

Call for papers
Special issue of *International Marketing Review*

Internationalization of service firms

Guest Editors: Elizabeth L. Rose and Hussain G. Rammal

Submission deadline: 15 September 2013

The service sector is becoming increasingly critical to global business activities. According to UNCTAD's World Investment Report (2012), foreign direct investment (FDI) in services reached \$570 billion, representing 40 percent of the FDI total in 2011. The increase in FDI is not limited to developed countries; in 2011, service-sector FDI inflows into China surpassed those of the manufacturing sector for the first time (UNCTAD, 2012).

This trend is expected to be sustained as developing countries continue to liberalize their service sectors. Despite its importance to the global business environment, though, the internationalization of services remains under-researched (e.g., Merchant & Gaur, 2008). Considering four key international business journals (*Journal of International Business Studies*, *Journal of World Business*, *International Business Review*, *Management International Review*), Kundu and Merchant (2008) found only 50 studies on service-sector multinational enterprises during 1971-2007, which represents 1.35 articles per year, or 0.34 per journal per year. Academic research is lagging far behind practice with respect to the internationalization of services.

The existing literature in this area has tended to focus on the entry modes that service-sector firms use to access new markets (e.g., Blomstermo, Sharma & Sallis, 2006; Grönroos, 1996). Some authors have argued that the entry mode choice is influenced by the nature of service provided, especially the hard- vs. soft-service distinction (e.g., Brouthers & Brouthers, 2003). Soft services, in which production and consumption occur relatively simultaneously, are viewed as internationalizable via contractual entry modes, such as licensing and franchising, or through foreign direct investment (FDI). In contrast, the production and consumption processes of hard services can be decoupled, making them more readily exportable (Erramilli, 1991; 1992). Ekeledo & Sivakumar (2004) noted similarities between foreign market entry behavior for manufacturing and hard services, but clear differences between manufacturing and soft services. Of course, the categories of hard and soft services are not mutually exclusive, leading to consideration of services as a representing continuum from quasi-manufacturing to pure (e.g., Chase & Tansik, 1983). Moreover, many goods include intangible aspects (services) and many services have some tangible components, which serves to blur further the distinction between them. The fact that many service-related activities can be performed through contractual or collaborative relationships also creates complex ownership strategies with respect to internationalization (e.g., Ball, Lindsay & Rose, 2008; Pla-Barber, Sanchez & Madhok, 2010). Managers are thus faced with the need for rather sophisticated decision making, involving fine slicing of activities and efforts to optimize location allocations at the level of the activity (Buckley & Ghauri, 2004, Miozzo, Yamin & Ghauri, 2012).

Clearly, there is a great deal to learn about the internationalization of services. The goal of this special issue is to encourage the development of new perspectives on a wide variety of issues pertaining to the internationalization of firms operating in the service sector. Building on the 2005 *International Marketing Review* special issue on delivering services across borders (volume 22, issue 3), this issue aims to focus on the internationalization decision and its implementation, in the context of the service sector. We invite theoretical and empirical (quantitative and qualitative) manuscripts that make substantial contributions to the existing knowledge in this area.

Potential topics of interest include – but are not limited to – the following:

- International market entry for service firms
- Strategy and structure of service-sector multinationals
- Cross-border knowledge transfer in service firms
- Market selection and internationalization process for services
- Regional vs. global approaches to internationalization in the service sector
- Differences in internationalization strategies for hard and soft services
- The impact of institutional differences in the context of service-sector internationalization
- Exporting vs. other entry modes for services
- Marketing of services on a regional or global basis
- Internationalization of service-sector SMEs
- Applicability of existing internationalization frameworks for the service sector

Deadline for submission: **15 September 2013**.

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All submissions must follow the *International Marketing Review* [guidelines](#).

Any questions pertaining to the Special Issue should be directed to the Guest Editors:

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