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Investigating and Prioritizing Strategies Affecting Foreign Market Entry of a Company Using Strategic Reference Point Method

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Abstract

This study has investigated, identified, and prioritized the factors affecting the foreign market entry of companies along with international business strategies of the air transportation industry. The research method has been a descriptive survey among a group of randomly chosen experts in the aviation industry of ATA Airlines Company. Data were collected to investigate variables and to validate the research hypotheses. Analyzing data through t-test and Friedman ranking method, revealed that two independent variables, titled "perspectives of management" and "degree of ownership and control" have a significant credit rating, and have been evaluated almost to a share in choosing effective entry strategy. The research model was the integrated matrix of strategic reference points, in which the mentioned variables, create four different modes of strategies to offer to companies.

Introduction

1. In recent years, it has been observed that foreign airlines, especially those from neighboring countries, by discovering gaps in the domestic airline industry in the field of passenger and cargo transportation as well as providing technical, engineering, and repair services to the fleet of Iranian airlines and providing, repairing parts or training of technical personnel of companies, have been entered this market in our country and have gained great profits. What is certain is that while not requiring themselves and the local market from foreign companies entry to the domestic market to provide various services of the aviation industry, domestic companies, which seek to enter foreign markets to provide services that can be delivered and demanded by international customers in the next steps, must reinforce themselves in various technical and service areas. In the present study, we have investigated, identified, and prioritized factors affecting international market entry and international business methods and strategies while stating strategies related to these activities. International business is

defined as the types of transactions that take place abroad or outside the geographical boundaries of a society. This type of business is particularly important because it can directly or indirectly affect the relationships of two or more communities. The difference between domestic and foreign markets can be seen both in nature and the way of marketing. Among the differences between domestic and foreign markets are different marketing techniques, environmental differences, governmental restrictions and regulations, the level of income of communities, and cultural differences (FakhimiAzar, 2015). According to these differences, it is necessary to adopt and implement the appropriate strategy(s) for foreign market entry of a company. For a successful foreign market entrance, a company must analyze all affecting aspects while most theories and researches consider it only from a perspective and this causes to be unaware of other aspects and despite its high potential, not to succeed in the foreign market and fail and suffer enormous costs. Therefore, a model should be designed to analyze the target market and internationalization strategies by considering more than one dimension. In this study, while exploring the factors influencing the selection of foreign market entry strategies by the managers of a company and outlining the foreign market entry methods, we answered the question of "what strategies with which priorities affect selecting foreign market entry method(s) of a company? In this study, a unified model is introduced to avoid the huge costs caused by failing in the internationalization process, as much as possible, by considering more than one aspect of the multiple aspects influencing the decision-making of managers of business companies on choosing a foreign market entry

strategy, while increasing the precision in choosing the appropriate methods for starting a foreign business. This study was conducted to investigate and prioritize effective strategies for the internationalization of a company and its foreign market entry, especially concerning the country's aviation industry. Regarding the innovative aspect of this research, it can be pointed out that there is no domestic sample focusing on companies providing services in the field of aviation and air transportation and no research is conducted in the field of air transportation industry's foreign market entry so far. Therefore, while thoroughly investigating the topic of research in the field of international companies, a case study about a company active in the field of the airline industry (passenger and cargo air transportation) is conducted.

2. BACKGROUND AND THEORETICAL FOUNDATION

2.1. Indicator Theories Regarding The Internationalization Of Business Companies

2.2. Sharma and Aramili (2004) define the entry method as a structural agreement that allows the organization to implement its product/market strategy in a host country through the implementation of marketing activities (e.g. through export methods) or the production and marketing activities in that country either alone or in collaboration with others (contractual methods, joint ventures, full ownership operations). The selection of the entry method consists of the choice of location and type of control. Resources can be located domestically or in a foreign market and controlled by the company itself or through a contractual arrangement. There are various definitions of internationalization. Internationalization

is the process of adapting the company's activities (strategy, structure, resources) to the foreign environment. According to another definition, internationalization is a gradual process whereby a company expands its international business relations. The sooner the process of resource accumulation and development occurs, the process of internationalization accelerates. In recent years, the time span for internationalization has become much shorter than before. According to Leach and Knight (2006), readiness to foreign market entry is interpreted as being aware of the foreign target markets and being able to enter these markets. Internationalization and choosing the right path are among the most important decisions for the growth of the company; accordingly, the process of internationalization of the company can be divided into four general stages: preparation stage, setting up the stage, growth stage, and maturity stage. Theory of Chandler's Strategy Structure (1962), Stopford and Wells' Stage Internationalization Model (1972), Franco's Internationalization Model (1976), Howard V. Perlmutter's Theory (1969), Porter's International Competition Pattern Theory (1988), and Uppsala Model and theories branching by them can be considered the pioneering theories in explaining the process of internationalization that from the perspective of managerial (not economic) theories and based on the study of the behavior of companies after the process of internationalization at different levels of company and industry analysis have investigated the issue. The founders of the theory of international organizations can be Alfred Chandler, Joseph Bauer (1970), Cyert and March (1963). They have significantly influenced modern theories of Perlmutter, Stopford, and Wells, Franco,

and others. The common point of all these theories can be considered in the network structure, the less hierarchy, the matrix management, and the higher independence of the foreign branches. A review of the literature on international trade theories and models of global market entry shows that the existing theories and models are divided into four categories from the point of view of analysis. Some of these theories (often traditional international trade theories) consider the issue of international competitiveness at the country's analysis level. Porter and other industrial economists have studied international competitiveness at the level of industry analysis; while some other theorists consider the issue of international competitiveness at the level of company analysis. The resource-based approach and all theories branching of it in economics and management emphasize that companies must possess unique and scarce valuable asset(s) or capability(s) to compete in the international market which is irreplaceable and inimitable to gain competitive advantage. This theory, one of the theories of strategic management, was presented by Fiegenbaum et al. Strategic reference point theory states that by identifying the strategic reference points of the organization that have a major impact on the activities and performance of the organization, organizational strategic decisions can be made (Bamberger and Fiegenbaum, 1996). But what is the appropriate reference point formed at the organization level? Different theoretical approaches provide different selection mechanisms for comparison. Theories of organizational/industrial economics and the dependence of modern resources and institutions suggest foreign stakeholders such as competitors, suppliers, customers, and other non-economic stakeholders as

key reference points. Finally, studies and literature on corporate identity suggest strategic intentions and organizational change and the importance of time and especially past and future orientations as key reference points (Dehghan, 2007). Internal, external, and temporal-based reference points should not be considered as purely proprietary choices. But, they are considered as elements of a multidimensional set. Fiegenbaum et al. proposed the use of a three-dimensional reference point matrix that includes a wide range of variables as a tool to determine how organizational decision-makers consider multiple reference points simultaneously. Therefore, specific patterns are formed based on the interactions of these internal and external and temporal factors (Bamberger and Fiegenbaum, 1996; Dehghan, 2007). The types of strategies of foreign market entry can be categorized according to two characteristics: the location of production facilities and the amount of control that the company tends in foreign investment. From an international marketing perspective, different ways of entering the market represent levels of control, commitment, participation, and risk. It is difficult to decide about the choice of strategies of foreign market entry because of the effect of a variety of variables. But using the strategic reference point theory, key and strategic variables influencing the choice of strategies of foreign market entry can be identified. Therefore, two dimensions of "focus or management orientation" and "degree of control" are introduced as strategic reference points of foreign market entry, based on them, the most appropriate strategies for foreign market entry can be selected. The first strategic reference point in the process of foreign market entry is the focus or management orientation. So the

first thing that an expanding company should consider is whether to export its products or to create manufacturing facilities in foreign markets (Dehghan, 2007). In a large number of emerging markets, governments' policy is to produce locally. A company that wants to enter such markets must provide its facilities locally. Assuming the company can choose, the decision variables to produce locally, regionally, or globally are cost, quality, shipping, and value to the customer. Costs include payment cases for exploitation, materials, capital, land, and transportation. Savings caused by the mass scale of production are an important factor in determining the cost. For the production of any product, it is at least a certain amount to justify the cost of investing in manufacturing facilities (Khoye, 2015). If the company decides to create production facilities at the regional level, it can choose one among buying, manufacturing, renting, or contracting with a local manufacturer. Contracting with a local producer requires less capital because in this case, the existing production facilities can be used. In such a situation, the local producer of the contract is in a position to offer a reasonable price. The decision about production at home or abroad is based on management orientation. Howard Perlmutter, professor at the University of Pennsylvania, noted for the first time, the specific orientations of international corporate management. He identified four types of trends or orientations related to the evolution of operations of international companies: focus on home country, focus on multiple countries, focus on one or more regions of the world and global orientation, these orientations are the framework of the stages of company development internationally, when management focuses on home country, it usually selects

production strategies in the country or exports. And when management focuses on other countries or the world, it uses foreign or non-export production strategies. Also, these management orientations indicate the extent of management participation or involvement in foreign marketing activities. The extent of management involvement in international activities depends on the attractiveness of the place, the company's ability, and the risk considered (Dehghan, 2007). The more we move from production strategies in the country (export strategies) to production strategies abroad (non-export strategies), the degree of participation or involvement in foreign marketing activities will raise. Therefore, the indirect export strategy has the lowest participation and the direct investment strategy has the highest participation (Albaum, 2002). The second strategic reference point of deciding for foreign market entry is the degree of control over international activities. The level of control over international operations is one of the influential strategic variables on choosing strategies of foreign market entry. Strategies of foreign market entry vary in terms of control, ranging from indirect exports to strategic partnerships, the creation of sub-branch under the ownership of a company, and foreign direct investment (Cateora and Graham, 2005). The decision about the extent of control over a company's international operations is influenced by factors such as marketing capability, technical knowledge, product compliance, international corporate strategy, international corporate experience, and ownership. Although ownership can be possessed without control and control without ownership, but greater ownership is usually associated with greater control. Having the advantage of ownership affects the choice of entry

strategy. Ownership advantage is caused by the specific assets and skills of a company, such as the size of the company, international experience, and the ability to develop distinct products. Companies that have sub-branches under their ownership or use direct investment have complete control over all operational aspects such as strategy and structure, human resources, financial policies, marketing strategies and policies, and so on. In a joint venture, this is not like this. In these companies, each partner has as much control as its share. In assigning production and distribution concession, little investment is required but equal to the contract, the recipients of the concessions of production and distribution may have considerable power in the business (Cateora and Graham, 2005). Companies in direct export strategies also have more control over international operations than indirect export strategies (Dehghan, 2007).

2.3. Strategic Reference Point Theory

This theory, one of the theories of strategic management, was presented by Fiegenbaum et al. Strategic reference point theory states that by identifying the strategic reference points of the organization that have a major impact on the activities and performance of the organization, organizational strategic decisions can be made (Bamberger and Fiegenbaum, 1996). But what is the appropriate reference point formed at the organization level? Different theoretical approaches provide different selection mechanisms for comparison. Theories of organizational/industrial economics and the dependence of modern resources and institutions suggest foreign stakeholders such as competitors, suppliers, customers, and other non-economic stakeholders as key reference points. Finally, studies and

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2.4 .Integrated Decision-Making Pattern On Foreign Market Entry Strategy

Investigating studies conducted on foreign market entry decisions points to two strategic reference points: management orientation and degree of control. Each of these strategic reference points represents a one-dimensional spectrum and is also the basis for the categorization of strategies of foreign market entry. If we intersect these dimensions and draw as matrices, different strategies of foreign market entry will be obtained based on reference points determining them. In other words, based on these two dimensions, one can decide on the type of foreign market entry strategy. Figure 1 shows the combination of these two dimensions in the form of a two-dimensional matrix. The method of using the matrix of diagram 1 in selecting foreign market entry strategies has two steps. Firstly, the company has to decide on

production domestically or abroad. As mentioned, production decisions in the country or abroad are made based on the attractiveness and risk of the target country and the company's capability. Secondly, the company must decide whether or not to control international operations. As stated above, decisions on full or flexible control over international operations are made based on international experience, investment level, ownership, international corporate strategy, marketing capability, and technical knowledge. We plot the results of the first step on the horizontal axis and the second stage on the vertical axis of the matrix "figure 1".

Focus of management			
Foreign production	**Domestic production**		
Strategic alliances strategy 3	The strategy of indirect exports 2	**Flexible**	**Control**
Direct investment strategy 4	The strategy of direct exports 1	**Intense**	

Figure 1. An integrated pattern of decision-making strategies for foreign market entry

When the company decides to manufacture domestically and has the desire and ability to control international operations, the right option for foreign market entry is to use a direct export strategy (cell 1). When the company decides to manufacture domestically but it doesn't have the desire or ability to control international operations, it is appropriate to use an indirect export strategy (cell 2). Also, when the company intends to manufacture abroad but it does not have the ability and desire to control over international operations, it is suggested to use strategic alliance strategy to foreign market entry (cell 3), and finally when the company intends to manufacture abroad and it has the desire and ability to control international operations, the use of direct investment strategy is an appropriate option (cell 4). Companies can use one or more strategies simultaneously depending on the number of products and the extent of their activities. Companies are sometimes forced to tend to international markets such as saturating the domestic market, and sometimes, voluntarily such as seeking market opportunities and increasing profitability. Such companies that desire global market entry must decide on their own entry strategy. In the global competition arena, the right and creative methods of entry guarantee a long-term presence in the market. The decision to foreign market entry is a crucial step in the process of internationalizing the company's activities. A return will not be possible without additional costs when entering the market. Deciding on the selection of strategies of foreign market entry is complex and difficult on the one hand, due to the dynamic and complex nature of entry methods and the impact of a variety of

variables, and on the other hand, investigating all variables is not possible due to temporal limitations and resources of companies. Therefore, it is necessary to identify the strategic variables and dimensions determining the strategies of foreign market entry. In this study, the strategic reference point theory was used (Dehghan, 2007)

2.5. Airlines Foreign Market Entry Methods

Table 1. The ways of foreign market entry of airlines

		Focus of management	
		Business activity in the home country	**Business activity abroad**
Control	**Flexible**	Establishing a domestic strategic alliance with companies active in the field of air transportation and other domestic airlines to provide services to foreign customers (often foreign airlines) in the home country by utilizing internal physical and specialized facilities	Strategic Alliances Strategy (Partnerships with local airlines active in air transportation in a foreign country, providing services to other airlines, as well as travelers within and outside the country) Joint venture with local companies active in the relevant field in the target country's foreign market Granting exploitation privilege from commercial title to local companies to operate in the foreign target market by the company and monitor their performance
	Intense	Providing technical, engineering, repair, and training services to customers (foreign airlines) in the home country by using the company's facilities.	Direct presence by investing in the foreign air transport market through the establishment of physical infrastructure and the deployment of specialist forces. Ownership of a company active in the airline services in the target country.

In "Table 1", the types of ways that a company can adopt, given its ownership and control over international interactions, as well as the management orientations in foreign interactions, considering the operational field of a company that is transportation industry are extracted and sorted. Among the methods expressed in Table 1, according to the extent of control and ownership in international relations, as well as the managerial orientation to provide services to foreign customers domestically or abroad, by considering the conditions and facilities of the company, appropriate method(s) are suggested.

2.6. Research Background

Classification of international risks affecting the choice of foreign market entry method: The Iranian automotive industry Shirkhodaiy (2014) studied the international risk categories affecting the choice of foreign market entry method for the Iranian automotive industry. The result of this study confirmed the relationship between the specific risk of the host

country and the specific risk of the industry with the choice of entry mode. In addition, it showed that as mentioned risks increased, the choice of entry method has tended towards exports, and by decreasing it, the entry method leads towards the joint venture and foreign direct investment, which required more control and resources. It was also found that the relationship between the choices of entry mode with industry-specific risk and the country-specific risk is not meaningful.

Performance evaluation of the strategies of foreign market entry of Iran Khodro Company In another study, MalekAkhlagh (2013) conducted a study to evaluate the performance of foreign market entry strategies of Iran Khodro Company during the years 2009 and 2010. The results showed that the strategy of developing strategic partnerships with global automakers with 75% success is in the first category and strategies to gain competitive advantage of portfolio of products and after-sales services in order to increase customer satisfaction with 63% success, the brand promotion strategy of Iran Khodro and its products in the target market with 61% success, empowering in the design and development sector (through product development, platform and driving force) with 56% success, developing strategic partnerships with Islamic countries with 43% success, improving sales quality and after-sales service level with 33% success, supply chain agility for development and improvement of export process with 31% success, designing and developing low cost car with 25% success, direct and indirect export development with 18% success, creation, development and profitability of manufacturing sites in target market with 16% success are in the next ranks in terms of percentage of realization of target. Factors affecting foreign market

selection in the Australian construction services sector El-Higzi (2014) examined the factors of foreign market selection in the Australian construction services sector. The result of this study indicates that the choice to enter a foreign country is not only the result of the economic, political, and structural factors of the host country but also the result of the company's motivational interactions to expand and availability of a related construction project. Other factors at the host country and origin country and at the global and corporate level, affect the company's approach to operations abroad. Export is the dominant way of entry of respondents, but companies are looking to invest abroad and increase their profit margin by intensifying domestic competition and domestic demand fluctuations. Corporate assets, expertise, and skill are another important factor; other factors are variables of investment policies that affect trade and investment flow between countries such as the return of the profit to the home country, business barriers, and tax discrimination. The major dangers of international trade are political instability.

3. VARIABLES AND RESEARCH METHOD

In this study, the independent variables are the degree of ownership and control of the company over international relations, which can impose two flexible and intense modes, both of which affect the company's chosen methods and focus or management orientation which can accept two modes of activity at home country or abroad, and either of these can influence the company's chosen methods for foreign market entry. The research was descriptive and observational. Documents and questionnaires were the tools of data

collection and validity of the questionnaire were evaluated by consulting professors and aviation experts and the reliability of the questionnaire was determined by Cronbach's alpha method using spss20 software. Initially, the questions were more than fifty that through Cronbach's alpha method some questions which decreased homogeneity were eliminated. Finally, both sections of the questionnaire, which corresponded to two independent variables of the Survey, had an alpha of above 0.7 and the set of questions was approved. The statistical sample of the study consisted of 100 managers and deputies and staff of ATA Airlines who were given questionnaires selectively and the results were collected and analyzed. The spatial and temporal realm of research is also ATA Airlines 2016.

4 .RESEARCH FINDINGS
4.1. Investigating Data Reliability

After extracting data from questionnaires in spss20 software, Cronbach's alpha was calculated separately for each subset of questions. The Cronbach's alpha for the 19 questions is 0.772 which is acceptable (above 0.7). Regarding the first independent variable, the reliability and homogeneity of each question with the set were also analyzed as described in "Table 2":

Table 2. Examining the reliability and homogeneity of each item in the questionnaire of the degree of ownership and control variables with the set

A	Ownership and control of the company in international activities	Average if the item is deleted	Variance if the item is deleted	Cronbach's alpha If the item is deleted
1	Designing and engineering the operational planning process	72.86	58.000	.766
2	Integration of revenues with activity plans in foreign business	72.89	56.826	.763
3	Strategies of access to an effective internal and external resource	72.97	58.474	.771
4	Triple integration of communications- International business interactions- Strategic capabilities in the international arena	72.74	58.821	.764
5	Detailed documentation	72.70	55.242	.751
6	Managers' awareness of business interactions procedures	72.62	58.622	.763
7	Improve automation policies in concluding international contracts of the aviation industry	72.64	61.202	.770
8	Strengthening technological capability infrastructure for international contracts	72.93	56.692	.760
9	The tendency to promote the logical profit of international interactions	72.78	58.921	.768

1 0	Coordination between educational, financial, and business units	72.68	56.583	.756
1 1	Contract managers' awareness on job descriptions in contracts	72.75	59.765	.769
1 2	Predicting the effective political (sanctions) dimensions in operational and strategic planning	72.84	59.570	.769
1 3	Enhancing collaboration based on cultural perceptions of contractors	72.69	57.570	.758
1 4	Experts' knowledge in the marketing of foreign clients	72.78	59.022	.764
1 5	Forecasts of motivational financial returns for physical and online agencies	72.80	56.606	.755
1 6	The role of the airlines	72.86	56.647	.757
1 7	Sequences of activities and audits of public and private organizations	72.68	61.493	.768
1 8	Adaptability to technical-commercial environment	72.69	55.691	.752
1 9	Legal abilities in international contracts of aviation industries	72.68	55.836	.752

"Table 2" confirms that the items have a good homogeneity because if any of the questions are omitted, the Cronbach's alpha will decrease. Regarding the second independent variable, the reliability and homogeneity of each question with the set were also done as follows in "Table 3".

Table 3. Examining the reliability and homogeneity of each item of managerial orientation variable with the set.

B	Management orientations in international activities	Average if the item is deleted	Variance if the item is deleted	Cronbach's alpha If the item is deleted
2 0	Experts' consultations (in all stages of international contracts)	121.99	150.394	.862
2 1	Focal thinking and convergence of planner managers	121.72	145.355	.860
2 2	Mastery of executives on foreign market analysis programs	121.80	146.646	.860
2 3	Mastery of adaptive planning methodology from a scheduling perspective	121.70	148.980	.862
2 4	Knowledge and skills of executives in the time domain of the airline's executive projects	121.71	148.713	.862

2 5	Predicting the use of foreign opportunities in business aspects	121.88	145.581	.860
2 6	Effective organizational leadership	121.70	145.586	.859
2 7	Managements' international financial capabilities	121.70	145.848	.859
2 8	Level of experience and successful results in international business operation	121.88	143.844	.859
2 9	Airlines' level of innovation in converting foreign threats into usable opportunities	121.64	149.283	.863
3 0	Training programs regarding strategic orientation	121.95	144.775	.859
3 1	A sequence of detailed documentation in inquiry design and impact on scheduling	121.70	148.697	.862
3 2	Airlines managers' agility in supercritical decisions	121.77	144.118	.859
3 3	Resistance to technology advancement and change by the organization	121.82	143.846	.858
3 4	Online capabilities of the organization	121.88	140.996	.856
3 5	Decision-making capabilities regarding network-oriented international cooperation	121.71	143.238	.857
3 6	Traditional or modern type of decision-makers	121.76	146.730	.861
3 7	Level of systematic flexibility of managers	121.72	149.658	.863
3 8	The amount of attention given to the mission of the organization in decision makings	121.64	151.061	.862
3 9	The amount of attention to the organization's perspective in decision making	121.66	145.984	.860
4 0	How to direct financial expenditures on international expenses	121.77	141.290	.856
4 1	The kind of attitude to continue or stop a company's regional sales	121.86	145.536	.861
4 2	Agile planning related to the development of sub-companies	121.88	142.147	.857
4 3	Deciding on direct entry through investment in a particular area	121.70	147.747	.861
4 4	Entering international markets by licensing local companies	121.71	148.794	.863
4 5	Pay attention to the role of the joint ventures	121.71	148.834	.862
4 6	Detailed documentation related to the establishment of regional offices	121.88	143.359	.857

4 7	Eliminate bureaucracy and create delegation of authority procedures	121.70	149.505	.863
4 8	Applying advisory forces of international business relations in service design	121.95	148.250	.862
4 9	Planning teams of identifying the political, commercial, social, and cultural changes affecting the airline's international services and relationships, such as visas, currency fluctuations and business developments of destination countries, calendar of rituals, celebrations, events, terrorist threats, etc.	121.70	147.364	.861
5 0	An intellectual consensus of international relations staff in foreign projects of Airlines	121.71	144.430	.857

The Cronbach's alpha for the 31 questions is 0.864 which is acceptable (above 0.7). "Table 3" also confirms that the items have a good homogeneity because if any of the questions are omitted, the Cronbach's alpha will decrease.

4.2. Summary Of Cronbach's Alpha Calculation For Questionnaire Constructs

Summary of Cronbach's alpha for both sections of the questionnaire questions that correspond to the two research variables is presented in "Table 4"

Table 4. The results of Cronbach's alpha calculation for the research constructs

Cronbach's alpha	Construct
0.772	Ownership and control of the company over international activities
0.864	Management orientations in international activities

4.3. Descriptive Statistics

Descriptive statistics were used to represent demographic data. For this purpose, demographic information is showed using the frequency table for age, education, and job experience features "table 5".

Table 5. Frequency distribution of respondents by age, education, and work experience

Statistics	Frequency	
Age range	Under 30	9
	31-40	71
	Over 41	20
	Sum	100
Education level	Associate degree	8
	BA degree	69

	MA and higher	23
	Sum	100
Job experience	2 years and lower	16
	2-5 years	74
	More than 5 years	11
	Sum	100

4.4. Univariate Analysis

The first statistical hypothesis of this study is as follows:

H0: The degree of ownership and control of a company over international operations does not affect the choice of strategy (s) of foreign market entry.

H1: The degree of company's control over international operations has an impact on the choice of strategy (s) of foreign market entry.

To accept or reject this hypothesis, the following steps have been taken:

4.4.1. The degree of ownership and control of the company over international interactions

A total of 19 items in the form of a 5-point Likert scale were designed to evaluate and measure the "degree of ownership and control over international interactions" with a minimum total score of 1 indicating a very low priority of this variable in sorting and selecting strategies that affect foreign markets entry and a maximum of 5 means the most influence on the choice of entry strategy. To analyze the responses, Excel software and t-test were used in the spss20 program, which confirms our observation by calculating the mean score for all items related to this variable.

Table 6. Statistical analysis of response to variable items of ownership and control

T-Test One-Sample Statistics			
N	Mean	Std. Deviation	Std. Error Mean
19	4.0426	0.10132	0.2324

T-Test One-Sample Test				Test Value = 3	
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
44.857	18	0.000	1.04263	0.9938	1.0915

"Table 6" above shows that the mean response to the ownership and control variable was 4.043 (out of 5) in total. According to experts, this reference point is valued at an important level and influenced the strategic decisions of foreign market entry. From this point of view, it is possible to propose strategies of foreign market entry to the corporate managers.

The second statistical hypothesis of this study is as follows:H0: Focus or management orientation does not influence the choice of strategy (s) of the company's foreign market entry.

4.4.2. H1: Focus or management orientation influences the choice of strategy (s) of the company's foreign market entry. To accept or reject this hypothesis, the following steps have been taken:

4.4.3. Focus or management orientation

A total of 31 items in the form of a 5-point Likert scale were designed to evaluate and measure the "focus or management orientations in international interactions" that the minimum total score is equal to 1 indicating very low importance of this variable in prioritizing and selecting effective strategies on foreign market entry and its maximum is equal to 5 which means

the greatest impact on choosing entry strategy. " Table 7" below shows that the mean response to focus or management orientations variable was 4.059 (out of 5) in total. According to experts, this reference point is valued at an important level and influenced the strategic decisions of foreign market entry. From this point of view, it is possible to propose strategies of foreign market entry to the corporate managers. Friedman's test of ranking was used to rank these two influential factors. Friedman test results for two independent variables calculated by SPSS software are shown in "table 8"

Table 7. Statistical analysis of items for managerial orientation variable

T-Test One-Sample Statistics					
N	Mean	Std. Deviation	Std. Error Mean		
31	4.0590	0.09806	0.01761		
T-Test One-Sample Test				Test Value = 3	
t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
				Lower	Upper
60.131	30	0.000	1.05903	1.0231	1.0950

Table 8. Descriptive statistics of the Friedman test

Descriptive Statistics					
	N	Mean	Std. Deviation	Minimum	Maximum
Degree of control and ownership	100	4.04263	0.420367	2.737	4.684
Management orientation	100	4.05903	0.402330	3.129	4.645

Table 9. Friedman test

Ranking of independent variables by Friedman test	
Ranks	
	Mean Rank
Degree of control and ownership	1.49
Management orientation	1.52
Friedman Test Statistics	
N	100
Chi-Square	0.091
df	1
Asymp. Sig.	0.763

Table 10.Determination of p-value (certain possibilities of occurrence) by the degree of freedom and χ2 value.

Percentage points of the Chi-Square Distribution									
Degrees of freedom	Probability of a larger value of χ2								
	0.99	0.95	0.90	0.75	0.50	0.25	0.10	0.05	0.01
1	0.000	0.004	0.016	0.102	0.455	1.32	2.71	3.84	6.63
2	0.020	0.103	0.211	0.575	1.386	2.77	4.61	5.99	9.21
3	0.115	0.352	0.584	1.212	2.366	4.11	6.25	7.81	11.34
4	0.297	0.711	1.064	1.923	3.357	5.39	7.78	9.49	13.28
5	0.554	1.145	1.610	2.675	4.351	6.63	9.24	11.07	15.09
6	0.872	1.635	2.204	3.455	5.348	7.84	10.64	12.59	16.81
7	1.239	2.167	2.833	4.255	6.346	9.04	12.02	14.07	18.48
8	1.647	2.733	3.490	5.071	7.344	10.22	13.36	15.51	20.09
9	2.088	3.325	4.168	5.899	8.343	11.39	14.68	16.92	21.67
10	2.558	3.940	4.865	6.737	9.342	12.55	15.99	18.31	23.21

4.5. Interpretation Of Variables' Test Results

First, we interpret outputs in "Table 9". The first line marked with N indicates the number of respondents to the questionnaire. The second line is the chi-square, which is the test statistic, which specifies that to what extent the research variables are different. By considering the value of 0.091, we find that these two variables are not significantly different in terms of the degree of influence on the dependent variable. The third line shows the degree of freedom whose value equals the number of variables tested minus one. The last line shows the approximate p-value (the level of coverage of the test statistic).

By looking at the final output table obtained from the Friedman test and the chi-square distribution table, by mapping the chi-square value to the degree of freedom one, it becomes clear that the level of significance can be considered to be approximately 0.88. Since the value of Asymp.sig (or p-value (certain possibilities of occurrence)) is less than 0.88 and equals 0.76, so the results show that the H0 hypothesis is rejected. However, the lower the p-value, the easier it is to reject the null hypothesis. By these interpretations, it is concluded that the two independent variables (according to Table 9, rankings of the independent variables) almost equally affect the dependent variable, and thus the hypotheses H0 that indicate the two independent variables do not affect the dependent variable are rejected and hypotheses H1 are accepted. This conclusion is consistent with the results of the first paper reviewed in foreign research records on the effectiveness of management orientations regarding international activities in the home country

or abroad, as well as the degree of ownership and control of the company over its international relations which can be flexible or inflexible. The final result of the Friedman test of ranking can be summarized as "equation (1)": $\chi^2 (1) = 0.091$, p = 0.763, df = 1

There is no significant difference between the rankings (priority of variables) and their effect on the selection of foreign market entry methods of a company is almost the same. So, by integrating two independent variables into one unified model (Figure 1, page 6), we should choose the appropriate approach according to the company's conditions while simultaneously considering the impact of these two variables

5. DISCUSSION AND CONCLUSION

Decision making about choosing foreign market entry strategies is complex and difficult due to the complex and dynamic nature of entry methods and the impact of a variety of variables. Also, when entering the market, a return will not be possible without additional costs. But using relevant theories, important dimensions influencing the choice of foreign market entry strategies can be identified. Given that the main focus of this research is to examine and prioritize strategies effective on foreign market entry of an airline, we set up two hypotheses based on this, independent variables have been extracted through talking to experts, international business theories, and past related research and their effectivity or non-effectivity on the dependent variable (foreign market entry strategy) were evaluated. The research was carried out on 100 employees of ATA Airlines, as an example. The results of the study indicate that two defined strategic reference points, in order of priority,

management orientations, and the degree of ownership and control, are effective in selecting the appropriate strategies for foreign market entry by the managers of a business company. Next, these findings were accepted and ranked through the final output of the Friedman test as well as the results of the first case of foreign research records.

5.1. Variables Description

The mean score of responses to management orientations was 4.059 and this strategic reference point has been evaluated important and effective by experts. Three of the most important items extracted from the questionnaire that influence the choice of foreign market entry strategy and managers must pay attention to in this independent variable are "the level of innovation of the airline in converting external threats into opportunities", "the amount of attention to the organization's mission in decision making", as well as "the amount of attention to the organization's vision in decision making". The mean score of response to the degree of ownership and control was 4.043 and this strategic reference point has been evaluated important and effective by experts. Three of the most important items extracted from the questionnaire that affect the choice of foreign market entry strategy as the second independent variable and managers must pay attention to it are "managers' awareness and mastery to interactions", "promotion and modify policies to conclude international conventions in the aviation industry" and ultimately "coordinate training, finance and business units

5.2 Analyzing The Hypotheses

The scores obtained from the experts' responses to the designed questionnaire indicate that the degree of ownership and control of the company over international interactions as well as the management orientation in international business interactions has an impact on prioritizing and selecting foreign market entry strategies. The final output of the Friedman test also confirmed this statement. This analysis is consistent with the results of previous research (El-Higzi (2014)). Therefore, there was no evidence to reject the two hypotheses.

5.3. Suggested Foreign Market Entry Methods To Airline's Managers

As ATA Airlines is younger than other competitors and has the potential of growth and excellence until it reaches a more established international position and possesses financial, physical, technical, and human assets, so regarding the variable of ownership and control which includes intense or flexible control - must inevitably select flexible control. However, from the managements' orientation point of view, the situation is different and from both perspectives of activity in the country or abroad, suggestions can be presented considering the integrated matrix of internationalization strategies of airlines ("Table 1").

The most appropriate strategy concerning infrastructural and technical facilities is evaluated as follows by the approach of providing services to foreign customers at the customer's place (abroad):

1. Strategic alliances method (Partnership with local airlines active in air transportation in a foreign country regarding providing services to other airlines and domestic and foreign

travelers); a flexible way to be active abroad.

2. Joint venture with local companies active in the relevant field in the foreign country's target market, which is also a flexible way to be active abroad.

Now, if the managers' opinion is to provide services to foreign customers at the company location (inside the country), the most appropriate international business method concerning infrastructure (financial and physical), technical and personnel facilities is suggested as follows: Providing technical, engineering, repair, and training services to customers (foreign airlines) in the country of origin and using the company's facilities.

5.4. Providing Solutions To Managers And Decision-Makers Of Business Companies To Start Activity In Foreign Business

Given the impact of external (micro and macro) and internal (managerial and corporate) factors on company's readiness for foreign market entry, and the results obtained from the questionnaire about items related to each of the research variables, solutions are presented as follows:

1. Increasing the experience of foreign communications and the knowledge of the company's managers and decision-makers by attending exhibitions, conferences and specialized workshops and regular visits from international markets to gather valuable information and build close relationships with key members of the distribution network in readiness of the company for foreign market entry;

2. Having a coherent marketing plan for foreign market entry, considering the political situation of the host country (including political stability, restrictions on

trade, and the actual size of the private sector versus the public sector); Awareness of target market capability (including awareness of the general demand for the specific product, the amount of costs and changes required to adapt the product to the target market and the level of competition in the foreign target market); Host country's economic status (payments balance, foreign reserves, exchange rate and access to required currency);

3. Agenda of foreign market entry after two to five years of the establishment of the company

5.5. Suggestions For Future Research

Since for a variety of reasons, such as time restriction, the case study of this research is limited to only one active company in the field of air transportation, it is, therefore, possible that the results obtained from this study may not be simply and directly generalized for other companies and there might be other strategies that can only be revealed by expanding the scope of research to other companies.

Another point is that the issue of selecting a foreign market entry strategy in this study has been measured from the perspective of management orientation and the degree of control and ownership of the company in international relations. But it may be possible to gain more influential perspectives by conducting more interviews with managers, staff, and experts in the field of air transportation services that extend our two-dimensional insight in the present study which will reveal more complex aspects of managerial decisions on the subject discussed. Different theoretical approaches offer different selection mechanisms for comparison. For example, goal-based and resource-based attitudes suggest the

importance of the internal capabilities of the organization as a critical and vital reference. Theories of enterprise / industrial economics and the dependence of modern resources and institutionalization suggest foreign stakeholders such as competitors, suppliers, customers, and other non-economic stakeholders as key reference points. Finally, studies and literature on corporate identity suggest strategic intentions and organizational change and the importance of time, especially past and future orientations, as key reference points. Therefore, the theoretical review of this research can be expanded to more than two strategic reference points.

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