include the GDP branch structure of the national economy development level of each branch, budget deficit, the impact of recession price developments, taxation, economic development, population, development and distribution income social groups, trade balance, forex anciar situation, interest rates, loan applications development inflation and employment of labor (Pîndiche & Ionita, 2013).

The technological activities of global firms are usually based in their home countries, and the innovation environment of the home country specifically supports technological development .An innovative environment is characterized by availability of sophisticated national institutions involved in research and development, availability of high quality universities involved in research, availability of highly quality skilled manpower, networking opportunities with similar high technology entrepreneurs, and availability of high quality knowledge based workers. And also the digital divide between countries may limit the potential value of B2B e-commerce (Gibbs, Kraemer and Dedrick, 2002).

According to the Oxford study laboratory, the technological environment includes inventions, changes in information and mobile technologies, innovations in internet and e-commerce, government expenditures on research. According to the consulting internet portal PESTLE ANALYSIS, factors of the technological environment include automation, research and development and the amount of technological awareness a market possesses. According to Business Environment, a textbook published by Elsevier, the technological environment includes Information technologies – intranet, extranet and internet; Digital electronics – digital television, mobile phones (WAP da 3G); New synthetic materials – synthetic medicines, celluloid, polymers; Renewable energy resources – wind, solar, tidal energy; and Biotechnologies – cloning, genetically modified foods, human genetic maps. According to the Newman dictionary while discussing the technological environment, issues to consider include intellectual property rights, internet and communication infrastructure, government or industry spending on R & D, technology incentives and the rate of technological change.

For the socio-cultural environment it is important to consider the buying and consumption habits of the people, their language, beliefs and values, customs and traditions, tastes and preferences, education are all factors impacting business (Pondicherry University, n.d.). B2C diffusion seems to be altered by variables specific to the national and local environment, such as consumer preferences, retail structure, and local language and cultural factors (Gibbs, Kraemer and Dedrick, 2002).

Demographic factors such as size of the population, population growth rate, age composition, life expectancy, family size, spatial dispersal, occupational status, employment pattern etc, indeniably change the demand for goods and services (Pondicherry University, n.d.).

Geographical and ecological factors, such as natural resource endowments, weather and climatic conditions, topographical factors, locational aspects in the global context, port facilities, etc., are all relevant to business (Pondicherry University. n.d.)

2.5 Review of relevant theories

In order to understand the concepts in a deeper way it is rather important to know the theories underpinning them. They give us a greater perspective and basis for a better understanding of the different constructs. The E-commerce strategy theories were represented by the unified theory of acceptance and use of technology. Internationalization performance construct was studied using the traditional Uppsala Model and the resource based view. Institutional theory and also the Resource Based View.

2.5.1 The Unified Theory of Acceptance and Use of Technology

UTAUT is a dominant popular technology adoption theory, explaining most of the variance in adoption behavior (Dwivedi et al, 2010; Venkatesh et al, 2003). It is important in understanding e-commerce strategy. The UTAUT states the four core constructs: performance expectancy, effort expectancy, social influence and facilitating conditions, directly determinants of behavioural intention and ultimately behavior; these constructs are in turn moderated by gender, age, experience, and voluntariness of use (Venkatesh et al., 2003). It also has an extended form, UTAUT-2. It added Hedonic motivation (HM), Price-value (PV) and Habit (HB) as new variables. UTAUT has been employed mostly in technology adoption and diffusion research as a theoretical lens by researchers conducting empirical studies of user intention and behavior (Williams, Rana & Dwivedi, 2015).

This theory is important in understanding how customers interact with technology and the main benefit they desire to reap from the interaction. It showcases the importance and need of using the right e-commerce strategies to meet customer's expectations. Performance expectancy for example allows a greater understanding of how firms can meet consumers' goals when they visit e-commerce websites for online shopping. Effort expectancy is important in understanding how to design and choose e-commerce strategies, enabling an easy interaction or simpler user interface between the users and the system itself (Venkatesh et al., 2003). On the other side, social influences have an impact on how much customers believe they must adopt the new system due to intense external pressure(Venkatesh et al., 2003), and it is the main factor in the intention to use prepayment metering systems (Rodriguez and Trujillo, 2014). This allows e-commerce companies to design strategies geared towards impacting the view of the society on how important the services they offer are. Facilitating condition refers to what extent people trust the organisation to offer technical support for the systems (Venkatesh et al., 2003), and it has an impact on usage intention (Lin and Anol, 2008). It greatly changed whether a customer will decide stay with the company or not, it builds trust between the company and the customers. It allows companies to design e-commerce strategies geared towards protecting the customer and therefore build a long lasting relationship with them.

2.5.2 Theory of Flow

Flow research and theory had their origin in a desire to understand this phenomenon of intrinsically motivated, or autotelic, activity: activity rewarding in and of itself, quite apart from the end product or any extrinsic good resulting from the activity (Nakamura, J., & Csikszentmihalyi,2009).

Being "in flow" is the way some interviewees in the study about the concept of flow described the subjective experience of engaging just-manageable challenges by tackling a series of goals, continuously processing feedback about progress, and adjusting action based on this feedback (Nakamura, J., & Csikszentmihalyi,2009). This theory also applies in the e-commerce experience and will help in understanding e-commerce strategy.

In order to create a delightful experience in e-commerce, several researchers make reference to Csikzentmihalyi's (1975) the theory of Flow. Trevino and Webster (1992) defined flow as representing the measure a person perceives a sense of grasp over his interaction with technology, the person sees his attention focused on the interaction, the person's curiosity is stirred during the interaction and whether the person finds the interaction captivating. So the aim is to create an interface able to boost user attention and make the user feel in control and devoid of distractions from other non-related tasks or distractions due to poor usability. Nel et al. (1999) evaluated twenty e-commerce sites. The writers came to the following conclusion saying the reason informational sites experience more traffic is because they are easier to maintain than transactional ones.

2.5.3 The resource based view

This theory not only explains dynamic capabilities but also internationalization performance. Barney (1991) argued sustained competitive advantage is derived from the resources and capabilities a firm controls, which are valuable, rare, imperfectly imitable, and not substitutable. These resources and capabilities can be viewed as bundles of tangible and intangible assets, including a firm's management skills, the organizational processes and routines, and the information and knowledge it controls.

D'Aveni, (1994) together with other researchers argue, because of today's highly volatile and dynamic environment, it is hard or even impossible to achieve and sustainable competitive advantage at the organizational level by using resources. In fact, resources usually spread out easily in the same industry (Brown & Eisenhardt, 1998). The only benefits a business may anticipate are a succession of transient ones because resources are easily copied, replaced, or rendered obsolete (MacMillan, 1989;D'Aveni, 1994).

Touching on technological environment and internationalization performance, Resource based View scholars (Barney, 1991;Wernerfelt, 1984) states, rich technological resources facilitate firms' differentiation from overseas competitors and jump-start their motivation for internationalization, boosting their internationalization performance (Kim and Hemmert, 2016; López Rodríguez and García Rodríguez, 2005; Tseng et al., 2007). Despite literature showing how the relationship between technological resources and internationalization performance is positive (Dhanaraj &Beamish, 2003; López Rodríguez & García Rodríguez, 2005; Tseng et al., 2007), a number of studies revealed technological resources have a non-significant impact on internationalization performance and may even lead to a withdrawal from internationalization (Deng et al., 2014; Denicolai et al., 2014; Lefebvre et al., 1998). Because international applicability of resources influences the global strategies, firms can establish based on their own resources (Anand & Delios, 1997, 2002; Brouthers et al., 2008; Cuervo-Cazurra et al., 2007; Madhok, 1997) and therefore impact performance (Barney, 1991; Newbert, 2008), and the location boundness of technological resources will probably be vital to internationalization performance.

2.5.4 Institutional theory

For institutionalists, regularized organizational behaviors are the product of ideas, values, and beliefs originating in the institutional context (Meyer & Rowan, 1977; Meyer, Scott, & Deal, 1983). Firms must then take care of institutional expectations to survive, even though these expectations may have little to do with the idea of performance accomplishment (D'Aunno, Sutton, & Price, 1991; Scott, 1987). Institutional theories means, to survive and adapt organizations must stay in alignment with changing industry norms and shared logics (Endress, 2013). Firms should therefore adopt a fast follower strategy, assumed to be directly connected to longterm survival (Lewin & Volberda, 1999).The theory is therefore significant in understanding the dynamic capabilities of a firm. There exists three types of institutionalists. The sociological institutionalists in the sociology of organizations (Powell and DiMaggio 1991) who tend to focus on largely cultural and ideational causes. Historical institutionalists who typically focus on determinants at the state or macropolitical level (Pierson and Skocpol 2002). Political institutionalists who typically situate their claims at the state or macro-political level and argue the process of formation of states, political systems, and political party systems strongly influence political processes and outcomes (Amenta, 2005).

2.5.5. The Uppsala Model

The original Uppsala model was based on inductive studies of Swedish multinational companies which were found to start their internationalization on markets close to the home market in psychic distance terms and gradually entering markets further away (Vahlne & Johanson, 2013). In the study they found the companies will go through an establishment chain where companies will start by exporting, then formalize their entries through deals with intermediaries, next they would replace their agent with their own sales organization and finally they will begin to manufacture.

They also found another pattern whereby internationalization would start with foreign markets closer to the domestic market in term of psychic distance, then they would gradually enter other markets further away in psychic distance terms (Johanson & Wiedersheim-Paul, 1975; Vahlne & Wiedersheim-Paul, 1973 The model also states firms change by learning from their experience of operations and through the commitment decisions they make to strengthen their position in the foreign market.

This model is very important to e-commerce strategies as it allows companies to choose the right strategies to be used depending on the psychic distance between the home and host countries. It is also vital in determining the best and effective way, a company will be able to make the products reach the customers. Additionally, it offers a progressive approach to entering the market, also applicable to how e-commerce strategies can be gradually employed when approaching a new market. The theory is important in understanding the internationalization of companies, and is therefore necessary in also understanding the internationalization performance construct.

2.6. The case for a Theoretical model

E-commerce and internationalization are modern and extremely relevant constructs in our current society, which has turned to technology and the internet to attain goals they could not previously achieve. Yet these constructs have not been studied extensively. This study on e-commerce strategy and internationalization performance is therefore relevant and can potentially help in the future. And this study would like to bring about a new comprehensive theoretical review covering a number of deficiencies observed in previous studies. This is supported by the extensive conceptual, theoretical, and empirical review done to better identify the gaps which have not been addressed. There are several points emerging as issues from the reviewed literature to support a case for the development of a new model putting into consideration E-commerce strategy, firm’s dynamic capabilities, technological environment, and internationalization performance.

One of the issues arising from the conceptual review is the abundance of views several authors had on each construct. This allows a greater understanding and provides different angles from which the constructs can be analyzed. However, it might not be possible or wise to get an integral definition combining each and every view since the studies have been done in several contexts, and the approaches are different. It will therefore be crucial to choose the conceptualizations to merge, the ones not to use, the ones which may seem to be repetitive or overlap. One example will be the variety of indicators the conceptual and empirical literatures propose in order to operationalize the various constructs (Karagozoglu & Lindell, 2004; LaBarre, Haugen and Noe (2001); Srini and Preet (2002); Knight & Cavusgil; 2004; Teece, Pisano & Shuen, 1997; Breznik & Lahovnik, 2015; Oxford Learning Lab. (n.d.); Anon, 2019). The various indicators previously used were determined according to the study objectives and the contexts. It is imperative therefore to identify indicators relevant to the current study, and these indicators can easily connect the various constructs and comprehensively measure them.

A part from the diversity in the use of indicators there is a clear lack of proper conceptualization of E-commerce strategy and internationalization performance (Karagozoglu & Lindell, 2004; Shoman, 1998; Rodríguez and Rodríguez 2005). They have lacked a proper definition. Although this did not touch on the way internationalization performance was measured, it has influenced the way E-commerce strategy is supposed to be measured. One could not directly identify the strategies proposed by the authors to the real strategies used on our day to day websites. The current study is more specific by proposing indicators corresponding to the strategies in previous researches but are relevant to the current websites we have. Hence the need for a new theoretical model to be relevant and easily understandable by the users of these indicators.

Some of the studies examining E-commerce strategy have used e-commerce itself as a strategy, not really focusing on the various sub-strategies necessary to understand the different dimensions from which e-commerce strategy can be viewed. (Barkley, Markley & Lamie, 2007). The most ignored one has been the purchasing management while the main focus has been on online sales. As per internationalization performance, there has been in a certain variety of the studies encountered a focus on export activities (Li, Cao & Lui, 2017; Shoman, 1998; López Rodríguez and García Rodríguez, 2005), limiting the lenses one can measure the construct from. This new model assures a more comprehensive definition of E-commerce strategy and internationalization.

In terms of the empirical reviews we realized most studies focused on specific industries. Some study focused on the pharmaceutical industry (Mun, 2018), SMEs (Mashahadi, Ahmad & Mohamad, 2016; Jeong, 2016; Pinho, 2011), Transnational corporations with export-oriented manufacturing (Li, Cao & Lui, 2017). Other studies only considered the technological environment in the home country will ignoring the importance of the broader Macro environment (Mun, 2018). The focus of this study is on domestic enterprises, meaning those founded in their native country and then internationalized, whether gradually or all at once. The study is not particular regarding the setting in which it will be conducted. The indicators used to define the different construct will have to take into consideration these factors and close the gaps they have generated.

3. The proposed Theoretical model

A careful study of the conceptual, theoretical and empirical literature has allowed the author to derive the most suitable indicators capable of measuring the different constructs of the study. The independent variable identified is e-commerce strategy, a recent and interesting phenomenon impacting businesses in general. We desire to depict through this framework e-commerce relationship with internationalization performance of firms. The mediating variable was dynamic capabilities of the firm and the Macro environment was the moderating variable.

3.1 E-commerce strategy and internationalization performance

E-commerce has become an undeniable contributor to the advancement of the internationalization of firms in general since it does not compel them to physically move to the host country in order to interact with the citizens who are potential customers. This study purport to explore how an e-commerce strategy can influence the internationalization performance of firms.

The propositions come from the fact the e-commerce strategy adopted by a certain company is one of the main factors determining whether a firm will perform greatly or fail to meet the goals set for the international market and specifically the firm's performance. It is also imperative for the firms embracing e-commerce to engage in strategies relevant and more effective for them, hence emphasizing the importance of the choice of e-commerce strategy in determining the level and kind of performance a company will generate out of the business in the international arena. Necmi Karagozoglu & Martin Lindell, (2004) studied Electronic commerce strategy, operations, and performance in small and medium-sized enterprises. They found three e-commerce strategy. Depending on the type of strategy some of them can allow firms to reach out to many countries whether they are close to the home country (expansion strategy). Another set allows the customers to get the information required, to communicate with company's agents, be confident they can get the right product or return it when it does meet the standards and hence build trust in the online firm and it also provides an easy avenue to market the firm's products (online customer services strategy). The last set helps the firm to get a wide variety of suppliers (Purchase management).

On the face value, the overall e-commerce strategy therefore should lead to a positive performance of the firm engaging in international business. However the choice of strategy at a given moment can either make or break a company's impact on the market hence also the performance. From this we can deduce:
Proposition1-a: The General E-commerce strategy of a firm has a positive impact on the internationalization performance.
Proposition 1-b: The choice of the e-commerce strategy can impact positively or negatively the internationalization performance.

3.2 Firm's Dynamic Capabilities

Dynamic capabilities are very crucial for every organization since the environment we live in is not static and keep changing. A company which relies especially on e-commerce has contact with customers from several countries and will be obliged to adapt to the changing need of the customers and the changes in technology in order to gain competitive advantage over competitors. It therefore needs resources and competences enabling it to cope with these changes and hence the need for dynamic capabilities. According to Teece, Pisano & Shuen, (1997) Dynamic capabilities are "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments". In this study it has been measured using Van den Broek, J. (2014), it looked at Dynamic capabilities and internationalization. Dynamic capabilities have been operationalized using Sensing capability comprised of Market scanning capabilities and Networking capabilities , Seizing capability comprised of Marketing capabilities and Business model mindset and Reconfiguring capability comprised of Culture and Knowledge management.

Arguably dynamic capabilities cannot be ignored while evaluating the relationship between e-commerce strategy and internationalization performance. If the company is not flexible in coming up with relevant strategies capable of meeting the current or even future need of the customers in the various countries it will not be able to perform effectively. Dynamic capabilities allows them to identify new opportunities, take hold of those opportunities an then change the organization culture and get the appropriate knowledge enabling them to be relevant. So without dynamic capabilities there is a chance an e-commerce strategy may not be able to achieve the perceived goals and will not therefore have a positive impact on the internationalization performance of a firm. The adoption of dynamic capabilities coupled with the changes in the environment may also influence the type of strategies chosen by a firm at a certain moment because some strategies might be totally irrelevant to the company at this precise moment. In this regard we propose the following.

Proposition 2-a: A firm's dynamic capabilities mediates the relationship between the general e-commerce strategy and the internationalization performance.

Proposition 2-b: A firm's dynamic capabilities impacts the choice of the e-commerce strategy

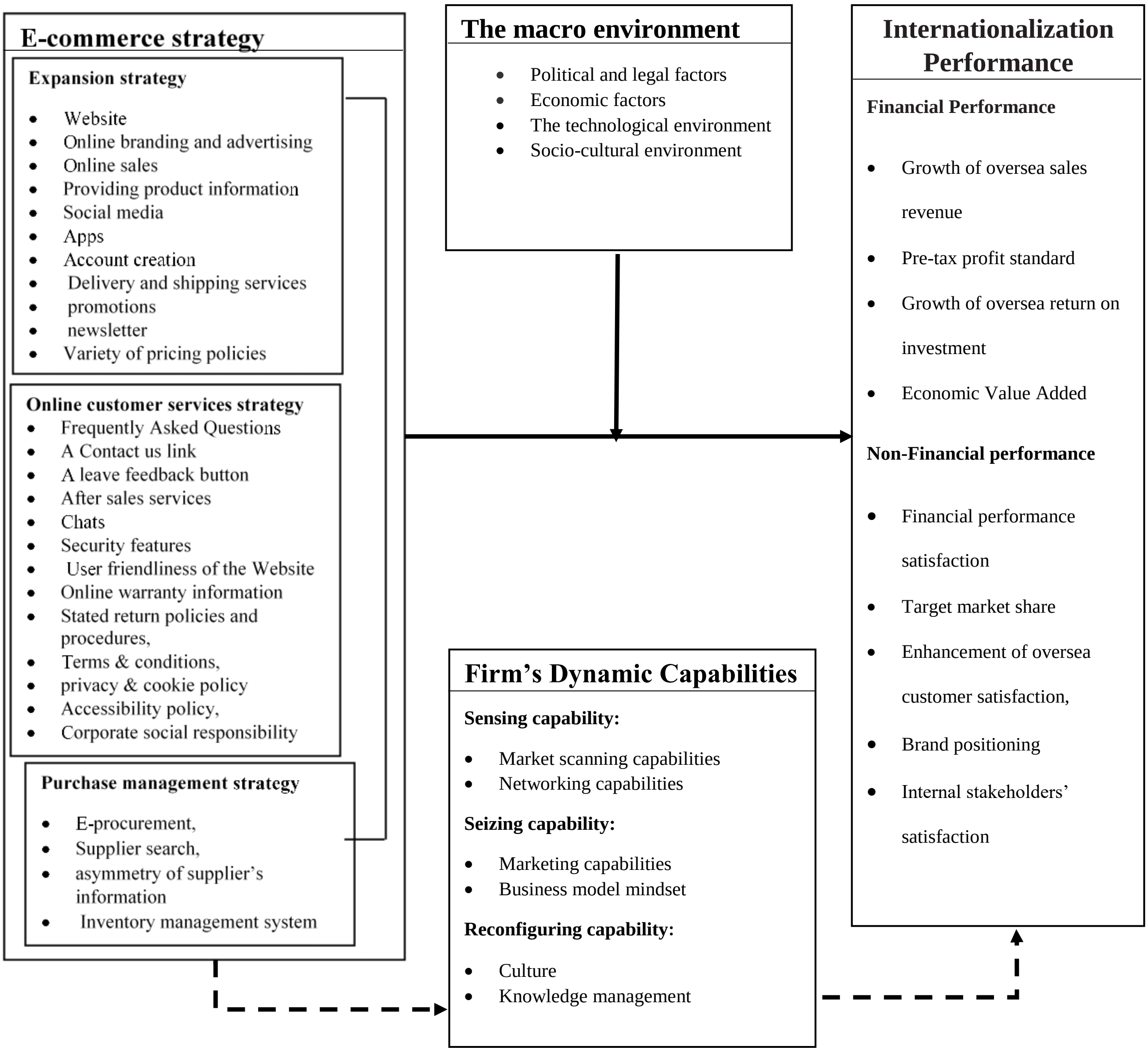

Figure 3.1. Theoretical Framework

3.3 The home country Macro-environment.

The macro environment refers to the major external and uncontrollable factors impacting an organization's decision making, and influencing the performance and strategies (Business dictionary, 2019). It is the sum total of variables an organization is not able to control. It encompasses factors like the economic factors; demographics; legal, political, and social conditions, technological changes; and natural forces, (Sammut-Bonnici, 2017).

Benson Mbithi et al (2017) studied Macro environment as the moderating variable between Strategy and Performance. They found four factors of the macro environment namely the Political environment encompassing government influence on tax policies, or government involvement in trading agreements and are entwined with Legal factors such as national employment laws, international, trade regulations and restrictions, monopolies and mergers' rules, and consumer protection. The Economic factors include economic growth rates, levels of employment and unemployment, costs of raw materials, interest rates and monetary policies, exchange rates and inflation rates. Demographics, age distribution, population growth rates, level of education, wealth and social class distribution, living conditions, and lifestyle are sociocultural influences. Last but not least, there are the technological elements, which include spending on research, developing new materials, and developing new manufacturing, distribution, and logistics techniques. They also include advances in information and mobile technologies, internet and e-commerce, and the rate at which new innovations and developments are made.

The macro environment can either helps or weaken the relationship between e-commerce strategy and internationalization performance. For example, lack of a good relationship with other countries or separate political ideologies, or war might limit the trade between them and will therefore limit their performance. The differences in currency may give the same results. A good technological environment fueled by research and development can allow the strategies to work better and increase access to foreign markets. Also, people's culture determine whether they accept to move from the way things have always been done to a more technological oriented environment. It is also determined by how much the country is changed by natural disaster. Demographic factors and geographical and ecological factors also alter the relationship.

We can also comfortably argue, the conditions of the macro environment will determine the choice of strategy utilized to achieve competitive advantage and therefore help in improving the performance of the organization. Hence the following propositions
Proposition 3-a: The Macro environment the moderates the relationship between a firm's general e-commerce strategy and the internationalization performance.
Proposition 3-b: The Macro environment limits the choice of e-commerce strategies able to be used by a firm.

4. Conclusion

Considering the changing and evolutionary technological environment we are in, it is imperative we study the impact of technology on commerce. And for this reason, the present study had the purpose of reviewing, the extant theoretical, conceptual and empirical literature on E-commerce Strategy, Dynamic Capabilities and Internationalization Performance of domestic firms with a view of identifying gaps in knowledge and proposing a theoretical framework suitable to guide the research.

Very few researches focused on understanding E-commerce Strategy, Internationalization Performance and even the Home Country Macro Environment. Consequently, there is a lack of definition of E-commerce Strategy and Internationalization Performance. Besides, although there were clear indicators on how to measure Internationalization performance, there were no direct indicators on how to measure E-commerce Strategy. Moreover, there were very few theories to specifically underpin E-commerce Strategy and Internationalization Performance.

The study identified relevant indicators, important in measuring the various constructs. For instance, the study done by Necmi and Martin responds to the lack of clear indicators on how to measure E-commerce Strategy. Their study helped identify various relevant corresponding indicators. The solution to the insufficiency of theories to specifically underpin E-commerce Strategy and Internationalization Performance was found in the UTAUT and the Theory of flow. The Resource Based View helped in understanding firms' dynamic capabilities, internationalization performance and the home country's macro environment. The contingency theory, Strategic theory and institutional theory allowed us to also have a broader understanding of the importance of a firm's dynamic capabilities.

Using the literature review, the study proposed a conceptual framework and explained how each construct influences the other, or the relationship between E-commerce Strategy and Internationalization Performance, not in isolation but in the light of Firms' dynamic capability as a mediator and the Home Country Macro Environment as a moderator.

For future research, we suggest researchers focus on getting a clear and exhaustive definition of E-commerce Strategy and Internationalization Performance. We also advise research be done on identifying the right indicators to describe and operationalize E-commerce Strategy as a construct. Researchers may consider doing more work on E-commerce Strategy or Internationalization Performance. Numerous industries can be studied, especially those important to Kenya's economy, like industrial companies, internet retail, and the arts and crafts sector. Particularly SMEs should be studied because the E-commerce phenomenon is most beneficial to them.

Author Contributions: All authors contributed to this research.

Funding: Not applicable.

Conflict of Interest: The authors declare no conflict of interest.

Informed Consent Statement/Ethics Approval: Not applicable.

References

Augier, M., Teece, D.J. (2007). Dynamic capabilities and multinational enterprise: Penrosean insights and omissions. *Management International Review*. 47(2):175–192.

Barkley, D. L., Markley, D. M., & Lamie, D. R. (2007). E-Commerce as a Business Strategy: Lessons Learned from Case Studies of Rural and Small Town Businesses. UCED Working Papers (pp 112895).

Barnes-Vieyra, P., & Claycomb, C. (2001). Business-to-business E-commerce: models and managerial decisions. *Business Horizons*. doi:10.1016/s0007- 6813(01)80030-6

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*. doi:10.1177/014920639101700108

Breznik, L., & Lahovnik, M. (2015). Dynamic capabilities and competitive advantage: Findings from case study. *Management*, 21(Special Issue):167-185.

Bush, V.D., Vorhies, D.W. and Orr, L.M. (2011) .Improving customer-focused marketing capabilities and firm financial performance via marketing exploration and exploitation. *Journal of Academy Marketing Science*, 39(5):.736–756.

BusinessDictionary. (2019). Business Dictionary. Retrieved May 21, 2019, from www.BusinessDictionary.com: http://www.businessdictionary.com/definition/performance.html

BusinessDictionary. (2019). What is technological environment? definition and meaning. Retrieved May 21, 2019, from Business Dictionary: http://www.businessdictionary.com/definition/technological-environment.html

Business Sweden. (2017). International sustainable Business sustainability Report for The Financial Year 2017.

Capron , L., Dussauge, P., & Mitchell , W. (1998). Resource redeployment following horizontal acquisitions in Europe and North America, 1988-1992.*Strategic Management Journal*. doi:10.1002/(sici)1097-0266(199807)19:7<631::aid-smj963>3.0.co;2-9.

Cavusgil, S., & Zou, S. (1994). Marketing strategy – performance relationship: an investigation of the empirical link in export market ventures. *Journal of Marketing*, 58:1-21.

Chetty, S., & Campbell-Hunt, C. (2004). A Strategic Approach to Internationalization: A Traditional Versus a "Born-Global" Approach. *Journal of International Marketing*. doi:10.1509/jimk.12.1.57.25651

Clark, K., & Fujimoto, T. (1991). Product Development Performance: Strategy, Organization and Management in the World Auto Industries. Harvard Buiness School Press.

Corbitt, B. (2000). Developing intraorganizational electronic commerce strategy: an ethnographic study. *Journal of Information Technology*, 15(2):119-130.

Delios, A., & Beamish , P. W. (2001). Survival and Profitability: The Roles of Experience and Intangible Assets in Foreign Subsidiary Performance. *The Academy of Management Journal*, 44(5):1028-1038.

Dima, S. C. (2010).From International Trade to Firm Internationalization. *European Journal of Interdisciplinary Studies*, 3.

Dougherty, D. (1992). A practice-centered model of organizational renewal through product innovation. *Strategic Management Journal*. doi:10.1002/smj.4250131007

Evans, J. R., & King, , E. V. (1999). Business-to-business marketing and the world wide web: Planning, managing, and assessing websites. *Industrial Marketing Management*, 28(4):343–358.

FAHY, J. (2022). A resource-based analysis of sustainable competitive advantage in a global environment. *International Business Review*, 11:57-78.

Fensterseifer, J. E. (2009). St (FAHY, 2022)strategic Resources and Sustainability of Competitive Advantages in Industrial Clusters: Towards a General Analytical Framework. *Encontro Da ANPAD*, 19-23.

Fruhling, A. L., & Digman, L. A. (2000). The impact of electronic commerce on business-level strategies. *Journal of Electronic Commerce Research*, 1(1).

Griffith, D. A., & Harvey, M. G. (2001). A Resource Perspective of Global Dynamic Capabilities. 32(3):597–606.

Griffith, D., & Palmer, W. J. (1999). Leveraging the web for corporate success. *Business Horizons*, 42(1): 3-10.

Gulati, R. (1999). Network location and learning: the influence of network resources and firm capabilities on alliance formation. *Strategic Management Journal*.doi:10.1002/(sici)1097-0266(199905)20:5<397::aid-smj35>3.0.co;2-k.

User SurveysiSurvevs-1998. GVU's WWW User Surveys. Retrieved September 28, 2023, from https://www.cc.gatech.edu/gvu/user_surveys/User_Survey_Home.html

Hansen, T. M. (1999, March). The search-transfer problem: the role of weak ties in sharing knowledge across organization subunits. *Administrative Science Quarterly*, 82-111.

Hargadon, A., & Sutton, I. R. (1997). Technology Brokering And Innovation In A Product Development Firm. *Administrative Science Quarterly*, 42(4): 716-749.

Helfat, C., & Raubitschek, S. R. (2000). Product sequencing: co-evolution of knowledge, capabilities and products. *Strategic Management Journal*, 21(10-11), 961-979.

Helfat, E. C. (1997). Know-how and asset complementarity and dynamic capability accumulation: the case of r&d. *Strategic Management Journal*.doi:10.1002/(sici)1097-0266(199705)18:5<339::aid-smj883>3.0.co;2-7

Helfat, E. C., & Peteraf, A. M. (2009). Understanding dynamic capabilities: progress along a developmental path. . *Strategic Organization*. doi:10.1177/1476127008100133

Helfat, E. C., Finkelstein, S., Mitchell, W., Peteraf, A. M., & Singh, G. S. (2007).) Dynamic Capabilities: Understanding Strategic Maiden. *MA: Blackwell*.

Henderson, R., & Cockburn, I. (1994). Measuring competence? Exploring firm effects in pharmaceutical research. *Strategic Management Journal*, (15): 63-84.

Henderson, J., Dooley, F., & Akridge, J. (2000). Adoption of e-commerce strategies for Agribusiness firms. *American agricultural economics association annual meeting.*

Heredero, C. d., & Corces, J. M. (2015). The internationalization of Spanish SMEs from the theory of dynamic capabilities: A new management structure proposal that relates the creation of competitive advantage with the key factors that drive the process. *Market Economics and Business Journal*, 46(3): 169-186.

Jan Johanson & Jan-Erik Vahlne(1977). The Internationalization Process of the Firm—A Model of Knowledge Development and Increasing Foreign Market Commitments. *Journal of International Business Studies,* 8(1): 23–32

Jan Johanson & Jan-Erik Vahlne(2006). Commitment and opportunity development in the internationalization process: A note on the Uppsala internationalization process model. *Management International Review,* 46(2):165–178

Jeong, S. W. (2016). Types of foreign networks and internationalization performance of Korean SMEs. *Multinational Business Review*. doi:10.1108/mbr-08-2015-0039

Johanson, J. and Wiedersheim-Paul, F. (1975) The Internationalization of the Firm—Four Swedish Cases. *The Journal of Management Studies*. doi10.1111/j.1467- 6486.1975.tb00514.x

Kambil .A. (1995). Electronic commerce: implications of the Internet for business practice and strategy. *Business Economics*, 30 (1995): 27-33

Keh, H.T., Nguyen, T.T.M. and Ng, H.P. (2007), "The effects of entrepreneurial orientation and marketing information on the performance of SMEs". *Journal of Business Venturing*,22(4):592–611.

Knight, G.A. and Cavusgil, S.T. (2004).Innovation, organizational capabilities, and the born global firm. *Journal of International Business Studies,* 35(4):124–141.

LaBarre, J. E., Haugen, S., & Noe, J. J. (2001). A case study analysis of e-commerce strategies for retail businesses. IACIS .

Lane, P. J., & Lubatkin, M. (1998). Relative absorptive capacity and interorganizational learning. *Strategic Management Journal*. doi:10.1002/(sici)1097- 0266(199805)19:5<461::aid-smj953>3.0.co;2-l.

Leonard-Barton, D. (1992). 'Core capabilities and core rigidities: A paradox in managing new product development', Strategic Management Journal, 13, Summer Special Issue,111-125

Li, H. and Atuahene-Gima, K. (2001), “Product innovation strategy and the performance of new technology ventures in China”, Academy of Management Journal, 44 (6),1123-1134.

Lu, J.W. and Beamish, P.W. (2001) The Internationalization and Performance of SMEs. Strategic Management Journal, 22, 565-586. doi:10.1002/smj.184

Luo, Y., Hongxin Zhao, J., & Du, J. (2005). The internationalization speed of e-commerce companies: an empirical analysis. *International Marketing Review*. doi:10.1108/02651330510630294

Mashahadi, F., Ahmad, N. H., & Mohamad, O. (2016). Strategic innovation ambidexterity and the internationalization performance of small and medium enterprises. *World Journal of Entrepreneurship, Management and Sustainable Development.* doi:10.1108/wjemsd-09-2015-0036.

Mamoun Benmamoun, Nitish Singh, Kevin Lehnert, Sang Bong Lee.(2018). Internationalization of e-commerce corporations (ECCs): Advanced vs emerging markets ECCs. *Multinational Business Review*.doi:10.1108/MBR-02-2018-0010

Melin, L. (1992). Internationalization as a strategy process. *Strategic Management Journal*. doi:10.1002/smj.4250130908

Meskhia, I., & Shaburishvili, S. (2015). Basics of researche of the technological environment of business. administracja Zarzadzanie, 107.

Mudalige, D., Ismail, N. A., & Malek, M. M. (2017). (2017). Application of theory of dynamic capabilities to explicate Internationalization of smes in sri lankaI. *PBJ* , 8(2): 1-18.

Mun, H. J. (2018). The home country boundness of technological resources and internationalization performance. *Management Decision*. doi:10.1108/md-05-2017-0496

Nel, D., van Niekerk, R., Berhon, J.-P. and Davies, T. (1999).Going with the Flow: Web Sites and Customer Involvement. *Internet Research:* Electronic Networkine Atmlications and Policv.

Nag, R., Hambrick, D. C.& Chen, M. J. (2007). What is strategic management, really? Inductive derivation of a consensus definition of the field. *Strategic Management Journal*,28: 935–955.

Nakamura, J., & Csikszentmihalyi, M. (2009). The concept of flow. In Snyder, C. R., & Lopez, S. J. (Ed.). Oxford handbook of positive psychology. Oxford University Press, 89-105.

Nanehkaran, Y. A. (2013). An Introduction to Electronic Commerce. *International Journal Of Scientific & Technology Research*, 2(4):190-193.

Naranjo-Valencia, J.C., Jiménez-Jiménez, D. and Sanz-Valle, R. (2011). Innovation or imitation? The role of organizational culture. *Management Decision*, 49(1):55-72.

Karagozoglu, N., Lindell, M. (2004).Electronic commerce strategy, operations, and performance in small and medium-sized enterprises. *Journal of Small Business and Enterprise Development*. doi:10.1108/14626000410551555

Newbert, S.L. (2007) Empirical Research on Resource Based View of the Firm: An Assessment and Suggestions for Future Research. *Strategic Management Journal*, 28: 121-146.

Singh N.,& Kundu, S.(2002). Explaining the Growth of E-Commerce Corporations (ECCs): An Extension and Application of the Eclectic Paradigm. *Journal of International Business Studies*, 33(4):679–697

Olsson, E.-K. (2014). Crisis Communication in Public Organisations: Dimensions of Crisis Communication Revisited. *Journal of Contingencies and Crisis Management*.doi:10.1111/1468-5973.12047

Patton M. A., & Jøsang A., (2004). Technologies for Trust in Electronic Commerce. *Electronic Commerce Research* , 4(1–2): 9–21.

Powell WW, Koput KW, Smith-Doerr L. 1996. Interorganizational collaboration and the locus of innovation. *Administrative Science Quarterly*, 41(1): 116-145.

McDougall, P.P., Shane S.,& Oviatt B.M.,(1994). Explaining the formation of international new ventures: The limits of theories from international business research. *Journal of Business Venturing,* 9(6): 469-487.

Protogerou, A.; caloghirou, Y.; Lioukas, S (2012) . Dynamic capabilities and their indirect impact on firm performance. *Industrial and Corporate Change,* 21 (3):615-647

Grant, R.M., (2006). Toward A Knowledge-Based Theory of the Firm. *Strategic Management Journal* 17(2):109-122

Rodríguez, L. J., & Rodríguez, G.R. M., (2005). Technology and export behaviour: A resource based view approach. *International Business Review*. doi:10.1016/j.ibusrev.2005.07.002

Rosen, A. (2000). The Commerce: A Survival Guide for Business Managers. (AMA Publications)

Rosenkopf, L., & Nerkar, A. (1999). Beyond Local Search: Boundary-Spanning, Exploration, and Impact in the Optical Disk Industry. *Strategic Management Journal,* 22(4):287-306.

Ruppel, Underwood-Queen, & Harrington. (2003). e-Commerce: The Roles of Trust, Security, and Type of e-Commerce Involvement. *E-Service Journal*. doi:10.2979/esj.2003.2.2.25

Sekhar, S.C. (2001).E-commerce and two popular business level typologies: a comparative analysis. *Global Competitiveness,* 9 (1):525-43.

Schneider, G. P., & Perry , J. T. (2000). Electronic Commerce: Excellence in information systems. *Management Information Systems series* , 7:408.
Shoman, A. (1998). Export performance: a conceptualization and empirical assesment. *Journal of International Marketing*, 6(3): 59-81.
Shahhoseini M. A.,& Ramezani K.(2015).Mediating Effect of Ambidexterity on Marketing Capability and Innovation Capability,in The Proceedings of the International Conference. *Marketing-from Information to Decision*, 80
Suikki, R. (2007). Process renewal driven by disruptive technologies. *International Journal of Business Innovation and Research*. doi:10.1504/ijbir.2007.012112
Szulanski, G. (1996). Exploring internal stickiness: Impediments to the transfer of best practice within the firm. *Strategic Management Journal*. doi:10.1002/smj.4250171105
Tajpour, M., Hosseini, E., & Moghaddm, A. (2018). The Effect of Managers Strategic Thinking on Opportunity Exploitation. *Scholedge International Journal of Multidisciplinary & Allied Studies*. doi:10.19085/journal.sijmas050602
Teece DJ, Pisano G, Shuen A. 1997. Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7): 509-533.
Teece, D. J. (1982, March). Towards an economic theory of the multiproduct firm. *Journal of Economic Behavior & Organization,* 3(1):39-63.
Tiessen, James H. & Wright, Richard W. & Turner, Ian, 2001. A model of e-commerce use by internationalizing SMEs. *Journal of International Management*, 7(3):211-233.
Trevino, L.K. and Webster, .I. (1992). Flow in computer mediated communication .*Communication Research*, 19:539-573.
Vorhies, D.W. (1998). An investigation of the factors leading to the development of marketing capabilities and organizational effectiveness. *Journal of Strategic Marketing*, 6(5):3–24
Vorhies, D. W., & Morgan, N. A. (2005). Benchmarking marketing capabilities for sustainable competitive advantage. *Journal of Marketing,* 69:80–94.
Powell, W. W., Koput K.W., & Smith-Doerr L. (1996). Inter-organizational Collaboration and the Locus of Innovation: Networks of Learning in Biotechnology. *Administrative Science Quarterly*, 41(1):116-145.
Wang, C. L., & Ahmed, P. K. (2004). The development and validation of the organizational innovativeness construct using confirmatory factor analysis. *European Journal of Innovation Management*, 7(4):303–313.
Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2):171– 180. doi:10.1002/smj.4250050207
Wheeler, C.(2002).NEBIC: A Dynamic Capabilities Theory for Assessing Net. Yoon, K. C. and Kim, Y. L. (2009). A study of the business performance and degree of globalization of Korean venture enterprises. *International Business Journal,* 20 (2): 29-63.
Zahra, S. A. and George, G. (2002) .Absorptive capacity: A review, reconceptualization, and extension. *Academy of Management Review*, 27(2): 185-203.