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# Re-Internationalization Forms and Impact Factors: Four Cases


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### Abstract

**Purpose:** This paper aims to find out which forms of re-internationalization two Italian and two Estonian case companies experienced and which factors affected them, and through that, to develop the literature on re-internationalization.
**Design/methodology/approach:** It is based on four cases.
**Findings:** The paper shows that several internal and external factors – (changes in) the decision-makers' international orientation, the (business) environment, firms' relationships with their business partners, and their unique resources and capabilities – affected re-internationalization. In addition, it explains that the circumstances of initial foreign market entries and the following foreign market exits also influenced the case firms' re-entry decisions. It concludes that exits and re-entries are normal for international firms and it is not always possible to foresee and/or "plan" them.
**Research limitations/implications:** In the future, more cases could be studied and survey data collected. The issue of decision-making logic needs more research attention and definitions still need development.
**Originality/value:** Knowledge on re-internationalization is still relatively limited and thus this paper contributes toward expanding this knowledge.


**Keywords:** foreign market entry, de-internationalization, re-internationalization, case study.

**JEL:** F23; L29; M16

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## Formy i uwarunkowania ponownej internacjonalizacji: cztery przypadki

**Streszczenie**

**Cel:** Artykuł ma na celu ustalenie, jakie były formy ponownej internacjonalizacji dwóch włoskich i dwóch estońskich przedsiębiorstw oraz jakie czynniki miały na nie wpływ, a tym samym przyczynienie się do rozwoju literatury na temat ponownej internacjonalizacji.

**Projekt/metodologia/podejście:** Opiera się na czterech przypadkach.

**Wyniki:** W opracowaniu wykazano, że na ponowną internacjonalizację wpływ miało kilka czynników wewnętrznych i zewnętrznych – międzynarodowa orientacja decydentów (lub jej zmiany), otoczenie (biznesowe), relacje przedsiębiorstw z partnerami biznesowymi oraz ich swoiste zasoby i możliwości. Ponadto wyjaśniono, że na decyzje o ponownym wejściu na rynek wpłynęły również okoliczności pierwszego wejścia na rynek zagraniczny i następującego po nim wyjścia z tego rynku. Stwierdzono, że wyjście i ponowne wejście są normalne dla przedsiębiorstw międzynarodowych i nie zawsze można je przewidzieć lub „zaplanować".

**Ograniczenia/implikacje badawcze:** W przyszłości można by zbadać więcej przypadków i zebrać więcej danych ankietowych. Większą uwagę należy poświęcić kwestii logiki decyzyjnej, a definicje wymagają dopracowania.

**Oryginalność/wartość:** Wiedza na temat ponownej internacjonalizacji jest wciąż stosunkowo ograniczona, dlatego artykuł przyczynia się do jej poszerzania.

**Słowa kluczowe:** wejście na rynek zagraniczny, deinternacjonalizacja, ponowna internacjonalizacja, studium przypadku.

## 1. Introduction

A large share of internationalization literature focuses on international growth, mainly during slow, "gradual" (especially, "Uppsala model-type") or fast internationalizers' (mostly, born globals' or international new ventures') initial internationalization years. Some studies have also examined born-again globals or late starters: firms that enter foreign markets suddenly after staying in the home market for a long time (see e.g. Bell, McNaughton, & Young, 2001; Dominguez & Mayrhofer, 2017; Francioni, Vissak, & Musso, 2017). Different forms of de-internationalization – full or partial foreign market exits or reductions of foreign involvement: e.g. divesting but continuing to export to a particular market – have also been studied relatively actively already since the 1970s[1]. The latter research interest is motivated by arguments like "internationalization may be more diverse than described in the Uppsala model and the 'born global' approach" (Dominguez & Mayrhofer, 2017, p. 1054) and internationalization "is not a linear, incremental, unidirectional path" (Bell et al., 2001, p. 186): achieving continuous growth of all activities in all markets in all years is impossible.

Re-internationalization (full or partial foreign market re-entries: e.g. re-entering all or some of the exited markets and/or renewing all or some of the reduced or temporarily terminated operations again) has received less atten-

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tion than de-internationalization. Although several authors mentioned in their earlier studies that re-entries occur (Bell et al., 2001; Hadjikhani, 1997; Kutschker, Bäurle, & Schmid, 1997; Lamb & Liesch, 2002; Luostarinen, 1994; Pauwels & Matthyssens, 1999; Tiessen & Merrilees, 1999), the first scientific article fully focused on re-entries was published in 2009 by Welch and Welch (2009). Thereafter, several other studies have appeared (e.g. Bernini, Du, & Love, 2016; Chen, Sousa, & He, 2019; Crick, Crick, & Chaudhry, 2020; Dominguez & Mayrhofer, 2017; Freeman, Deligonul, & Cavusgil, 2013; Javalgi, Deligonul, Dixit, & Cavusgil, 2011; Shahid & Hallo, 2020; Surdu, Mellahi, Glaister, & Nardella, 2018; Surdu, Mellahi, & Glaister, 2019; Vissak & Francioni 2013; Vissak, Francioni, & Musso, 2012; Vissak, Francioni, & Freeman, 2020; Yayla, Yeniyurt, Uslay, & Cavusgil, 2018). Still, overall, knowledge on re-entries is relatively limited (Javalgi et al., 2011; Shahid & Hallo, 2020; Surdu et al., 2019), and "firms that have exited and re-entered markets once or several times are still under-researched" (Francioni et al., 2017, p. 18).

Taking this research gap into account, this paper aims to find out which forms of re-internationalization two Italian and two Estonian case companies experienced and which factors affected them, and through that, to develop the literature on re-internationalization. We start with a literature review about the nature of re-internationalization. Thereafter, we give an overview of several internal and external factors that affect re-entries. Based on the literature, we develop a conceptual framework of re-internationalization. After the methodology section, we present our results from four cases – two from Italy and two from Estonia as studying firms from two different countries in terms of size, economic development and cultural contexts provides additional insights and increases the generalizability of the findings (Baum, Schwens, & Kabst, 2011; Terjesen, Hessels, & Li, 2016). Thereafter, we discuss the results, and provide managerial and research implications.

## 2. Literature Review

### 2.1. The Nature of Re-Internationalization

Through an in-depth examination of different definitions of re-internationalization (see Table 1), we concluded that re-entry follows an initial entry and an exit or a series of entries and exits. Despite this general understanding, some disagreements exist. For instance, scholars have not reached consensus yet regarding some aspects including market selection – if only re-entering previous markets is "re-internationalization" or if it is possible to re-internationalize via entering other markets instead of previously exited ones – and the nature of the time-out period (e.g. no activities in any foreign markets or only reduced activities in some markets).

| Studies | Definitions |
|---|---|
| Welch and Welch (2009, p. 568) | • Re-internationalization is "a process involving a period of international business activity, then exit from international operations, followed by a time-out period of some duration, then a process of international re-entry, concluding with successfully renewed international operations." Their definition encompassed both full and partial withdrawals and cases when a firm had exited foreign markets, and was sold, while its new owners started foreign market activities again, or its previous owners and/or managers stated a new firm with international activities.[a] |
| Vissak (2010, pp. 566–568) | • Re-internationalization means "reentry to or restoration of resource commitment to specific markets from where the firm has previously exited, or where it had reduced its involvement, as well as entering different foreign markets instead of those that were exited and using entry modes with a higher resource commitment than after de-internationalization."<br>• Born-again (reborn or resurrected) globals and internationals have "de-internationalized in their past, but they have managed to re-internationalize, restoring their international activities or advancing them in other directions after a long period of having only domestic activities." |
| Javalgi et al. (2011, p. 387) | • Only the following firms were regarded re-internationalizers: "(1) previously operated in a country for at least one year and exited, (2) not operated in that country for at least one year subsequent to exit; and (3) reentered that country and operated there for at least one year".<br>• The time-out period can last for a year but also for decades, operation modes can change from higher to lower commitment and the other way round, and in terms of the scope of foreign activities, re-entered activities can be both smaller and larger than previous ones.<br>• A re-entry strategy may "consist not only of a single reentry, but of several exits and reentries". |
| Vissak et al. (2012, p. 278) | • Re-internationalization "encompasses advancing steps after de-internationalization."<br>• Some re-internationalizers manage to re-enter all previously exited markets, start using all previously discarded operation modes, and achieve the previous or even higher export share, while some prefer other markets and modes and reach a lower export share. |
| Blum et al. (2013, p. 67) | • An export spell is "a period of exporting transactions in which consecutive transactions in the spell are less than 365 days apart and in which there is a period of at least 365 days prior or subsequent (or both) to this period in which there are no export transactions". |
| Vissak and Francioni (2013, p. 952) | • Serial nonlinear internationalization means "de- and re-internationalizing several times in terms of market and/or entry mode selection".<br>• Some firms cease exporting to some countries for a year or two, but that is not necessarily an exit: managers do not consider |

*Tab. 1. cont.*

| Studies | Definitions |
|---|---|
| Vissak and Francioni (2013, p. 952) | it as such, as they keep their relationships[b] with agents and/or customers and they plan to sell there again in the near future. Thus, that starting to export to these countries again is not necessarily re-entry. |
| Vissak and Masso (2015, pp. 655–656) | • Complete re-internationalizers have two types: "(a) firms that re-internationalized completely after a complete exit (/…/ a firm should reach at least 75% of its previous export volume on all re-entered markets) and (b) firms that re-internationalized completely – reached 100% or more of their previous export volume – after a partial exit ".<br>• Partial re-internationalizers have two types: "(a) firms that did not re-enter all previous markets after exiting at least two foreign markets completely and (b) firms that that did not re-enter all previous markets after exiting at least two foreign markets partially."<br>• Reborn globals "should enter three or more markets – at least one of these outside their home continent – and reach a 25% or higher export share in 3 years or less since re-entry (following a 10-year or longer period of domestic activities after complete de-internationalization)."<br>• Reborn internationals "should reach a 25% or higher export share and enter three or more markets in three years or less after re-entry. These firms differ from reborn globals by their market selection: reborn internationals are not supposed to (re-)enter other continents."<br>• Serial nonlinear internationalizers "have de- and re-internationalized at least twice." |
| Bernini et al. (2016, p. 1060) | • Intermittent exporters are firms that "repeatedly enter, withdraw from, and re-enter exporting activity as a whole". |
| Albertoni et al. (2017, p. 417)[c] | • Reshoring means "a generic change of location with respect to a previous offshore country. This includes further offshoring (i.e. the relocation to another offshore location) and back-reshoring (i.e. relocation to the home country)". |
| Dominguez and Mayrhofer (2017, p. 1054) | • Re-internationalization means that firms "withdraw from foreign operations before re-entering international markets".<br>• Serial nonlinear internationalization is an "internationalization process with several exits and re-entries or significant foreign involvement fluctuations". |
| Yayla et al. (2018, p. 1106) | • Re-entry to a particular market follows an exit "after some period of dormancy". |
| Surdu et al. (2018, 2019) | • They used the definition of Welch & Welch (2009, p. 568) but eliminated firms that had only experienced partial exits or had exited a market for less than a year, had exited one market but then entered another, and those that were active in project business. In addition, they excluded situations when an entrepreneur had exited with one firm and entered it with another. |

*Tab. 1. cont.*

| Studies | Definitions |
|---|---|
| Chen et al. (2019) | • They followed the definition on Welch & Welch (2019) in terms of the main principle: re-entry follows an exit and, thereafter, a time-out period, but they also stated that if a firm exits only some of its foreign markets (they called this a partial exit) and, after a time-out period, re-enters them, then this is also re-internationalization.<br>• They defined exit as a 2-year or longer "time-out period (a "gap" without export activities) following a 3-year- or longer period of initial export activities. According to them, for re-entry, the firm had to export to a particular country for at least 1 year after this "time-out" period. |
| Shahid and Hallo (2020, p. 7) | • Intermittent internationalizing means "exit and subsequent re-entry". |
| Vissak et al. (2020, p. 1) | • (Serial) nonlinear internationalizers are "firms experiencing multiple partial and full exits and re-entries and considerable export fluctuations". |

[a] Despite covering several phenomena, Welch and Welch (2009, p. 568) also explained that they do not consider all phenomena as re-internationalization: "Some firms engage in sporadic exports for extended periods, filling international orders as they come in but there may be considerable periods of time between each order. Such cases would not be regarded as firms that have exited given that they are fully prepared to respond to the international orders as and when they arise."

[b] Hadjikhani (1996) used the term "sleeping relationships" for this phenomenon but he did not focus on re-entries as such.

[c] Several other studies have also focused on reshoring that can be also regarded a form of re-internationalization, but as our case firms did not experience it, we did not give an overview of them in this paper.

*Tab. 1. Definitions of re-internationalization and internationalization processes encompassing re-internationalization. Source: The authors' compilation.*

In the paper, following the classification of Vissak and Masso (2015), we focused on three main forms of re-internationalization:

1. complete re-internationalization: achieving the previous internationalization involvement[2] in all completely or partially exited markets;
2. partial re-internationalization: re-entering only some previously exited markets or achieving an internationalization involvement that is lower than it was before the exit but higher than it was during the period of reduced foreign activities;[3]
3. serial nonlinear internationalization: experiencing several exits and re-entries in several years[4].

Taking the above classification into account, we decided to take a somewhat different approach than some authors mentioned in Table 1: for instance, we took a wider perspective than Surdu et al. (2018, 2019) as we also encompassed partial re-internationalization. Moreover, differently from Welch and Welch (2009), we excluded cases when an entrepreneur

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exited a market with one firm and later entered it with another one, and we did not require firms to experience a complete "time-out" period: a period without any international activities. Finally, as reborn globals and reborn internationals form a subgroup of complete or partial re-internationalizers depending on which markets they re-entered and which level of international involvement they achieved during re-internationalization (Vissak & Masso, 2015), we did not view them separately.

## 2.2. Factors Affecting Re-Internationalization

Several studies have focused on internal and external factors that affect partial and/or full re-entries and/or serial nonlinear internationalization. Below, we will explain how (changes in) the decision-makers' international orientation, the (business) environment, the firm's network relationships, and the firm's unique resources and capabilities, but also timing of and reasons for de-internationalization and initial internationalization influence re-internationalization (we grouped these factors under these categories as these were the most suitable based on the literature we studied). As most studies did not distinguish between the above-mentioned re-internationalization types, we will also not give an overview of the impact of each factor on each type separately.

***(Changes in) the decision-makers' international orientation*** – including business strategy – affect(s) exits and re-entries (Vissak, 2010; Vissak & Masso, 2015). In case of strategic exits, firms restructure their international operations, and either move to other markets or return to their home market (Surdu et al., 2019). This does not mean that exit should be permanent. For instance, in some cases, the decision-makers' attitude toward some markets changes: if they have been pessimistic about their chances in a certain market, and have exited it, but have later on discovered additional opportunities or found new partners, they may re-enter (Vissak & Francioni, 2013). Moreover, if managers understand that their home market's situation has become risky due to global competitors, they are more likely to re-enter (Javalgi et al., 2011).

Some managers might never agree to re-enter some markets but even in such cases, re-entry is possible: it can follow a "critical incident" like ownership or management change (Bell et al., 2001). This can lead to "a dramatic change in the interest in and action towards international involvement" (Welch & Welch, 2009, p. 573) as a new manager – especially someone with extensive international experience – can reorient a firm's business activities and make it re-enter some previously exited markets (Dominguez & Mayrhofer, 2017).

Re-entry is also possible if the ownership and/or management remains stable, but firms retain strategic flexibility and avoid getting "locked into a predetermined internationalization path or a particular way of operating in a certain market" (Pauwels & Matthyssens, 1999, p. 14). Some managers do not worry if they do not achieve their goals in some markets; they "experiment" and try to find new customers in these markets or achieve more in new ones; such strategic flexibility makes re-entries frequent (Vissak et al., 2020). Moreover, Francioni et al. (2017, p. 17) provided some examples of firms that, in re-entering markets, "were relatively passive: they exported when orders came without trying to re-establish their presence systematically".

***(Changes in) the (business) environment*** can cause re-entries: for example, some firms re-internationalized due to dramatic changes in the political and business environment when Estonia regained its independence (Vissak, 2010). Hadjikhani (1997) reached a similar conclusion about some Swedish firms' re-entry to Iran in the post-revolution period and Yayla et al. (2018) about Turkish firms' re-entry to Egypt after the Arab Spring. Moreover, Kobrin (1980) stated that in Chile, some subsidiaries were returned to their former foreign owners after the Allende regime ended, and similar events occurred in Indonesia and Argentina after the end of Sukarno and Peron regimes.

The changes can be also less dramatic. For instance, due to "falling trade barriers, firms might enjoy a fresh outlook and reenter previously abandoned but recently emerging and profitable markets" (Javalgi et al., 2011, p. 377). Firms also re-enter some markets after the end of an economic crisis (Freeman et al., 2013; Vissak & Francioni, 2013), due to growing foreign demand (Dominguez & Mayrhofer, 2017) or "changing external environment (competition, exchange rates, costs, export quotas)" (Vissak & Masso, 2015, p. 654). Still, Bernini et al. (2016, p. 1071) found that "recent changes in market conditions do not have statistically significant impacts on re-entry", while Surdu et al. (2018) warned that if the business environment remains uncertain, re-entries are less likely, and suggested that firms should adjust their strategies if the environment has changed.

***(Changes in) the firm's network relationships*** affect re-internationalization: according to Welch and Welch (2009, p. 572), some firms' "strong, relevant and surviving networks, along with the retention of key staff who are nodes in these networks, may ensure that eventual re-entry is a relatively uncomplicated process." Freeman et al. (2013), Hadjikhani (1997), Vissak and Francioni (2013) and Yayla et al. (2018) agreed that firms' previous contacts are helpful for re-entry, while Francioni et al. (2017) and Welch and Wiedersheim-Paul (1980) stated that firms without useful contacts – for instance, passive exporters – are less likely to re-enter.

Some studies have added some additional insights about the role of network relationships. For instance, changes in firms' business partners' situation affect their exits and re-entries (Vissak & Masso, 2015). If the firm's customer moves some its activities to the country the firm has exited in the past, its motivation to re-enter that market increases (Dominguez & Mayrhofer, 2017; Vissak et al., 2012). In addition, sometimes firms re-enter

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markets after receiving unsolicited export orders from new customers, finding new customers at trade fairs or finding new partners – for instance, agents (Dominguez & Mayrhofer, 2017; Francioni et al., 2017; Vissak & Francioni, 2013; Vissak et al., 2020). Re-entry is also easier if a firm has found some partners together with which it can offer larger quantities to previously exited markets (Freeman et al., 2013).[5] Still, some of the previous network relationships cannot be successfully re-activated (Shahid & Hallo, 2020).

***(Changes in) the firm's unique resources and capabilities*** are important as re-entrants and first-time entrants differ: the former benefit from previously accumulated knowledge about foreign markets, competitors, customers, and mistakes that they should avoid during their further internationalization (Javalgi et al., 2011; Vissak et al., 2020; Yayla et al., 2018). Thus, re-internationalizers "should be treated as a distinct group, whose experiences distinguish them from first time international entrants" (Welch & Welch, 2009, p. 568). Even if experience is negative, re-entry is possible (Surdu et al., 2019). For instance, although staff turnover can lead to losing skills and knowledge, it can result in future re-entries as "those with strong negative attitudes toward international involvement or a cause of foreign relationship problems may disappear, ultimately paving the way for new, more appropriately internationally oriented staff" (Welch & Welch, 2009, p. 573).

In addition to knowledge and experience, other resources – for example, financial resources (Vissak & Masso, 2015) – also affect de- and re-internationalization[6] as firms exit markets due to lacking resources and capabilities (Surdu et al., 2019) or due to the need to "free up" resources for domestic or other foreign activities (Fletcher, 2001; Freeman et al., 2013). Large and resourceful firms are less dependent on a few "key" markets, thus they do not rush into re-entering those that have an unfavorable business environment (Surdu et al., 2018). In addition, some firms re-enter previously exited markets due to slack resources: overcapacity in their home market (Javalgi et al., 2011). The ability to send some additional personnel to foreign sales subsidiaries can also speed up re-entry (Freeman et al., 2013). Finally, besides firms' own resources, the resources available in foreign markets affect re-entries if firms need them (Javalgi et al., 2011).

***Timing of and reasons for de-internationalization*** can matter: overall, firms that exit export markets soon after their initial export efforts fail are less likely to re-enter especially if they exited due to external factors (Welch & Wiedersheim-Paul, 1980). On the other hand, according to Surdu et al. (2018, p. 911), "the length of experience accumulated between initial entry and exit does not lead to earlier re-entries". In addition, the relevance of foreign market experience decreases during the time-out period (Chen et al., 2019; Surdu et al., 2019): the longer it is, the less likely firms are "to re-enter exporting, indicating that the knowledge obtained from export experience has a limited shelf-life and is liable to atrophy if not used" (Bernini et al., 2016, pp. 1069–1071).

Exit circumstances can also affect re-entries. Bernini et al. (2016, p. 1073) suggested: “any analysis of export re-entry must consider the rationale for the earlier exit decision” and added that re-entry is more likely if firms stopped exporting when their home market was growing. Some other authors have also accentuated the importance of exit circumstances. According to Chen et al. (2019, p. 162), “the forces that drive exporting firms to exit an export market continue to discourage them from re-entry”; they especially emphasized the negative impact of an unfavorable business environment. Moreover, some re-internationalizers can re-enter fast due to knowledge and network relationships acquired via previous foreign activities but for others, negative exit circumstances[7] reduce managers' interest to re-enter the exited market but could motivate them to enter different markets (Javalgi et al., 2011; Welch & Welch, 2009).

According to some authors, re-entry to the same market is possible even if exit circumstances were very negative. For instance, firms can re-enter when the market situation improves, or after they find a new agent or new customers (Vissak & Francioni, 2013). Moreover, if the exit resulted from poor performance, re-entry may become possible after adjusting the firm's product, pricing, distribution or other strategies but making such changes could be time-consuming (Surdu et al., 2018).

***Timing of and reasons for initial internationalization*** can matter as some firms are more committed to initial export activities than others (for instance, in terms of their export share); the former are less likely to exit even if the internationalization experience was negative, and they are more likely to re-enter (Welch & Wiedersheim-Paul, 1980). Bernini et al. (2016) added that many small firms lack a coherent export strategy: they do not plan to become exporters, but suddenly respond to unsolicited export orders; they are also very flexible in de- and re-internationalization. Crick et al. (2020) stated that if the initial internationalization happens too early – when firms lack knowledge and other resources – they might exit, especially if they can afford the losses, and later re-internationalize if suitable opportunities arise. On the other hand, according to Sui and Baum (2014), the initial entry strategy – for instance, becoming a born global or a gradual internationalizer – has no significant impact on exit from all foreign markets.

In addition, the motives for initial internationalization can affect exits and future re-entries. According to Freeman et al. (2013), if the firm initially internationalized only because of the domestic economic downturn, it is likely to exit after the situation improves; thereafter it may consider entering some foreign markets again, but not necessarily those that it exited. Bell et al. (2001, p. 185) noted that some firms internationalize initially on a small scale due to lack of resources, and such initial attempts might fail but to achieve considerable international presence they might consider becoming “attractive for a takeover by a larger domestic or foreign firm”.

### 2.3. A Conceptual Framework

Based on the above overview of re-internationalization literature, we developed the following conceptual framework (see Figure 1). We depicted six internal and external factors that influence re-entries. Our study mainly focuses on the factors that directly affect re-internationalization.[8]

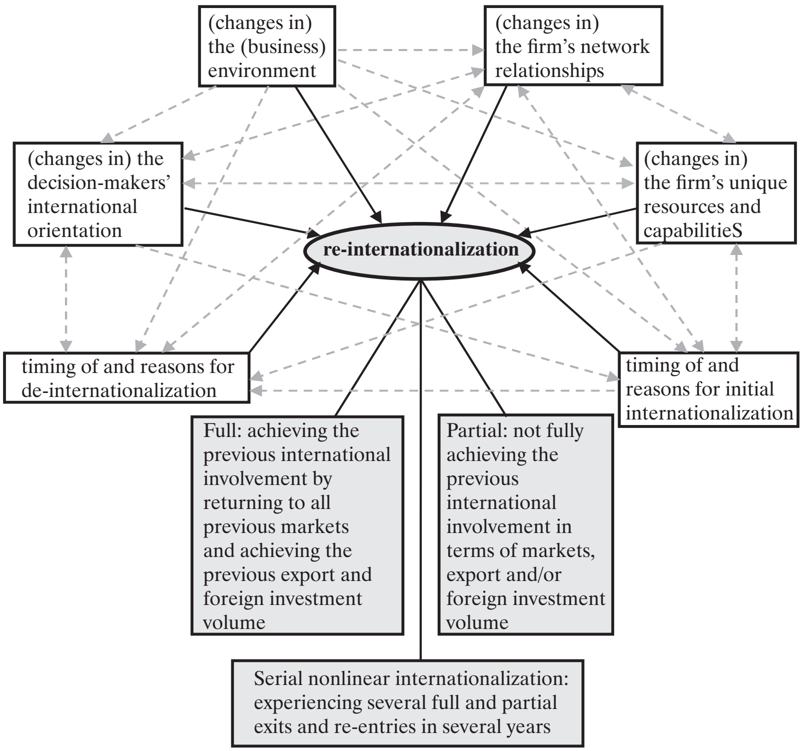


*Fig. 1. Factors influencing re-internationalization: a conceptual framework. Source: The authors' elaboration.*

After the methodology and results sections, we will discuss which type of re-internationalization was the most prominent among our four case firms. We will also explain which factors mainly affected them according to our results.

## 3. Methodology

We used the case study method as it is suitable for studying new topics, but also for developing and extending the current literature (Welch, Plakoyiannaki, Piekkari, & Paavilainen-Mäntymäki, 2013). Several authors have used this method for studying re-internationalization before (see, for instance, Bell et al, 2001; Crick et al., 2020; Shahid & Hallo, 2020; Vissak et al., 2012, 2020; Vissak & Francioni, 2013). We are aware that this method limits the possibilities to interpret the results and generalize from them (Javalgi et al., 2011) but it allows for retaining the richness of the results and also for taking the context into account (Hassett & Paavilainen-Mäntymäki, 2013).

Based on purposeful sampling, we selected four information-rich illuminative cases (Yin, 2018) – "exemplars of a phenomenon of interest" (Patton, 2015, p. 266) – firms of different ages, with dissimilar products, and multiple foreign entry, exit and re-entry experiences to document diversity and detect potential important common patterns (Ibid., p. 267). We selected cases from two countries – two from Italy and two from Estonia – as this allows comparing firms from different business environments (Baum et al., 2011; Terjesen et al., 2016). Eisenhardt (1989) also recommended choosing at least four cases, as with a smaller number, theory generation would be more difficult.

We used several data sources: an hour-long interview with a key informant from each firm (Patton, 2015) conducted in the informant's mother tongue[9], the firms' annual reports and websites, but also the local business press. This allowed us to cross-check some information, but also discover some aspects that we could not have found after using only one source. Our approach was abductive: after developing an initial understanding of re-internationalization based on the literature, we interpreted the findings by going back and forth between the theory and empirical results (Dubois & Gadde, 2002; Shahid & Hallo, 2020).

As initial entry and the following exit can affect re-entry (see also Figure 1), we will also give a short overview of when and why the case firms initially internationalized and later exited some markets. We will compare the cases and discuss the results in the Discussion section.

## 4. Case Study Evidence

Below we will give an overview of the internationalization, de-internationalization and re-internationalization of four case firms. Firms 1 and 2 are Italian, while Firms 3 and 4 are Estonian firms.

***Firm 1*** was founded at the end of the 1970s. Initially, it specialized in developing video games, and it exported them to both Europe and America, but in the beginning of the 1990s, it focused on producing vending machines[10]. It sold its first vending machine in 1995 and became very successful in Italy. In 1996, the founder's two children also joined the firm.

Making the design more elegant and refined allowed the firm to double its turnover and enter several international markets. According to the owner's daughter, it "permitted us to exploit the 'Made in Italy' factor in foreign markets: it is a synonym of quality and craftsmanship." Its first foreign market was the UK (entered in 1999 after attending a trade fair in Birmingham). Firm 1's exports to this market have fluctuated considerably, but started increasing again after it started collaborating with a new distributor who contacted them. In 1999, the firm also entered the Netherlands (after creating a contact at the same trade fair) while in 2000 it started exporting to Spain through a direct customer contact. Its sales to these countries have fluctuated considerably.

In the beginning of the 21st century, the firm also entered Germany, Slovenia, Spain, the United Arab Emirates, Belarus, Greece, Mexico, Albania, Cyprus, France, and Argentina after attending several trade fairs. In 2003, it could not export to Germany due to its dealer's personal problems, but thereafter, its collaboration with this dealer continued. It stopped exporting to Argentina in 2012, and it closed down its subsidiary due to the economic crisis, but recently decided to re-enter the market via exporting as the previous dealer contacted them. Firm 1's exports to Albania, Belarus, Cyprus and France also stopped for some years due to problems with dealers, but after finding new ones, continued. On the other hand, it has not re-entered Mexico yet. Sales to Greece, Slovenia, Spain and the United Arab Emirates have fluctuated but exports have continued every year.

In 2005, the firm entered Russia after attending several local trade fairs. In 2013, it exited the market due to the Russian protectionism and an unfavorable exchange rate but in 2019, re-entered it. In 2003–2007, Firm 1 also started exporting to South Africa, Ukraine, Poland, New Zealand and Austria, but sales have been unstable, as the firm initially relied on sporadic orders (mostly via the Internet). Thus, it did not export to all these markets every year. However, in recent years, it has found distributors in these countries, and sales could stabilize.

Turkey and Tunisia, both entered in 2011 (after a trade fair and receiving an unsolicited export order, respectively), have been unstable. According to the owner's daughter, "because of the instability of these markets, we have never managed to achieve constant foreign sales growth, and we cannot implement a constant and successful internationalization strategy". Firm 1 keeps selling its products in Turkey but not in Tunisia any more.

Overall, the firm does not spend considerable time and other resources on market research as "the results were dissatisfactory". It mainly uses the Internet for promoting its products. Moreover, it mainly relies on foreign dealers, but it lacks exclusive sales agreements with them. It keeps expanding – for instance, in 2017, it opened a showroom in Dubai and it is actively attending trade fairs – and introducing new products (it expanded its product portfolio by two new machine types in 2019) but the owner has understood that expansion possibilities have limits. The local market is very important for Firm 1 as in recent years its export share has fluctuated around 50%.

***Firm 2.*** A product manager and a sales manager founded it in 1987. It focused on designing high-quality kitchen solutions. In 2014, only one of the founders remained and involved his two children but the firm retained its previous brand name. Until 1998, it only focused on the domestic market, but in the end of 1990s, the Italian customers mainly started preferring low-cost products, while Firm 2 focused on a higher price range and customized designs. Thus, due to limited growth opportunities, the owner started thinking about internationalization.

In 1998, the firm created its first international contact in the UK through an Italian agent with whom it had previously collaborated. It is still selling to this customer. During the following years, Firm 2 found some additional customers: mostly after attending local trade fairs or through contracts with local agencies. As recently, its sales in Britain have declined and some customers have ceased orders, the firm started negotiating with an agent (met at an international trade fair) to whom it considers giving exclusive rights in the UK to increase exports.

In 2000, the firm entered Russia through a Russian agent met at an Italian trade fair. Italian high-quality furniture is popular in Russia, but Firm 2's exports started decreasing in 2014 due to the ruble's weakening. As the export manager was "not fully satisfied with the agent's skills", he started collaborating with a new one in 2016. In 2018, the firm's exports to Russia doubled compared to 2017, but did not achieve past maximum yet. In 2000, Firm 2 also entered France through a French distributor met at an Italian trade fair. However, the orders ceased for several years. In 2018, the firm re-entered the market as this distributor ordered again.

In 2003, Firm 2 started exporting to Germany as an agent contacted it after visiting its website. Again, exports stopped as according to the export manager, it lacked resources for adjusting its products. It re-entered the market in 2018 as this agent ordered again. In addition, in 2003, the firm created a contact with a Nigerian customer through an Italian door producer. It has not exported there every year, as the customer orders only after getting projects. In 2007, the firm created a contact with an importer from the USA. It has received sporadic orders only in some years. To increase exports again, it is trying to create and strengthen relationships with several American customers. In 2012, after visiting Qatar together with several other Italian firms, Firm 2 received a single order. It also created some other contacts that resulted in relatively minor sales but exported nothing there in 2016-2018. The firm re-entered the market in 2019 after receiving an order.

In 2013, Firm 2 entered Iran through a contact created by an Italian security doors producer. Initially, orders were small, but they increased in 2016 and 2017 as the customer was working on a large project. Thereafter, no orders came as the project ended. In 2014, the firm also exported to Colombia after receiving an unsolicited export order, and it opened a showroom there. However, "due to problems with sales people and the peso's weakening", it exited the market in 2016.

In 2015–2017, Firm 2 exported to different Swiss customers. In 2018, no orders came. In addition, in 2015 an Italian consultant created a contact with a Saudi Arabian customer, who ordered kitchens for a large project.

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However, it was a single order, and according to the export manager, "Saudi Arabia is a closed country, characterized by numerous cultural barriers. Therefore, we consider it unattractive, although we don't want to exclude future possibilities". In 2016, the firm filled single orders from Senegal and the United Arab Emirates. Thereafter, it has not exported there. The firm also entered Sweden through an Italian furniture company that created a contact with an Italian architect living in Sweden. In 2016, it organized an event for several Swedish architectural firms. In 2018, sales to Sweden increased considerably.

***Firm 3***'s predecessor – a phone factory – was founded in 1907. Its exports to Russia started in 1913. In the end of the 1930s, it exported to 27 foreign markets, including China, Brazil and Argentina. Firm 3 was nationalized in 1940. During the war, the factory was destroyed but a new one was built. In 1948, it started producing "black boxes" for the Soviet market. This market disappeared in the early 1990s.[11] Thus, initially, the firm started filling small, unsolicited export orders for different mechanical details from Western European customers.[12] A Swedish multinational (currently also active in Finland, Poland, Slovakia and China) acquired 60% of Firm 3 in 1996[13] and reached 85% share in 1999 and a 100% share in 2008. Initially, the firm experienced considerable export fluctuations. In 2005, it started expanding to foreign markets more actively. Soon after, it entered USA, China and Brazil.[14]

In 2009, the Estonian economy suffered from the economic crisis, as GDP dropped by 14%. The firm's turnover decreased and it reduced the number of employees (see Table 2). On the other hand, it entered India and Norway and re-entered China. In 2010, Firm 3's overall sales and export sales recovered. It attended several trade fairs. It did not achieve previous sales in all markets: e.g. Sweden and Belgium. Moreover, its exports to Germany, Malaysia and USA continued decreasing, and it exited Norway. On the other hand, it increased exports to Finland, Brazil and Poland considerably. In 2011, the situation was still unstable. Again, Firm 3 entered some new markets, but it exited Malaysia.

In 2012, the firm opened a new factory in Estonia but overall, sales did not increase. It entered Slovenia, Singapore, the Netherlands and Mexico but exited Australia and Turkey entered only a year before. In 2013, Firm 3's export sales fluctuated again: for instance, sales to its most important export market Sweden decreased due to weak demand. It exited Thailand. On the other hand, exports to Singapore, India and Slovenia increased considerably, and it entered the Czech Republic and Canada. In 2014, orders continued fluctuating and overall turnover decreased again. The firm continued attending trade fairs. Exports to Spain ended, and sales to Mexico dropped considerably, but sales to the newest markets increased. In 2015, Firm 3 achieved a small sales increase compared to 2014. Exports to Mexico ended. Again, no re-entries occurred.

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Total turnover | 44191 | 32510 | 43849 | 48553 | 46996 | 45258 | 40383 | 42683 | 43129 | 47348 | 46277 |
| Estonia (home market) | 3590 | 1896 | 2842 | 3682 | 3865 | 4115 | 3649 | 3155 | 4554 | 5424 | 6276 |
| Total exports | 40601 | 30614 | 41007 | 44871 | 43131 | 41143 | 36734 | 39528 | 38575 | 41924 | 40001 |
| Sweden | 31942 | 23718 | 30198 | 30871 | 30071 | 28792 | 24499 | 24996 | 22091 | 22210 | 20198 |
| Finland | 180 | 609 | 3080 | 4857 | 4611 | 4518 | 4613 | 6138 | 9482 | 12136 | 12526 |
| Czech Republic | 0 | 0 | 0 | 0 | 0 | 25 | 1304 | 875 | 1316 | 1423 | 1844 |
| Poland | 258 | 219 | 2297 | 956 | 1544 | 1048 | 1248 | 1584 | 2209 | 2080 | 1566 |
| USA | 3384 | 592 | 517 | 839 | 2351 | 1583 | 905 | 1514 | 1236 | 1122 | 948 |
| Germany | 3042 | 3074 | 2950 | 3129 | 2085 | 1980 | 1885 | 1239 | 587 | 539 | 742 |
| Singapore | 0 | 0 | 0 | 0 | 27 | 412 | 455 | 431 | 354 | 409 | 379 |
| Norway | 0 | 622 | 0 | 0 | 0 | 0 | 0 | 0 | 46 | 619 | 366 |
| India | 0 | 33 | 82 | 31 | 55 | 191 | 306 | 1542 | 331 | 353 | 270 |
| Netherlands | 0 | 0 | 0 | 0 | 303 | 283 | 20 | 87 | 132 | 211 | 345 |
| France | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 62 | 125 | 132 |
| China | 0 | 548 | 774 | 431 | 122 | 171 | 368 | 302 | 205 | 132 | 125 |
| Brazil | 392 | 246 | 755 | 999 | 859 | 900 | 406 | 260 | 80 | 71 | 68 |
| Belgium | 269 | 138 | 201 | 242 | 252 | 228 | 213 | 198 | 91 | 63 | 68 |
| Malaysia | 811 | 760 | 52 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Thailand | 0 | 0 | 0 | 57 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Turkey | 0 | 0 | 0 | 1768 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Australia | 0 | 0 | 0 | 551 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Spain | 0 | 0 | 0 | 27 | 250 | 106 | 0 | 0 | 0 | 0 | 0 |
| Mexico | 0 | 0 | 0 | 0 | 292 | 207 | 8 | 0 | 0 | 0 | 0 |
| Slovenia | 0 | 0 | 0 | 0 | 224 | 527 | 230 | 106 | 5 | 0 | 0 |
| Canada | 0 | 0 | 0 | 0 | 0 | 7 | 185 | 76 | 0 | 0 | 0 |
| Other | 322 | 54 | 101 | 113 | 83 | 165 | 89 | 180 | 348 | 431 | 424 |
| Export share, % | 91.9 | 94.2 | 93.5 | 92.4 | 91.8 | 90.9 | 91.0 | 92.6 | 89.4 | 88.5 | 86.4 |
| Number of employees | 533 | 469 | 446 | 431 | 466 | 453 | 422 | 394 | 411 | 418 | 417 |

*Tab. 2. The data of Firm 3 (thousand EUR). Source: Firm 3's annual reports.*

In 2016, the firm reorganized some of its production. Sales to Canada ended and to France started. Firm 3 re-entered Norway. Exports to other markets fluctuated considerably. In 2017, sales increased again as overall, the Estonian economy continued growing. The firm exited Slovenia. Sales to other markets were unstable: for instance, while sales to Finland continued growing, exports to China decreased. In 2018, Firm 3 experienced some export fluctuations again. For instance, its exports to the Czech Republic and the Netherlands increased considerably, while sales to Poland and Norway dropped. In 2019, the firm invested EUR 3 million into new technologies to increase efficiency and provide a wider selection of high-quality products to its customers.

In spring 2020, the manager expected "considerable uncertainty that makes it impossible to predict the situation for the following 12 months" and "disruptions in supply chains" due to Covid-19: "as a result, all firms will not survive" but that could also lead to "European customers' increased interest toward European products": thus, this could increase the firm's sales after the end of the crisis as the firm "was prepared for the bad times and it will be also ready for good times".

***Firm 4*** focused on developing technology for smart gardens and indoor farms[15] was founded in September 2009. In 2010, it started developing its first product together with other firms and with scientists from local universities, and involved venture capital. Sales started in summer 2011 (see Table 3). Initially, it offered four different plant pods, while by 2019 the number had increased to about 60.

Firm 4 has been export-oriented since the beginning: already in its annual report for 2011, it announced that its "main target markets would be USA, UK, Russia, Germany, France, Canada, Brazil, China and Japan"[16]. It developed a detailed export plan to enter the most important markets, encompassing both market analysis and marketing strategies. In 2012, it involved an additional financial investor to become more active in USA, Asia and Russia, and established a subsidiary in USA. In 2013, it launched a successful crowdfunding campaign. The firm's products became available in 23 countries. In 2014, sales decreased as the crowdfunding campaign ended. Moreover, it could not sell anything to Russia as the economic environment worsened. It has not returned there. On the other hand, its expansion in USA continued successfully, and in 2014-2015, it became active in the Middle East. In addition, in 2015 it made some product adjustments. In 2016, its products became successful in France, and it started preparations for entering Mainland China via creating partnerships with several Chinese firms.

In 2017, Firm 4 launched new products suitable for growing more plants. In 2018, it raised additional investments from two strategic investors and two smaller investors to expand further. In 2019, it reported that its products had reached 0.5 million customers in 150 countries, but mostly via

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|
| Total turnover | 0 | 120.0 | 693.0 | 1435.5 | 1035.3 | 1138.4 | 2382.0 | 4279.7 | 6493.4 |
| Estonia (home market) | 0 | 71.3 | 76.0 | 274.8 | 464.8 | 263.4 | 361.5 | 477.6 | 442.0 |
| Total exports | 0 | 48.7 | 617.0 | 1160.7 | 570.6 | 875.0 | 2020.5 | 3802.1 | 6051.4 |
| Sweden | 0 | 21.0 | n.a. | n.a. | n.a. | 0.0 | n.a. | n.a. | n.a. |
| Other EU | 0 | 19.4 | 34.1 | 112.9 | 35.5 | 0.0 | 209.0 | 860.4 | 1311.5 |
| USA | 0 | 4.8 | 99.8 | 729.8 | 535.0 | 875.0 | 1811.5 | 2117.5 | 3827.8 |
| Russia | 0 | 0.0 | 353.4 | 251.8 | 0.0 | 0.0 | 0.0 | n.a. | n.a. |
| Kazakhstan | 0 | 0.0 | 25.5 | n.a. | 0.0 | 0.0 | 0.0 | n.a. | n.a. |
| Hong Kong, China | 0 | 0.0 | 7.4 | 54.2 | 0.0 | 0.0 | 0.0 | n.a. | n.a. |
| Other non-EU | 0 | 3.6 | 96.8 | 12.1 | 0.0 | 0.0 | 0.0 | 824.2 | 912.1 |
| Export share, % | – | 40.6 | 89.0 | 80.9 | 55.1 | 76.9 | 84.8 | 88.8 | 93.2 |
| Number of employees | 3 | 5 | 5 | 6 | 7 | 8 | 15 | 25 | 34 |

Note: As this firm sells a considerable share of its products via e-commerce providers, it does not publish its export data by each foreign market separately. According to its website, in 2018 it sold its plants to 38 foreign markets – Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom, Hong Kong (China), Macao, Malaysia, Singapore, and USA – as it listed the most popular product in each of these. In addition, in 2019 it announced that it is currently shipping its products to all EU member states, but also to Hong Kong (China), Macao, Malaysia, Singapore, Andorra, Iceland, Liechtenstein, Monaco, Norway, San Marino, Switzerland, Canada and USA. It does not ship to the Middle East due to strict customs regulations, but a retail chain is selling its products in this region.

*Tab. 3. The data of Firm 4 (thousand EUR). Source: Firm 4's annual reports.*

resellers as it directly shipped its products only to 40 countries. Firm 4 expected to achieve growth especially in sales to North America, but also in exports to Asia. Moreover, it planned to expand its product portfolio and enter new markets. In 2018, it already set up new production lines and started developing new products – for instance, cups, germination domes and journals (launched in summer 2019) – and it planned to continue with developing new ones to achieve these goals.

In 2020, the firm found two new selling arguments due to Covid-19. 1. If parents want to keep their children (who cannot go to school or kindergarten due to the virus) "entertained at home", they should buy them a smart garden to "excite their curiosity" and create a sense of accomplishment, but also teach them about nature. 2. People who had to start working from home should buy it to "increase productivity, facilitate creativity, clean the air, reduce noise levels", get healthy nutrients from home-grown greens and reduce stress.

## 5. Discussion

In the previous section, we presented the evidence from four case firms. According to the classification of Vissak and Masso (2015), all these firms had experienced partial and full withdrawals from one or more foreign markets, and all had increased their involvement in some markets after such withdrawals. Thus, they were all re-internationalizers. On the other hand, these firms' re-internationalization was not completely similar: while Firms 1, 2 and 3 re-entered at least one fully exited country, Firm 4 re-entered a region ("other EU"; see the note under Table 3). As the first three firms also experienced considerable export fluctuations, they could be called "serial nonlinear internationalizers", while this is not fully clear in the case of Firm 4[17].

Based on evidence from our case firms, we agree with several authors that ***(changes in) the decision-makers' international orientation*** affect re-entries as their attitudes toward some markets changed. For instance, Firm 3 had to re-enter foreign markets in the beginning of the 1990s as its previous "home market" – the Soviet Union – was dissolved and as the Estonian home market was too small. Ownership change (Bell et al., 2001; Welch & Welch, 2009) was also important for its re-internationalization. Firm 4's exit from Russia had some characteristics of a "strategic exit" (Surdu et al., 2019) as it saw more potential elsewhere. Firm 1 re-entered Argentina as its attitude changed (Vissak & Francioni, 2013) and as a previous customer ordered again. In addition, all four firms demonstrated considerable strategic flexibility (Francioni et al., 2017; Pauwels & Matthyssens, 1999; Vissak et al., 2020): they were ready to (re-)enter markets suddenly if orders came, and change their plans about certain markets, if necessary.

***(Changes in) the (business) environment*** clearly influenced these firms' re-entries. For Firm 3, this change was the most dramatic as the local environment changed in the beginning of 1990s and it had to re-internationalize (Vissak, 2010): it had to adjust its business strategies (Surdu et al., 2018) to survive; some future re-entries could occur after European markets will recover from Covid-19 as the manager expects increased interest for European products. For others, demand growth (Dominguez & Mayrhofer, 2017; Javalgi et al., 2011) and the end of the economic crisis (Freeman et al., 2013; Vissak & Francioni, 2013) affected re-entries to some extent. Firm 4 discovered some additional selling arguments due to Covid-19 and these could result in future re-entries. Still, especially for Firms 1 and 2, making a particular re-entry choice also depended on receiving (unsolicited) orders from these markets.

***(Changes in) the firms' network relationships*** affected case firms' re-entries positively, except to some extent in case of Firm 1 that had to temporarily exit some markets due to problems with dealers. Their previous contacts were helpful for re-entering some markets (Freeman et al., 2013; Hadjikhani, 1997; Vissak & Francioni, 2013; Yayla et al., 2018). Besides, finding new customers (Dominguez & Mayrhofer, 2017; Francioni et al., 2017; Vissak & Francioni, 2013; Vissak et al., 2020) motivated some re-entries. Based on the evidence, we agree with Crick et al. (2020) that losing previous customers with small and irregular orders is not always a problem if the firm finds new ones with larger and more stable orders. Moreover, we agree also with Shahid and Hallo (2020) that it is not possible to successfully re-activate some of the previous network relationships: this hindered some case firms' re-entries to some markets.

***(Changes in) the firms' unique resources and capabilities*** influenced re-entries, as, in general, compared to initial entries, re-entries were somewhat easier: the firms benefited from their earlier foreign market knowledge and international experience (Javalgi et al., 2011; Vissak et al., 2020; Welch & Welch, 2009; Yayla et al., 2018). Only Firm 3's situation in the beginning of the 1990s differed: the knowledge it had accumulated from Western markets in the 1930s had become useless (Chen et al., 2019; Surdu et al., 2019) during the long period of Soviet market-oriented activities.[18] In addition, some firms' earlier international experiences were not particularly positive (Surdu et al., 2019; Welch & Welch, 2009) – for instance, some exited Russia due to its unfavorable business environment – and such experience did not motivate re-entries[19]. Based on the case firms' behavior, we agree with Surdu et al. (2018) that if a firm has enough resources to be active in several markets, it does not have to rush to re-enter some less important ones.

***Reasons for de-internationalization*** affected the firms' entries to some extent, as negative internationalization experience (Javalgi et al., 2011; Welch & Welch, 2009) reduced their determination to re-enter some markets, and motivated them to enter other markets instead. On the other hand, Firm 2 might consider re-entering Saudi Arabia: thus, even previous negative experience will not necessarily exclude the possibility of future re-entry (Vissak & Francioni, 2013). Exit timing – for instance, whether de-internationalization occurred relatively soon after initial internationalization (Welch & Wiedersheim-Paul, 1980) or for how long the firm was away from export markets (Bernini et al., 2016) – did not have a clear impact: firms re-entered some markets soon after exiting them, while it took them more time to re-enter others. Again, the role of network relationships was very important as several re-entries occurred due to getting orders from previous or new customers.

***Timing of and reasons for initial internationalization*** also influenced these firms' re-entries. As all were relatively committed to their export activities (Welch & Wiedersheim-Paul, 1980), they did not exit all markets permanently.[20] After exits, all four firms made efforts to re-enter at least some markets. We agree with Bernini et al. (2016) that some small firms lack a coherent export strategy: they export after receiving unsolicited export orders, and are very flexible in their de- and re-internationalization. Such behavior especially characterized Firms 1 and 2 but Firm 3 also depended on unsolicited export orders in the 1990s, and the managers of Firm 4 – despite analyzing several markets systematically – changed their minds regarding their main target markets several times. In case of Firm 4, initial internationalization took place very early, so we could call it a "born global", but lacking knowledge and other resources (Crick et al., 2020) did not cause its exits. Rather, these problems characterized Firms 1, 2 and 3 that internationalized more slowly. Thus, similarly to Sui and Baum (2014), we did not find a clear connection between the initial entry strategy and exit from foreign markets. In addition, initial entry motives (Bell et al., 2001; Freeman et al., 2013) did not have a clear impact on our case firms' exits and re-entries.

## 6. Conclusion

Our paper focused on re-internationalization: partial and full re-entries, but also a series of exits and re-entries (serial nonlinear internationalization). We showed that several internal and external factors – (changes in) the decision-makers' international orientation, the (business) environment, firms' network relationships and unique resources and capabilities – affect re-internationalization (see Figure 1). In addition, we found that the circumstances of initial entries and following exits influence firms' re-entry decisions. Besides identifying factors that affect re-internationalization, this paper also contributed to the understanding that re-internationalization is not always a "strategic" option. We showed that some firms can re-enter markets suddenly without clearly planning to do so – for instance, after receiving unsolicited export orders. Thus, they are more flexible than others, and it needs further discussion whether such behavior should be called "following a dynamic international business strategy" or just an effectual (Crick et al., 2020; Vissak et al., 2020) or ad-hoc approach to internationalization.

Based on the above, we suggest managers to understand that exits and re-entries are normal and it is not always possible to plan them due to low predictability of some factors – e.g., changes in the external environment (like the current Covid-19 crisis), business partners' problems or, in case of re-entries, finding new partners after receiving unsolicited export orders – that could cause them. In addition, especially in case of minor export activities, exits and re-entries do not involve considerable costs: sometimes, remaining in the market could be more expensive than leaving[21]. Due to the above, exit is not always a problem or failure sign – even if it causes costs, it can offer a learning opportunity, or the option to "revive" some contacts later – and staying in the market or re-entering it is not always a result of a successful deliberate action.

In the future, several topics need attention. For instance, the impacts of and firms' responses to Covid-19 need considerable examination in the near future. Moreover, after studying more case firms from different countries and industries, we should be able to understand better why some re-internationalizers prefer certain markets and foreign operation modes, why some firms de- and re-internationalize completely while some others only partially, and why re-internationalization speeds differ. Survey data would be also useful for hypotheses testing.

In addition to studying impact factors, frequencies of different re-internationalization processes need more attention: only a few studies have focused on them although some countries have databases of firms' export activities. Regarding theoretical development, the issue of decision-making logic – effectual versus causal – needs more research attention as managers with different logics might make dissimilar re-entry decisions. Finally, definitions still need development as there is no consensus on how to define re-internationalization: for instance, if the "time-out" period of having no international activities at all is necessary (if re-internationalizers should exit all foreign markets for some time or only temporarily reduce their international involvement) or if intermittent exporters should be regarded re-internationalizers.

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## Endnotes

1 See, for instance, Benito & Welch, 1997; Boddewyn, 1979ab; Choquette, 2019; Fletcher, 2001; Kobrin, 1980; Li, 1995; Mata & Portugal, 2000; Mellahi, 2003; Sui & Baum, 2014; Tan & Sousa, 2018; Trąpczyński, 2016; Turner & Gardiner, 2007; Welch & Wiedersheim-Paul, 1980.

2 "Involvement" means export volume and volume of foreign direct investments made in a particular market: involvement may also decrease if a firm divests (e.g. closes down a production subsidiary) but continues exporting to this market. A full re-internationalizer should invest in this country again and achieve at least the same investment volume.

3 We also include cases when firms have exited one foreign market but then entered another (see Table 1).

4 This type also encompasses intermittent exporting and firms with several export spells (see Table 1).

5 Thus, de-internationalization due to losing previous customers – especially the ones with small and irregular orders – is not always a problem: the new ones might have more potential in terms of order size and stability (Crick et al., 2020).

[6] Some authors have disagreed. For instance, Bernini et al. (2016, p. 1072) found that "once a firm leaves exporting, merely being large or capital intensive won't help it get back into export markets (although being highly productive will help)".

[7] Although several authors have emphasized that firms' experience from exits can be very negative, this does not mean that it is always so. For instance, if lost orders are small, exits are affordable, and thus, some owners and managers consider them normal (Vissak et al., 2020). Moreover, project businesses – for instance, machinery producers – frequently experience exits and re-entries, as their customers do not need the same products every year (Vissak & Francioni, 2013).

[8] We are aware that most of the factors are interconnected – for instance, changes in the decision-makers' international orientation can result from changes in the firm's business environment (Benito & Welch, 1997), and the need for additional resources can lead to an ownership change (Bell et al., 2001) – but we do not directly focus on these interconnections in this paper.

[9] Firm 4 formed an exception: the case description is based on the other sources listed in this sentence; in addition, we watched the videos (in English) posted on the firm's website where the founder/CEO talked about the firm, and its past, current and future activities. In addition, one of the authors also listened to Firm 3's CEO's radio interview.

[10] It specializes in producing vending machines for selling coffee, ice creams and other frozen foods, but also cold drinks and snacks. Moreover, it produces plastic shredders to recycle plastic bottles and cups. Currently, according to its catalogue, it is selling its products in 59 foreign markets on six continents. We will give an overview of only some of them below.

[11] For an overview of the Estonian economic transformation in the 1990s, see Vissak (2014).

[12] It is still manufacturing and assembling such products, and offering logistics solutions for its customers.

[13] According to some annual reports, this is the official founding year of Firm 3.

[14] The firm also acquired small subsidiaries in Sweden in 2009 (but sold it in 2013) and 2012 and established another one there in 2011.

[15] The founder was inspired by a report about growing plants in Space. The idea of this product: the customer buys a container that consists of seeds (of flowers, vegetables and/or herbs) and soil. It is furnished with sensors and led lamps. The technology configures the provision of water, organic nutrients and oxygen, but the customer has to fill the water tank once in every 2-3 weeks. Firm 4 focuses on sales, marketing and new product development: it buys these products from different subcontractors.

[16] However, in 2012, it mentioned "USA, Russia, Italy and Japan", in 2013, "USA, Russia and richer Asian countries", in 2014, "USA, the Middle East, Western Europe and richer Asian countries" and in 2015, "USA, Western Europe, Hong Kong and Singapore", in 2016 and 2017, "USA, Western Europe, and richer Asian countries" while in 2018, "North America, Europe and some Asian countries".

[17] It could fall into this category, but it is not possible to state this due to its different export data reporting practice.

[18] To some extent, the same applies to Firm 1's experience from exporting video games as it decided to focus on vending machines instead; thus, it needed new customers.

[19] Only Firm 1 managed to re-enter it in 2019.

[20] Only two firms had relatively long periods without export activities: Firm 3 experienced this during the Soviet period (but that did not happen because of its strategic

choice: at that time, firms needed permission to export, and only some received that); and Firm 1 in the 1990s when it started to produce vending machines instead of video games.

21 In case of export exits – especially due to customers' decision to stop buying – managers also do not have to worry about possible reputation damage that could occur to some "footloose" multinationals that frequently divest: close down some foreign subsidiaries and relocate their activities other countries. Such divestments could harm the economy of smaller host markets, while minor export exits will not have such effects. Moreover, firms with minor export activities that follow a more "passive" approach – mainly react to unsolicited export orders – do not have to be too concerned about re-entering markets too late when they have become too saturated. In case of receiving a sudden order, they will fill it irrespective to from where it comes, but their own efforts to find new customers will stay minimal.

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