Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9, 846-861
2025
Publisher: Learning Gate
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

Why opportunities matter more than challenges: Lessons from Korean SMEs' export strategies

Byungki Lee[1], Wenyan Yin[2*], Ureta Vaquero Ivan[3]
[1,2]Seoul Business School, aSSIST University, South Korea; wyyin@assist.ac.kr (W.Y.).
[3]Geneva Center for Security Policy and Master in International Security, University of Geneva, Switzerland.

Abstract: This study examines why opportunities play a more decisive role than challenges in shaping the export strategies and performance of Korean SMEs, using the SCOPE framework. Focusing on four key components—strategy, challenge, opportunity, and export—within the SCOPE framework, the study investigates how external challenges and opportunities influence SMEs' strategy adoption and export outcomes. Additionally, it explores the moderating role of foreign direct investment (FDI). Data were collected through a structured online survey, yielding 500 valid responses from SMEs across diverse industries in South Korea. Structural equation modeling (SEM) and confirmatory factor analysis (CFA) reveal that challenges exert no significant influence on strategy adoption, whereas opportunities have a strong positive effect. Strategies mediate the relationship between opportunities and export performance, while FDI further reinforces this effect, particularly by enhancing strategic export outcomes that contribute to long-term performance. By applying the SCOPE framework, this research offers both theoretical contributions to SME internationalization and practical implications for managers and policymakers aiming to strengthen SMEs' global competitiveness through an opportunity-focused approach.

Keywords: *Challenges, Export performance, Foreign direct investment (FDI), Opportunities, SCOPE framework, SMEs, Strategies.*

1. Introduction

Internationalization is a critical strategy for small and medium-sized enterprises (SMEs), fostering enhanced competitiveness, innovation, and long-term resilience [1-3]. The contemporary global business landscape, however, is undergoing rapid transformation, shaped by escalating geopolitical tensions, accelerated technological advancements, and reconfigured global supply chains [4, 5]. These dynamics present both opportunities and challenges for SMEs, which must navigate increasingly complex and volatile market environments to sustain their international growth [6, 7].

Government policy is instrumental in facilitating the internationalization of SMEs. Support mechanisms include institutional infrastructure, strategic networks, market intelligence, innovation and technological capacity building, and human capital development [8-10]. Financial instruments, such as export insurance, subsidized financing, and exchange rate risk mitigation, bolster SME resilience in volatile global markets [11]. Additionally, procedural reforms and digital transformation initiatives reduce entry barriers, enabling SMEs to navigate complex international markets more effectively [12, 13].

Despite advancements in policy support, many government frameworks fail to address the diverse needs of SMEs pursuing internationalization. Standardized and inflexible initiatives often fall short in enhancing firms' strategic capabilities [14]. While subsidies, tax incentives, and export promotion programs are widely implemented, their effectiveness is inconsistent, constrained by a one-size-fits-all approach that overlooks firms' heterogeneity in orientation, industry, and developmental stage [15-17]

© 2025 by the authors; licensee Learning Gate
History: Received: 24 July 2025; Revised: 1 August 2025; Accepted: 6 August 2025; Published: 15 September 2025
* Correspondence: wyyin@assist.ac.kr

Empirical evidence corroborates this critique: studies in Malaysia, France, and Indonesia demonstrate that, although government support can facilitate internationalization, firm-specific resources and capabilities are critical determinants of export success [17-19]. In South Korea, government support for SMEs reveals notable structural limitations. Policies promoting integration into conglomerate-led global value chains often constrain SMEs' independent strategic development [20].

Traditional internationalization theories, such as the Uppsala Model, provide valuable insights but do not fully address the multidimensional challenges encountered by resource-constrained SMEs in turbulent global markets [21-23]. These models or theories often overlook the dynamic nature of networked environments and the strategic agility essential for SMEs to thrive and succeed in such contexts [19, 24].

This study addresses the identified theoretical gaps by investigating how Korean SMEs strategically engage with global markets amidst resource constraints and external turbulence to enhance export performance. It adopts the SCOPE Framework [21]—comprising Strategies, Challenges, Opportunities, Problems, and Exporting—as its analytical lens. This framework provides a structured approach to analyzing the interplay between internal strategic decisions and external environmental pressures, functioning as both a diagnostic tool and a guide for formulating adaptive strategies that balance constraints with opportunities in international markets. The research model and hypotheses are tested using survey data from 500 SMEs across diverse industries in South Korea.

In addition to providing empirical insights, this study advances the SME internationalization literature, particularly in the Korean context, where prior research has largely emphasized the role of firms' unique resources and government policy necessary for strengthening the competitive advantage of SMEs. This study, however, demonstrates how SMEs can mobilize opportunity-driven strategies to capitalize on market opportunities and respond to emerging challenges, thereby shaping export performance under resource constraints. "By operationalizing the SCOPE framework through the 4S principles, this study introduces a systematic perspective that connects environmental perceptions to strategy adoption, which in turn influences performance outcomes. Moreover, it extends internationalization theory by highlighting the moderating role of FDI in shaping long-term competitive advantage, providing both scholars and practitioners with a framework that enables SMEs to achieve sustainable growth and maintain competitiveness in an era of heightened uncertainty.

2. Theoretical Background

The Uppsala Model conceptualizes internationalization as a gradual and incremental process, driven by experiential learning and increasing resource commitments to foreign markets [25-27]. This theory has been foundational for understanding how firms, particularly SMEs, systematically expand their international presence [28-30]. However, empirical evidence reveals limitations in its applicability to the diverse internationalization paths of SMEs [31-33]. In particular, its emphasis on sequential expansion does not fully account for the rapid internationalization of many technology firms, which often align with the Born Global or International New Venture paradigms. Such firms frequently bypass traditional stages of gradual expansion, entering multiple foreign markets early in their development—driven by innovation, digital connectivity, and a global orientation [34]. While the Uppsala Model remains relevant in certain contexts, it provides only a partial explanation of the strategic dynamics shaping SME internationalization in today's complex and rapidly evolving global business environment.

Beyond firm-level factors, existing studies also tend to overlook the influence of macro-level conditions—such as geopolitical tensions—on the internationalization of SMEs. For example, the ongoing U.S.–China trade conflict has placed considerable pressure on Korean exporters, forcing them to adopt more flexible and adaptive strategies than those prescribed by traditional models [35].

To address these gaps, this study adopts the SCOPE Framework [21] which encompasses Strategies, Challenges, Opportunities, Problems, and Exporting, as a comprehensive analytical lens for SME internationalization. This framework provides a structured approach to diagnosing the interplay between internal strategic decisions and external environmental factors. The theoretical and practical

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

validity of the SCOPE framework has been increasingly recognized in the international business literature. For example, Rakshit, et al. [36] employed SCOPE to examine the influence of blockchain technology on SME internationalization in India. Similarly, Calheiros-Lobo, et al. [37] identified SCOPE as a notable modern framework, highlighting its utility in guiding internationalization strategies and in analyzing antecedents and outcomes of the process.

This study adopts the SCOPE framework as its guiding theoretical lens. However, the "Problems" component is excluded from the research model because it primarily reflects universal financial constraints common to all SMEs, which are structural rather than strategic in nature.

Within the framework, the "Strategies" component is operationalized through the Pentagon 5S principles—Synergize, Set-in-Order, Standardize, Succeed, and Strategize—which collectively serve as a conceptual foundation for designing coherent and agile internationalization strategies. In this study, four of these principles—Synergize, Set-in-Order, Standardize, and Strategize—are employed. The element of "Succeed" is excluded, as it represents a performance outcome rather than a process-oriented strategic input. The four selected principles, by contrast, offer actionable guidance for structuring and implementing effective internationalization strategies in SMEs. Their application aligns with the study's emphasis on adaptive, process-based strategy formulation in dynamic and resource-constrained environments. Specifically, "Synergize" emphasizes consolidating internal strengths and aligning resources to external pressures; "Set-in-Order" focuses on workflow structuring and resource prioritization; "Standardize" ensures consistency and predictability, which are critical for managing external uncertainties; and "Strategize" underscores proactive actions such as technological enhancement, competitor analysis, and cost-efficient procurement.

This study empirically examines the influence of the SCOPE framework's elements on the internationalization performance of South Korean SMEs. The research model integrates key variables—Challenges, Opportunities, Strategy, Export Performance, and Foreign Direct Investment (FDI)—to investigate their interrelationships and collective impact on internationalization success. Corresponding hypotheses are developed to test the theoretical assumptions embedded in the framework and to generate actionable insights into how SMEs can more effectively navigate the complexities of global markets.

3. Hypotheses Development

3.1. Challenges, opportunities, and firms' strategy adoption

Global challenges increasingly compel SMEs to adopt adaptive strategies to mitigate risk and maintain competitiveness in dynamic and uncertain environments. At the same time, emerging opportunities in the international markets encourage SMEs to leverage the 4S framework—Strategize, Synergize, Set-in-Order, and Standardize—as a structured pathway to achieving sustainable competitive advantage.

The *Strategize* dimension enables SMEs to respond proactively to external shocks through initiatives such as early internationalization and joint ventures, for risk diversification [21, 38]. Moreover, it facilitates the identification of untapped market, the implementation of innovative pricing, and customized offerings to meet evolving consumer demands [39, 40].

The *Synergize* component promotes the optimization of operational capacity and collaboration—both intra-organizational and inter-organizational—thereby strengthening resilience and fostering innovation during periods of crisis [41, 42]. In more stable environments, Synergize supports the alignment of internal capabilities with external opportunities, enabling scalable and innovation-driven business models [21].

The *Set-in-Order* principle emphasizes structured procedures, workflow organization, and quality assurance protocols to enhance internal efficiency, build customer trust, and ensure compliance with international standards [21, 43, 44]. It further supports strategic prioritization of high-value activities,

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

efficient resource allocation, and timely responsiveness to new opportunities, thereby contributing to long-term agility and sustainability [45].

The *Standardize* principle allows SMEs to streamline core processes such as inventory control, production scheduling, and task management, reducing inefficiencies and sustaining operations amid external disruptions [45, 46]. Standardization also ensures consistent product and service quality across markets, enhancing brand reliability and facilitating international expansion [42, 43]. By enabling process scalability and the efficient utilization of scarce resources, Standardize reinforces SMEs' competitiveness in global markets.

Collectively, the interrelated elements of the 4S framework provide SMEs with a robust strategic foundation to address external challenges while simultaneously exploiting international opportunities. Each principle contributes to overcoming barriers to internationalization, supporting innovation, and sustaining long-term competitiveness. On this basis, the following hypotheses are proposed:

H_{1a} The challenges faced by SMEs are positively associated with the adoption of strategy aimed at overcoming obstacles and enhancing competitiveness.

H_{1b} The opportunities available to SMEs are positively associated with the adoption of strategy aimed at leveraging growth potential and enhancing competitiveness.

3.2. The mediating role of strategy adoption

SMEs face a wide range of challenges in the global marketplace, including resource constraints, regulatory complexities, and intensified competitive pressures [21]. The strategic application of the 4S framework—comprising Strategize, Synergize, Standardize, and Set-in-Order—offers an integrative mechanism to mitigate these challenges, enhance competitiveness, and improve both the financial and strategic dimensions of export performance.

From a Strategize perspective, SMEs can strengthen financial outcomes through resource-efficient approaches. Digital marketing and e-commerce platforms provide cost-effective channels for global outreach [47] and collaboration with government trade agencies facilitates access to export incentives and financial assistance [48]. Therefore, "Strategize" enables SMEs to enhance market positioning by identifying and acquiring external resources aligned with international growth opportunities.

The *Synergize* dimension improves financial performance by fostering organizational integration and collaborative efficiencies. Strengthened supply chain partnerships stabilize procurement costs and mitigate market volatility [49]. Additionally, synergizing promotes operational alignment and coherent resource use, allowing SMEs to leverage core competencies rather than disperse efforts across unrelated diversification, thereby enhancing efficiency and brand credibility in international markets.

Standardization enhances profitability by reducing waste, optimizing processes, and improving resource utilization. Clear operational procedures and management guidelines strengthen decision-making and employee effectiveness [50, 51] while streamlined supply chains improve cost-efficiency and operating margins [49]. Moreover, adherence to global quality standards facilitates cooperation with international partners and reinforces brand credibility, thereby strengthening SMEs' competitiveness in international markets [46].

The *Set-in-Order* principle strengthens financial resilience by enhancing process management and resource optimization. Digital inventory systems help reduce carrying costs and prevent stockouts, while improved cash flow management supports long-term financial sustainability [37, 47]. Strategically, set-in-order practices foster digital export readiness and mitigate risks associated with foreign market entry [52]. Ongoing refinement of internal processes further enables SMEs to remain competitive in volatile global environments [48].

Collectively, the 4S framework provides SMEs with a comprehensive foundation for navigating external threats while exploiting emerging opportunities. By integrating financial and strategic dimensions, these practices enhance both short-term export performance and long-term competitiveness. Financial export performance is measured through indicators such as profitability, sales growth, and overall financial improvement, while strategic (non-financial) export performance encompasses

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

enhanced global competitiveness, improved market positioning, increased international market share, and the ability to seize emerging opportunities [49]. On this basis, the following hypotheses are proposed:

H_{2a}: The strategy adoption by SMEs mediates the relationship between challenges faced and financial export performance.

H_{2b}: The strategy adoption by SMEs mediates the relationship between challenges faced and strategic export performance.

H_{2c}: The strategy adoption by SMEs mediates the relationship between opportunities available and financial export performance.

H_{2d}: The strategy adoption by SMEs mediates the relationship between opportunities available and strategic export performance.

3.3. The moderating role of FDI

Foreign Direct Investment (FDI) plays a pivotal role in shaping the export performance of SMEs, influencing both financial and strategic dimensions. As a moderating factor, FDI can strengthen the effectiveness of strategy frameworks—such as the 4S framework—by helping firms overcome resource constraints, reduce operational costs, access new markets, and enhance innovation capabilities.

From a financial perspective, four different forms of FDI motivations facilitate firms to improve firms' competitive advantages [53-56]. Resource-seeking FDI enables SMEs to secure critical raw materials and inputs that may be costly or unavailable domestically, thereby lowering production costs and improving profit margins. Efficiency-seeking FDI further enhances financial outcomes by leveraging lower-cost labor and production infrastructures in host countries. For example, SMEs in ASEAN economies have improved profitability and expanded export capacity by relocating operations to more cost-effective environments [57] Market-seeking FDI contributes to financial performance by facilitating direct access to foreign markets. In Korea's case, SMEs often follow the FDI decisions of large firms such as Samsung Electronics and Hyundai Motors, collocating in host markets and generating stable revenue through localized operations [53].

Beyond financial benefits, FDI contributes to strategic performance, including long-term competitiveness, technological advancement, and market positioning. By fostering deeper integration into global value chains and expanding cross-border networks, FDI enhances SMEs' access to market intelligence and enables risk diversification across geographies [42, 55]. These strategic advantages help SMEs cultivate sustainable competitiveness through innovation, agility, and global presence. Based on this reasoning, the following hypotheses are proposed:

H_{3a}: FDI moderates the relationship between strategies adopted by SMEs and financial export performance.

H_{3b}: FDI moderates the relationship between strategies adopted by SMEs and strategic export performance.

We, therefore, develop our research model as shown in Figure 1.

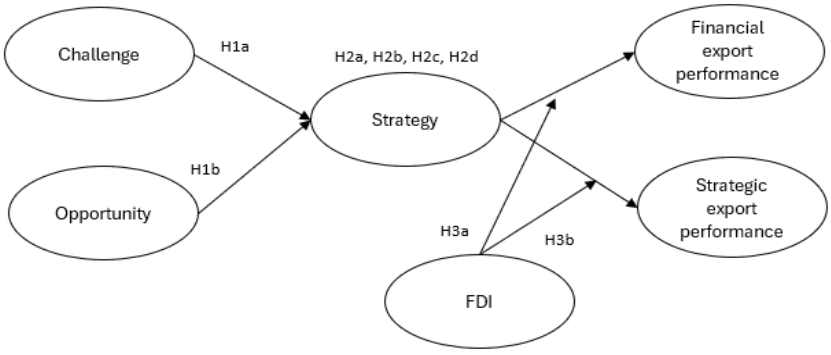


Figure 1.
Conceptual model.

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

4. Research Methodology

4.1. Measurement

The key constructs—strategies, challenges, opportunities, exporting (financial and strategic export performance)—were primarily derived from the SCOPE framework proposed by Paul [21]. Challenges and opportunities serve as independent variables, while strategy adoption, operationalized through the 4S framework (Strategize, Synergize, Standardize, Set-in-Order), functions as the mediating variable. Export performance is measured using two of the three dimensions introduced by Zou, et al. [58]—financial and strategic—consistent with a recent study by Traiyarach and Banjongprasert [49]. Additionally, FDI was included as a moderating variable, measured through items assessing its presence and underlying motivations: market-seeking, efficiency-seeking, resource-seeking, and strategic asset-seeking FDI [56]. To ensure content and construct validity, all measurement items were adapted from established scales in the international business and SME literature. Items were evaluated using a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). The robustness of the measurement model was assessed through confirmatory factor analysis (CFA), complemented by reliability tests to examine internal consistency and the validity of each construct.

4.2. Sample and Data

A web-based survey was administered to business professionals employed in Korean SMEs actively engaged in export activities. To ensure data reliability and reduce sampling bias, the survey was implemented through a professional external research agency. Of the 1,000 invitations distributed, 528 responses were received. After excluding 28 incomplete or invalid responses, 500 valid cases were retained for the final analysis. The survey was conducted over a 10-day period, from December 21 to December 30, 2024.

The participating firms exhibited a high degree of international engagement, with an average of 11 years of export experience. The sample represented a broad cross-section of industries, including electricity and electronics (24.4%), industrial machinery (18.6%), agriculture and processed food (9.6%), information technology (9.4%), petrochemicals (5.2%), and pharmaceuticals (4.8%). Respondents also held diverse professional roles across multiple organizational functions (see Table 1).

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

Table 1.
The demographic characteristics.

Category		Frequency	Percentage (%)
Gender	Male	270	54
	Female	230	46
Age	20-29 years old	50	10
	30-39 years old	168	33.6
	40-49 years old	171	34.2
	50 years old or older	111	22.2
Industry	Machinery	93	18.6
	Agriculture/ Processed Food	48	9.6
	Electricity and Electronics	122	24.4
	Pharmaceuticals	24	4.8
	Petrochemicals	26	5.2
	Information Technology	47	9.4
	Others	140	28
Position	Top Management	20	4
	Export and Marketing Management	93	18.6
	Operation and Supply Chain Management	128	25.6
	Finance and Management	149	29.8
	Others	110	22
Export Values	Less than US$1 million	172	34.4
	US$1 million-Less than US$5 million	121	24.2
	US$5 million-Less than US$10 million	104	20.8
	US$10 million-Less than US$50 million	79	15.8
	US$50 million or more	24	4.8
Export period	Less than 1 year	49	9.8
	1-Less than 3 years	106	21.2
	4-Less than 6 years	96	19.2
	7-Less than 10 years	105	21
	11 years or more	144	28.8
Total		500	100

4.3. Data Analysis Method

Data were analyzed in multiple stages to ensure the robustness and validity of the findings. In the first stage, preliminary analyses were conducted, including examinations of data distribution, frequency distributions, and descriptive statistics. These analyses provided insights into respondent characteristics and revealed general patterns within the dataset. In the second stage, confirmatory factor analysis (CFA) was employed to validate the measurement model. Internal consistency, reliability, and both convergent and discriminant validity were assessed. Discriminant validity was further evaluated using the Heterotrait–Monotrait Ratio of Correlations (HTMT) [59]. In the third stage, the conceptual research model and proposed hypotheses were tested using Partial Least Squares Structural Equation Modeling (PLS-SEM), implemented in SmartPLS 4.0.

As reported in Table 2, all factor loadings exceeded the 0.60 threshold, confirming acceptable indicator reliability. Cronbach's alpha coefficients for each construct also surpassed the 0.60 benchmark, demonstrating satisfactory internal consistency. Convergent validity was confirmed as the average variance extracted (AVE) values for all constructs exceeded 0.50, indicating that latent variables captured a substantial proportion of variance. Composite reliability (CR) values were above 0.70 for all

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

constructs, further confirming strong internal consistency. Collectively, these results establish a solid foundation for the subsequent structural model analysis.

Table 2.
Construct, factor loadings, AVE and Cronbach's α.

Variables	Items	Factor loading	AVE	CR	Cronbach's α
Challenge	CH01	0.785	0.561	0.791	0.727
	CH02	0.657			
	CH03	0.626			
Opportunity	OP01	0.776	0.53	0.815	0.731
	OP02	0.764			
	OP03	0.641			
	OP04	0.668			
Strategy	ST01	0.84	0.777	0.933	0.925
	ST02	0.696			
	ST03	0.679			
	ST04	0.618			
	SYN01	0.819			
	SYN02	0.695			
	STD01	0.8			
	STD02	0.716			
	STD03	0.702			
	STD04	0.669			
	SET01	0.803			
	SET02	0.761			
	SET03	0.599			
Export Performance	FNPF01	0.85	0.856	0.923	0.938
	FNPF02	0.786			
	FNPF03	0.779			
	FNPF04	0.763			
	STPF01	0.832			
	STPF02	0.798			
	STPF03	0.782			
	STPF04	0.719			

The HTMT values, reported in Table 3, were all well under the liberal cutoff of 0.90 [60, 61] confirming that discriminant validity was satisfactorily established across constructs. Variance inflation factor (VIF) values were also below the conservative threshold of 3.3, indicating no issues of multicollinearity among variables.

Table 3.
Discriminant validity of constructs.

	CHLL	OPPT	STRG	FNEP	STEP
CHLL					
OPPT	0.251				
STRG	0.159	0.573			
FNEP	0.088	0.792	0.533		
STEP	0.157	0.816	0.634	0.874	

Note: CHLL = Challenge, OPPT = Opportunity, STRG = Strategy, FNEP = Financial export performance, STEP = Strategic export performance

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

5. Results

5.1. Structural Model and Hypothesis Testing

The SEM analysis, based on the conceptual framework developed in this study, provides important insights into how challenges and opportunities encountered by SMEs shape their strategic responses and, subsequently, influence both the financial and strategic dimensions of export performance. The overall path coefficients from the SEM are illustrated in Figure 2, while the detailed findings are reported below and summarized in Table 4.

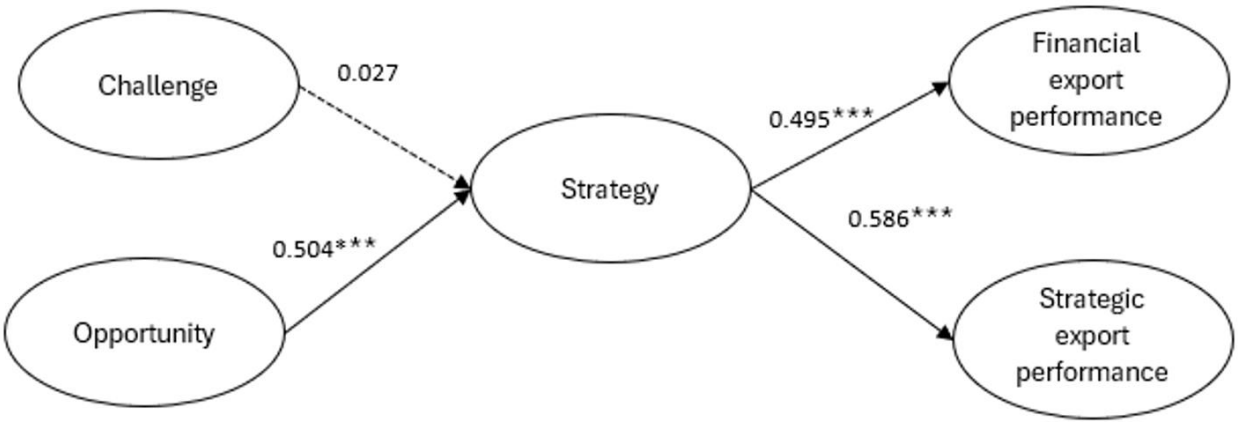


Figure 2.
Path analysis results.
Note: *** p < 0.001, ** p < 0.01, * p < 0.05.

For the direct path, the challenges faced by SMEs do not have a statistically significant effect on strategy adoption. The regression coefficient for this relationship was 0.027, with a standard error of 0.043. The critical ratio (analogous to the t-value in regression analysis) is 0.637, and the corresponding p-value is 0.524—well above the conventional threshold of 0.05. These results indicate that perceived challenges do not significantly influence SMEs' strategic responses. Therefore, Hypothesis H1a is not supported.

Table 4.
Structural analysis results.

Hypothesis		Estimate	SD	t-value	p	LBCI	UBCI	Decision
Direct paths								
H1a	Strategy ← Challenge	0.027	0.043	0.637	0.524	-0.042	0.125	Not Supported
H1b	Strategy ← Opportunity	0.504	0.037	13.491	***	0.428	0.574	Supported
Mediation paths								
H2a	Financial export performance ← Strategy ← Challenge	0.013	0.021	0.638	0.524	-0.021	0.062	Not Supported
H2b	Strategic export performance ← Strategy ← Challenge	0.016	0.025	0.636	0.525	-0.024	0.073	Not Supported
H2c	Financial export performance ← Strategy ←Opportunity	0.249	0.034	7.320	***	0.185	0.319	Mediated
H2d	Strategic export performance ← Strategy ←Opportunity	0.295	0.036	8.282	***	0.226	0.367	Mediated

Note: ***p<0.001, ** p<0.01, * p<0.05.
SRMR=0.059, d_ULS=1.646, d_G=0.584, Chi-square=1758.394, NFI=0.815.

However, opportunities perceived by SMEs have a significant positive effect on strategy formulation. The regression coefficient is 0.504, with a standard error of 0.037. The critical ratio is 13.491, and the

© 2025 by the authors; licensee Learning Gate

relationship is statistically significant at $p < 0.001$. These results indicate that SMEs facing market opportunities are more likely to adopt strategic initiatives. Therefore, Hypothesis H1b is supported. The overall model fit evaluation confirmed the adequacy of the structural model. The fit indices are as follows: SRMR = 0.059, dULS = 1.646, dG = 0.584, χ^2 = 1758.394, and NFI = 0.815. All values fell within established thresholds, indicating a satisfactory model fit.

5.2. Test for mediation effect

For the indirect path, the results showed that the effect of challenges on strategy is not statistically significant, indicating that challenges faced by SMEs do not meaningfully influence the development of strategic responses among SMEs. Consequently, the indirect effects of challenges on financial export performance ($\beta = 0.013$, S.E. = 0.021, C.R. = 0.638, $p = 0.524$) and on strategic export performance ($\beta = 0.016$, S.E. = 0.025, C.R. = 0.636, $p = 0.525$), both mediated by strategy, are statistically insignificant. Therefore, Hypotheses H2a and H2b are not supported.

In contrast, the effect of opportunities on strategy is strong and statistically significant, indicating that SMEs that actively recognize and leverage market opportunities are more likely to adopt robust strategic initiatives. This strategic engagement led to significant indirect effects on export performance. Specifically, the indirect effect of opportunities on financial export performance via strategy is significant ($\beta = 0.249$, S.E. = 0.034, C.R. = 7.320, $p < 0.001$), supporting Hypothesis H2c. Likewise, the indirect effect of opportunities on strategic export performance through strategy is also significant ($\beta = 0.295$, S.E. = 0.036, C.R. = 8.282, $p < 0.001$), confirming Hypothesis H2d.

These findings indicate that strategy does not mediate the relationship between challenges and export performance but does partially mediate the relationship between opportunities and export performance. This underscores the critical importance of translating external opportunities into actionable strategic capabilities, rather than concentrating solely on overcoming challenges, as a pathway to enhancing SMEs' export performance.

5.3. Test for moderation effect

Further analysis is conducted to examine the **moderating role of FDI** in the relationship between strategy and export performance. A multi-group Structural Equation Modeling (SEM) analysis, using the bootstrap-based Multi-Group Analysis technique, is conducted to test whether the structural path coefficients differed significantly between FDI-participating and non-participating SMEs.

As shown in Table 5, the relationship between strategy and financial export performance is significant in both groups, with higher estimates for FDI firms ($\beta = 0.530$, $p < 0.001$) compared to non-FDI firms ($\beta = 0.468$, $p < 0.001$). However, the difference between these groups ($\Delta\beta = 0.062$) is not statistically significant ($p = 0.508$), providing no support for Hypothesis H3a. This indicates that FDI participation does not significantly moderate the effect of strategy on financial export performance.

In contrast, the relationship between strategy and strategic export performance is stronger among FDI firms ($\beta = 0.708$, $p < 0.001$) than among non-FDI firms ($\beta = 0.543$, $p < 0.001$). The difference between the groups ($\Delta\beta = 0.165$) is statistically significant ($p = 0.013$), thereby supporting Hypothesis H3b. This finding confirms that FDI positively moderates the relationship between strategy and strategic export performance. Therefore, these results suggest that FDI does not significantly affect SMEs' short-term financial outcomes but plays a critical role in enhancing long-term strategic performance, particularly in strengthening competitive positioning and international market presence.

Table 5.
Comparison of Moderating: FDI vs Non-FDI.

Hypothesis	Path	FDI	Non FDI	Δβ	p value	Moderation
H3a	Financial performance ← Strategy	0.530***	0.468***	0.062	0.508	Not Supported
H3b	Strategic performance ← Strategy	0.708***	0.543***	0.165	0.013	Supported

Note: *** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$.

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

6. Discussion and Conclusion

This study employed the SCOPE framework to empirically examine how SMEs' perceptions of opportunities and challenges influence strategic decision-making and, in turn, export performance. Grounded in Paul [21] framework—recently reaffirmed in the literature as a contemporary theoretical lens for SME internationalization [37] the study operationalized the "Strategy" component through the 4S principles: Strategize, Standardize, Synergize, and Set-in-Order.

The findings demonstrate that SMEs' perceptions of opportunities—rather than challenges—are the primary drivers of strategy adoption and export performance. The direct effects analysis showed that challenges did not significantly influence strategy formulation, whereas opportunities had a strong, positive effect. Unlike prior studies that emphasize both opportunities and challenges in SME internationalization [6, 7] our findings reveal that opportunities, not challenges, are the primary catalysts for strategy adoption and export performance among Korean SMEs. These results reflect Korea's unique economic context, characterized by government-led export promotion, deep integration into global value chains, and particularly in technology-driven sectors like electronics and IT [20, 62]. These results also align with research on born-global firms and international entrepreneurship, which underscores opportunity-driven strategies as drivers of proactive innovation and rapid market expansion [63-65]. Conversely, challenges such as geopolitical uncertainty or resource constraints could have relatively limited impact on strategic adaptation, as institutional support and firm-level resilience often mitigate them.

The mediation analysis further revealed that opportunities indirectly affect both financial and strategic export performance through strategy, indicating partial mediation. In contrast, the indirect effects of challenges are insignificant. These findings provide empirical support for Paul [21] assertion that opportunity-driven motivations are more likely than challenges to activate strategic processes. The empirical results confirm that strategies grounded in the 4S principles—such as synergizing internal and external resources, standardizing processes, and setting organizational priorities—function as integrative pathways that align environmental signals with sustainable competitive outcomes.

The moderation analysis shows that FDI strengthens the relationship between strategy and strategic export performance, although its effect on financial export performance is not significant in the multi-group SEM analysis. While both FDI and non-FDI firms benefited from strategic adoption, only strategic export performance displayed a significant difference. The findings reveal FDI's role as a catalyst for long-term competitiveness rather than short-term financial gains. This distinction refines prior research by demonstrating that FDI enhances non-financial outcomes, such as market positioning and innovation capacity, particularly for Korean SMEs integrated into global value chains [66, 67].

6.1. Theoretical Contributions

The findings advance SME internationalization research in the following three aspects. This study advances SME internationalization research by operationalizing the SCOPE framework [21] through the 4S principles—Strategize, Synergize, Standardize, and Set-in-Order—to link environmental perceptions to export outcomes. By empirically validating this asymmetry in the Korean context, this study strengthens the SCOPE framework's explanatory power and establishes opportunity recognition as a pivotal mechanism for SME competitiveness in the global markets.

Second, this study enriches the theoretical understanding of how strategy adoption mediates the relationship between external environmental factors and SME export performance. While prior research has explored strategic orientations—such as market orientation, entrepreneurial orientation, and innovation capabilities—as mediators of firm performance [50, 51] this study advances the discourse by operationalizing the concept of strategy using the 4S framework [21]. This contribution advances the literature on SME competitiveness by providing a robust, empirically validated account of how SMEs convert external opportunities into sustained advantages in global markets.

Third, this study advances international business theory by elucidating the role of FDI in amplifying SME internationalization outcomes. While Dunning [56] eclectic paradigm emphasizes

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

resource-, market-, and efficiency-seeking FDI motives, recent studies highlight FDI's role in fostering global ecosystem integration [42, 55, 68]. By conceptualizing FDI as a strategic enabler within the SCOPE framework, this study advances SME internationalization research—which has traditionally been trade-oriented—by highlighting opportunities as the primary drivers, strategies as the mediating mechanisms, and FDI as a pivotal enhancer of sustainable global competitiveness.

6.2. Managerial and Policy Implications

Beyond theoretical contributions, the findings offer practical guidance for managers and policymakers aiming to foster sustainable SME growth in an era marked by prolonged U.S.–China trade tensions, tariff volatility, and ongoing supply chain reconfiguration. From a managerial standpoint, the results underscore the importance of prioritizing market opportunities rather than concentrating solely on mitigating challenges. For example, Korean machinery SMEs entering South Asian markets faced considerable uncertainty due to shifting trade policies, institutional voids, and spillover effects from U.S.–China decoupling. By systematically applying the 4S framework—standardizing procedures, synergizing resources with local partners, and strategizing through joint ventures—these firms were able to mitigate risks while simultaneously opening new avenues for growth. Importantly, FDI emerged as more than a short-term financial lever; establishing subsidiaries abroad was not simply about reducing production costs but also about cultivating local networks, accessing skilled talent, and positioning for long-term regional expansion. These cases illustrate how opportunity-driven strategies, reinforced by FDI, can convert external turbulence into enduring competitiveness.

At the policy level, the findings highlight the need for government support to move beyond conventional financial assistance and toward capability-enhancing initiatives. Key areas include investments in digital infrastructure, export readiness training, and facilitation of international partnerships, all of which help SMEs capture emerging opportunities in volatile environments. Such measures complement the structured application of the 4S framework, enabling firms to balance internal efficiency with external adaptability. By aligning policy design with opportunity-driven strategic approaches, governments can play a pivotal role in strengthening SMEs' resilience and sustaining their international competitiveness.

6.3. Limitations and Future Research

Despite its contributions, this study is subject to several limitations. First, the use of cross-sectional survey data constrains causal inference and prevents analysis of dynamic changes over time. Future research would benefit from longitudinal designs that capture the evolving interplay between opportunities, strategies, and performance outcomes. Second, industry-specific effects were not fully explored; subsequent studies should incorporate sectoral perspectives to refine the applicability of strategic frameworks. Third, this study conceptualized FDI primarily as a moderating variable. Future research could adopt a more nuanced approach by treating FDI as an independent strategic choice, examining motivations (market-, efficiency-, resource-, and strategic asset-seeking) and their distinct performance implications. Finally, additional theoretical extensions could integrate network theory, niche marketing strategies, and the role of disruptive technologies to capture the dynamics of born global and digital-first SMEs.

Funding:

This study is supported by research funding from aSSIST University, South Korea.

Institutional Review Board Statement:

Research was conducted in compliance with National Health and Medical Research Council's ethical standards for research involving human participants.

© 2025 by the authors; licensee Learning Gate

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

Copyright:

© 2025 by the authors. This open-access article is distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (https://creativecommons.org/licenses/by/4.0/).

References

[1] M. Lučić, "Internationalization of small and medium-sized enterprises," *Economics: Theory and Practice*, vol. 9, no. 2, pp. 68-83, 2016. https://doi.org/10.5937/etp1602068L

[2] P. Puthusserry, Z. Khan, G. Knight, and K. Miller, "How do rapidly internationalizing SMEs learn? Exploring the link between network relationships, learning approaches and post-entry growth of rapidly internationalizing SMEs from emerging markets," *Management International Review*, vol. 60, no. 4, pp. 515-542, 2020. https://doi.org/10.1007/s11575-020-00424-9

[3] I. Steinerowska-Streb, G. Glod, and A. Steiner, "What do we know about small and medium enterprises' survival in a post-global economic crisis context?," *Local Economy*, vol. 37, no. 4, pp. 259-278, 2022. https://doi.org/10.1177/02690942221112042

[4] M. A. Moktadir and J. Ren, "Global semiconductor supply chain resilience challenges and mitigation strategies: A novel integrated decomposed fuzzy set Delphi, WINGS and QFD model," *International Journal of Production Economics*, vol. 273, p. 109280, 2024. https://doi.org/10.1016/j.ijpe.2024.109280

[5] D. Rasshyvalov, Y. Portnov, T. Sigaieva, O. Alboshchii, and O. Rozumnyi, "Navigating geopolitical risks: Implications for global supply chain management," *Multidisciplinary Reviews*, vol. 7, pp. 1–19, 2024. https://doi.org/10.31893/multirev.2024spe017

[6] G. S. K. Naradda, E. Ekanayake, G. Abeyrathne, R. Prasanna, J. Jayasundara, and P. Rajapakshe, "A review of global challenges and survival strategies of small and medium enterprises (SMEs)," *Economies*, vol. 8, no. 4, p. 79, 2020. https://doi.org/10.3390/economies8040079

[7] S. Handoyo, I. Yudianto, and F. K. Fitriyah, "Critical success factors for the internationalisation of small–medium enterprises in indonesia," *Cogent Business & Management*, vol. 8, no. 1, p. 1923358, 2021. https://doi.org/10.1080/23311975.2021.1923358

[8] W. Fernando and S. Samarakoon, "Internationalization issues and export performance of manufacturing smes in North Western Province, Sri Lanka," *Asian Journal of Economics, Business and Accounting*, vol. 20, no. 4, pp. 44-56, 2021. https://doi.org/10.9734/ajeba/2020/v20i430333

[9] F. Hänle, S. Weil, and B. Cambré, "China's OFDI support mechanisms in Germany: How governments can work together to promote SME internationalization, reduce liability of foreignness and contribute positively to society," *Journal of Entrepreneurship in Emerging Economies*, vol. 15, no. 6, pp. 1534-1565, 2023. https://doi.org/10.1108/JEEE-08-2021-0327

[10] E. R. Chaldun, G. Yudoko, and E. A. Prasetio, "Developing a theoretical framework of export-oriented small enterprises: A multiple case study in an emerging country," *Sustainability*, vol. 16, no. 24, p. 11132, 2024. https://doi.org/10.3390/su162411132

[11] M. Anwar and L. Shuangjie, "Spurring competitiveness, financial and environmental performance of SMEs through government financial and non-financial support," *Environment, Development and Sustainability*, vol. 23, no. 5, pp. 7860-7882, 2021. https://doi.org/10.1007/s10668-020-00951-3

[12] M. Goedhuys and L. Sleuwaegen, "International standards certification, institutional voids and exports from developing country firms," *International Business Review*, vol. 25, no. 6, pp. 1344-1355, 2016. https://doi.org/10.1016/j.ibusrev.2016.04.006

[13] L. Pacheco, C. Lobo, and I. Maldonado, "Do ISO certifications enhance internationalization? The case of Portuguese industrial SMEs," *Sustainability*, vol. 14, no. 3, p. 1335, 2022. https://doi.org/10.3390/su14031335

[14] H. S. Jalali, "Trade policy revisited: how government support initiatives affect international performance in SMEs?," *Review of International Business and Strategy*, vol. 34, no. 5, pp. 692-712, 2024. https://doi.org/10.1108/RIBS-02-2024-0015

[15] D. Miocevic, "Exploring export promotion policy from a justice perspective: A case study," *Journal of Macromarketing*, vol. 33, no. 4, pp. 342-353, 2013. https://doi.org/10.1177/0276146713497756

[16] S. Comi and L. Resmini, "Are export promotion programs effective in promoting the internalization of SMEs?," *Economia Politica*, vol. 37, no. 2, pp. 547-581, 2020. https://doi.org/10.1007/s40888-019-00170-8

[17] A. Catanzaro and C. Teyssier, "Export promotion programs, export capabilities, and risk management practices of internationalized SMEs," *Small Business Economics*, vol. 57, no. 3, pp. 1479-1503, 2021. https://doi.org/10.1007/s11187-020-00358-4

[18] M. Falahat, Y.-Y. Lee, P. Soto-Acosta, and T. Ramayah, "Entrepreneurial, market, learning and networking orientations as determinants of business capability and international performance: The contingent role of government support," *International Entrepreneurship and Management Journal*, vol. 17, no. 4, pp. 1759-1780, 2021. https://doi.org/10.1007/s11365-020-00738-y

[19] U. Heriqbaldi, M. A. Esquivias, W. Lau, and A. F. Cesilia, "Export promotion programs and firm performance: Linking knowledge, commitment, and market strategy to enhance competitiveness," *Journal of Open Innovation: Technology, Market, and Complexity*, vol. 11, no. 1, p. 100479, 2025. https://doi.org/10.1016/j.joitmc.2025.100479

[20] S. H. Jin and S. O. Choi, "The effect of innovation capability on business performance: A focus on IT and business service companies," *Sustainability*, vol. 11, no. 19, p. 5246, 2019. https://doi.org/10.3390/su11195246

[21] J. Paul, "SCOPE framework for SMEs: A new theoretical lens for success and internationalization," *European Management Journal*, vol. 38, no. 2, pp. 219-230, 2020. https://doi.org/10.1016/j.emj.2020.02.001

[22] N. Zahoor, O. Al-Tabbaa, Z. Khan, and G. Wood, "Collaboration and internationalization of SMEs: Insights and recommendations from a systematic review," *International Journal of Management Reviews*, vol. 22, no. 4, pp. 427-456, 2020. https://doi.org/10.1111/ijmr.12238

[23] A.-K. Ameyaw, "spanning the boundaries: International business theories in a complex global environment," *Bulletin of St. Petersburg University. Management*, vol. 22, no. 3, pp. 422-444, 2023.

[24] G. H. Thomas and E. J. Douglas, "Resource reconfiguration by surviving SMEs in a disrupted industry," *Journal of Small Business Management*, vol. 62, no. 1, pp. 140-174, 2024. https://doi.org/10.1080/00472778.2021.2009489

[25] J. Johanson and J.-E. Vahlne, "The internationalization process of the firm: A model of knowledge development and increasing foreign market commitments," *Journal of International Business Studies*, vol. 8, no. 1, pp. 23–32, 1977. https://doi.org/10.1057/palgrave.jibs.8490676

[26] J. Johanson and J.-E. Vahlne, "The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership," *Journal of International Business Studies*, vol. 40, no. 9, pp. 1411–1431, 2009. https://doi.org/10.1057/jibs.2009.24

[27] J. Johanson and J. E. Vahlne, *The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. In International Business*. London, UK: Routledge, 2017.

[28] P. A. Igwe, D. G. Rugara, and M. Rahman, "A triad of Uppsala internationalization of emerging markets firms and challenges: A systematic review," *Administrative Sciences*, vol. 12, no. 1, p. 3, 2021. https://doi.org/10.3390/admsci12010003

[29] W. A. Bhatti, J.-E. Vahlne, M. Glowik, and J. A. Larimo, "The impact of industry 4.0 on the 2017 version of the Uppsala model," *International Business Review*, vol. 31, no. 4, p. 101996, 2022. https://doi.org/10.1016/j.ibusrev.2022.101996

[30] J. Huang, R. N. R. Yusof, A. Abd Rahman, and R. Ab Rahman, "Internationalization of Chinese manufacturing firms: A perspective from the Uppsala model," *Asian Social Science*, vol. 20, no. 3, pp. 1-9, 2024. https://doi.org/10.5539/ass.v20n3p9

[31] M. Dabić, J. Maley, L.-P. Dana, I. Novak, M. M. Pellegrini, and A. Caputo, "Pathways of SME internationalizatio:A bibliometric and systematic review," *Small Business Economics*, vol. 55, no. 3, pp. 705-725, 2020. https://doi.org/10.1007/s11187-019-00181-6

[32] A. Chandra, J. Paul, and M. Chavan, "Internationalization barriers of SMEs from developing countries: a review and research agenda," *International Journal of Entrepreneurial Behavior & Research*, vol. 26, no. 6, pp. 1281-1310, 2020. https://doi.org/10.1108/IJEBR-03-2020-0167

[33] J. Child, J. Karmowska, and O. Shenkar, "The role of context in SME internationalization–A review," *Journal of World Business*, vol. 57, no. 1, p. 101267, 2022. https://doi.org/10.1016/j.jwb.2021.101267

[34] A. Amarasena, "Catalysts for rapid internationalization of SMEs: Born globals in South Korea," *Universal Journal of Management*, vol. 8, no. 1, pp. 20-28, 2020. https://doi.org/10.13189/ujm.2020.080103

[35] H. Shuquan and J. Sora, "The impact of China-US trade conflict on the Korean economy," *SocioEconomic Challenges*, vol. 4, no. 4, pp. 18-28, 2020. https://doi.org/10.21272/sec.4(4).18-28.2020

[36] S. Rakshit, N. Islam, S. Mondal, and T. Paul, "Influence of blockchain technology in SME internationalizatio: Evidence from high-tech SMEs in India," *Technovation*, vol. 115, p. 102518, 2022. https://doi.org/10.1016/j.technovation.2022.102518

[37] N. Calheiros-Lobo, J. Vasconcelos Ferreira, and M. Au-Yong-Oliveira, "SME internationalization and export performance: A systematic review with bibliometric analysis," *Sustainability*, vol. 15, no. 11, p. 8473, 2023. https://doi.org/10.3390/su15118473

[38] J. Freixanet and G. Renart, "A capabilities perspective on the joint effects of internationalization time, speed, geographic scope and managers' competencies on SME survival," *Journal of World Business*, vol. 55, no. 6, p. 101110, 2020. https://doi.org/10.1016/j.jwb.2020.101110

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate

[39] P. Du, L. Xu, Q. Chen, and S.-B. Tsai, "Pricing competition on innovative product between innovator and entrant imitator facing strategic customers," *International Journal of Production Research*, vol. 56, no. 5, pp. 1806-1824, 2018. https://doi.org/10.1080/00207543.2015.1134837

[40] T. Tavor, L. D. Gonen, and U. Spiegel, "Customer segmentation as a revenue generator for profit purposes," *Mathematics*, vol. 11, no. 21, p. 4425, 2023. https://doi.org/10.3390/math11214425

[41] L. Sołoducho-Pelc, "Searching for opportunities for development and innovations in the strategic management process," *Procedia-Social and Behavioral Sciences*, vol. 210, pp. 77-86, 2015. https://doi.org/10.1016/j.sbspro.2015.11.331

[42] W. Yin, H.-C. Moon, and Y. W. Lee, "The success factors of Korean global start-ups in the digital sectors through internationalization," *International Journal of Global Business and Competitiveness*, vol. 14, no. 1, pp. 42-53, 2019. https://doi.org/10.1007/s42943-019-00003-2

[43] C. Reimann, F. Carvalho, and M. Duarte, "The influence of dynamic and adaptive marketing capabilities on the performance of Portuguese SMEs in the B2B international market," *Sustainability*, vol. 13, no. 2, p. 579, 2021. https://doi.org/10.3390/su13020579

[44] O. Olalekan and W. Haibin, "The challenges of internationalization of Chinese companies in Africa and Europe: A comparative analysis," *International Journal of Advanced Economics*, vol. 6, no. 8, pp. 352–366, 2024.

[45] S. Wilujeng, E. Sarwoko, and F. Nikmah, "Triple-A strategy: For supply chain performance of Indonesian SMEs," *Uncertain Supply Chain Management*, vol. 10, no. 1, pp. 95-100, 2022.

[46] I. Przychocka, M. Sikorski, and L. Milewski, "Cash flow management in small and medium enterprises in times of economic uncertainty," *European Research Studies Journal*, vol. 27, no. 2, pp. 155-162, 2024.

[47] E. Navaia, A. Moreira, and C. Ribau, "Differentiation strategy and export performance in emerging countries: Mediating effects of positional advantage among Mozambican firms," *Economies*, vol. 11, no. 2, p. 44, 2023. https://doi.org/10.3390/economies11020044

[48] S. Elia, M. Giuffrida, M. M. Mariani, and S. Bresciani, "Resources and digital export: An RBV perspective on the role of digital technologies and capabilities in cross-border e-commerce," *Journal of Business Research*, vol. 132, pp. 158-169, 2021. https://doi.org/10.1016/j.jbusres.2021.04.010

[49] S. Traiyarach and J. Banjongprasert, "The impact of export promotion programs on export competitiveness and export performance of craft products," *Journal of Marine Science and Engineering*, vol. 10, no. 7, p. 892, 2022. https://doi.org/10.3390/jmse10070892

[50] A. Safari and A. S. Saleh, "Key determinants of SMEs' export performance: A resource-based view and contingency theory approach using potential mediators," *Journal of Business & Industrial Marketing*, vol. 35, no. 4, pp. 635-654, 2020. https://doi.org/10.1108/JBIM-11-2018-0324

[51] V. K. Singh, A. Keshari, D. Singh, P. C. Singh, and A. Gautam, "Green export strategies and SMEs export performance: Mediating roles of innovation, readiness, and activities," *Journal of Innovation and Entrepreneurship*, vol. 13, no. 1, p. 87, 2024. https://doi.org/10.1186/s13731-024-00451-y

[52] N. Nuryakin, "Entrepreneurial orientation and SME export performance: Unveiling the mediating roles of innovation capability and international networking accessibility in the brass industry," *Journal of Entrepreneurship, Management and Innovation*, vol. 20, no. 1, pp. 30-46, 2024.

[53] H. C. Moon, *Foreign direct investment: A global perspective*. Singapore: World Scientific, 2016.

[54] W. Yin, "Motivations of Chinese outward foreign direct investment: An organizing framework and empirical investigation," *Journal of International Business and Economy*, vol. 16, no. 1, pp. 82-106, 2015.

[55] H. C. Moon and W. Yin, *Four fundamental factors for increasing the host country attractiveness of foreign direct investment: An empirical study of India. In K. B. Misra (Ed.), Handbook of advanced performability engineering*. Cham, Switzerland: Springer International Publishing, 2020.

[56] J. H. Dunning, "The eclectic paradigm as an envelope for economic and business theories of MNE activity," *International Business Review*, vol. 9, no. 2, pp. 163-190, 2000. https://doi.org/10.1016/S0969-5931(99)00035-9

[57] S. Ma, X. Xu, Z. Zeng, and L. Wang, "Chinese industrial outward FDI location choice in ASEAN countries," *Sustainability*, vol. 12, no. 2, p. 674, 2020. https://doi.org/10.3390/su12020674

[58] S. Zou, C. R. Taylor, and G. E. Osland, "The EXPERF scale: A cross-national generalized export performance measure," *Journal of International Marketing*, vol. 6, no. 3, pp. 37-58, 1998. https://doi.org/10.1177/1069031X9800600307

[59] J. Henseler, C. M. Ringle, and M. Sarstedt, "A new criterion for assessing discriminant validity in variance-based structural equation modeling," *Journal of the Academy of Marketing Science*, vol. 43, no. 1, pp. 115-135, 2015. https://doi.org/10.1007/s11747-014-0403-8

[60] G. Franke and M. Sarstedt, "Heuristics versus statistics in discriminant validity testing: A comparison of four procedures," *Internet Research*, vol. 29, no. 3, pp. 430-447, 2019. https://doi.org/10.1108/IntR-12-2017-0515

[61] M. Sarstedt, C. M. Ringle, and J. F. Hair, *Partial least squares structural equation modeling. In C. Homburg, M. Klarmann, & A. Vomberg (Eds.), Handbook of market research*. Cham, Switzerland: Springer International Publishing, 2021.

© 2025 by the authors; licensee Learning Gate

[62] S. Park, I. H. Lee, and J. E. Kim, "Government support and small-and medium-sized enterprise (SME) performance: The moderating effects of diagnostic and support services," *Asian Business & Management*, vol. 19, no. 2, pp. 213-238, 2020. https://doi.org/10.1057/s41291-019-00061-7

[63] G. A. Knight and S. T. Cavusgil, "Innovation, organizational capabilities, and the born-global firm," *Journal of International Business Studies*, vol. 35, no. 2, pp. 124-141, 2004. https://doi.org/10.1057/palgrave.jibs.8400071

[64] S. A. Zahra and G. George, "International entrepreneurship: The current status of the field and future research agenda," *Strategic Entrepreneurship: Creating a New Mindset*, pp. 253-288, 2017. https://doi.org/10.1002/9781405164085.ch12

[65] E. Gjorevska, "Market opportunities impact on SME's entrepreneurial behavior: study on entrepreneurial orientation in North Macedonia," *International Journal of Research in Business & Social Science*, vol. 12, no. 8, pp. 104–118, 2023. https://doi.org/10.20525/ijrbs.v12i8.2966

[66] L. Y. Chen and B. G. Mujtaba, "The choice of entry mode strategies and decision for international market expansion," *The Journal of American Academy of Business*, vol. 10, no. 2, p. 322, 2007.

[67] F. C. Caccia and J. M. Baleix, "FDI from emerging countries: Motivations and impacts," *Revista de Economía Mundial*, no. 50, pp. 1-18, 2018. https://doi.org/10.33776/rem.v0i50.3899

[68] W. Yin and H. C. Moon, *Switching governance modes to improve the resilience of global value chains against external disruptions. In A. Verbeke, E. D. K. Carvalho, & R. van Tulder (Eds.), International business in times of crisis: Tribute volume to Geoffrey Jones (Progress in International Business Research.* Bingley, UK: Emerald Publishing, 2022.

Edelweiss Applied Science and Technology
ISSN: 2576-8484
Vol. 9, No. 9: 846-861, 2025
DOI: 10.55214/2576-8484.v9i9.9999
© 2025 by the authors; licensee Learning Gate