ENTREPRENEURIAL ORIENTATION (EO) IN INTERNATIONAL BUSINESS: A CASE STUDY OF FISHERIES INDUSTRY IN BALI

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Abstract

This research aims to explore international entrepreneurial orientation (IEO) in fisheries export industry in Bali which comprises of innovativeness, proactiveness, and risk-taking aspects with one international verbiage variable of strategic performance. The researcher conducted in-depth interviews with seven companies in Bali to understand how the industry stack-up if seen from three aspects of IEO with one additional international verbiage. The result shows that the observed fisheries industry in Bali is an industry that shows negative innovativeness, positive proactiveness, inconsistent risk-taking, and positive strategic performance. Negative innovativeness is solely due to the nature of the industry where the businesses are only exporting raw fish material and further processing takes place at level of importer; positive proactiveness to outpace its competitors; inconsistent risk-taking due to the sector of live or frozen fish; and positive strategic performance because have been an established business.

Keywords: international entrepreneurial orientation (IEO), fisheries industry, Bali

Background

For the last 20 years, globalization has changed the world dramatically; driving the exchange of knowledge, capital, and trade worldwide backed by technological innovation including internet and shipping containers (C.R., 2013). Companies from multinational in advanced countries to emerging markets started to expand its market to reach more customers than ever before; competition intensifies rapidly, these new realities are now transforming the way companies do business (Wild & Wild, 2013, p. 26).

With broad selection of resources available worldwide, company should properly choose the right combination of production process, starting from supplier selection to marketing strategy of potential market. When company choose to conduct globalization in their business operation that is when international trade occurs. International trade is the term that refers to the exchange of goods and services among countries (Reinert, 2012). The history of international trade in fisheries industry is available in Figure 1.1. The figure examines the value of export and import from 1976 to 2013 in US$. International trade is often base on differences in price and quality (supply factors), income, and preferences (demand factors) among countries. Other contributing factor is that there is no single country that can be fully be self-sufficient without relying on other countries, limitations including geographical condition and human resource availability.

In international trade, the activity is divided into export and import with players referred as exporter and importer. Export refers to activity of selling goods and services produced in home country to other markets while import refers to activity of buying goods and services produced in other markets into home country. Export industry has important economic value in both macro-economic and micro-economic perspective. In macro-economic perspective, it provides increased foreign exchange reserve, forward and backward linkages, and overall standard of living. In micro-economic perspective, it provides employment, competitive advantage, overall industry output, and better utilization of capacity.

International trade of fisheries has a long history starting in the year of 1500, started initially by English fisheries people in form of dried and salted fish which suitable for long journey and distant market. Cod was the first commercially traded fish in 1500-1763, followed by rise of herring and mackerel in 1763-1867; salmon, sardine, and lobster in 1867-1918; scallop and swordfish in 1919-1939; redfish, flounder, other type of flatfish, crab, shrimp, and offshore scallops in 1945-1968. After 1968, the development of fisheries industry was more on the technological resources such as better vessels and processing technique. In 2014, total trade value of fisheries industry reached over US$ 140 billion (Nikolik, 2015).

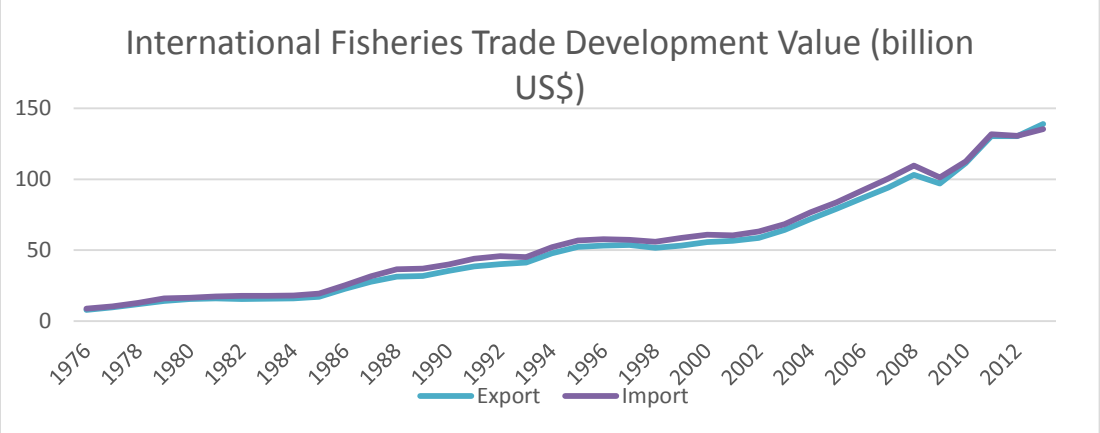

Figure 1. International Trade in Fisheries Industry in the World from 1976 to 2012. Adapted from: Food and Agriculture Organization of the United Nations. Compiled by writer.

According to worldbank.org, with total world trade flow in 2014 of US$ 15.864 billion in 2014, fisheries industry only contributed about 0.88% which is relatively small, but from total food products trade flow of 538 billion, fisheries industry contributed nearly 26% making it a major exported commodity (World Integrated Trade Solution from worldbank.com, 2014). In Indonesia, fish export industry has development growth as follow:

Table 1
Export growth of fisheries industry in Indonesia from 2011-2015

Year	**2011**	**2012**	**2013**	**2014**	**2015**
Value (Million US$)	2.439	2.751	2.854	3.111	2.649

Source: Kementrian Dagang Republik Indonesia

Bali is one famous island of tourism. The name of island is often more popular than the name of country itself, Indonesia. Aside from being a tourism destination, local Balinese industry also relies heavily on fisheries production and export. In 2015, fisheries industry named as the first major export commodity. This is the sixth consecutive years where fisheries industry tops the chart. Table 2 shows the growth of fisheries industry production in Bali, Table 3 shows the growth of hisheries export industry for the last 5 years in Bali, and Table 4 shows the detailed commodities of export in Bali in 2015.

Table 2
Growth of fisheries industry production in Bali from 2010-2015

Year	Volume (kg)	YOY (%)	Percentage Exported (%)
2010	245,806,100		7
2011	252,657,100	103	11
2012	237,643,300	94	11
2013	263,971,000	111	11
2014	220,706,400	84	15
2015	228,873,500	104	12

Source: Bali in Figures 2016

Table 3
Export growth of fisheries industry in Bali from 2010-2014

Year	Volume (kg)	YOY (%)	Value (US$)	YOY (%)	Exoport Segment (%)
2010	16,550,490		96,751,000		26
2011	28,616,167	173	117,370,944	121	19.3
2012	26,668,900	93	115,873,786	99	20
2013	30,322,910	114	106,404,823	92	21.5
2014	32,807,969	108	108,032,565	102	20.14
2015	27,912,642	85	101,286,319	93	20.31

Source: Bali in Figures 2016

Over the last 5 years, the industry has been growing averaging 122% over year. According to data from Ministry of Trade of Bali Region, fisheries falls under non-watched and non-prohibited export commodity and most company exports to Singapore, Japan, Australia, European Uniton, and United States.

Behind every incremental growth in industry, there are several factors that plays in the background. For fisheries industry in Bali, it is the export performance that matter. Export activity is a delicate issue when executed improperly, previously export activity was only related with commonly used market entry assessment using entrepreneural orientation (EO) theory. As market expanded and globalization takes place, theory of EO started to be transformed into a new concept called International Entrepeural Orientation (IEO).

Table 4
Ten most favoured export commodities in Bali in 2015

Commodity Group	Volume (KG)	Value (US$)	Export Segment (%)
(1)	(2)	(3)	(4)
1. Fish and Shrimp	27,912,642	101,286,319	20.31
2. Jewellery / Gem	717,055	65,049,364	13.04
3. Apparel not nitted	2,912,554	59,230,515	11.88
4. Wood and Products of Wood	16,772,109	50,528,302	10.13
5. Furniture, Home Lightning	14,527,967	43,893,836	8.8
6. Meat and Fish Preparation	6,633,661	21,025,906	4.22
7. Knitted Goods	829,314	19,208,598	3.85
8. Leather Goods	572,002	13,127,842	2.63
9. Goods from Stone, Gypsum, and Cement	14,500,631	10,969,703	2.2
10. Cotton	580,879	9,505,754	1.91
11. Other Commodities	243,769,238	104,855,560	21.03
Total :	329,728,052	498,681,698	100,00

Source: Bali in Figures 2016

International Entrepeural Orientation (IEO) is a concept that introduced by Lumpkin and Dess (1996) in Covin and Miller (2004). The concept tries to explain that by assessing three elements in a firm; risk taking, innovatiness, and proactiveness may resulted in better performance. Covin and Miller (2014) stated that firm expansion can be exhibited in two forms, new international market entry and new product entry. While product entry has been discussed multiple times in the literature of Covin and Miller (2014), there is a doubt to whether belief-related, preference-related, and behavior-related attributes of IEO has the same effect if applied in international market entry. Therefore assessing export industry that deal with international market entry is expected to clear the doubt. Covin and Miller (2014) further explains IEO might vary depending on levels of society such as attitudes, preferences, and behaviors based on country- or culture-specific predictions and religious values. Bali with 83% Hinduism rate (BPS - Statistics of Bali Province, 2016) and thick beliefs of religious values across societies with different religion could potentially affect how IEO is applied.

When expanding to new market, export industry must retain dynamic capabilites as suggested by Schilke (2014). Dynamic capabilites examples are available in form of aliances, new product development, information technology, marketing, and mergers. These dymanic capabilites are the factors that support international market entry. It is important to acknowledge length of time as a determining factor of how the dynamic capabilities actually produce measurable outcomes.

This study aims of exploring the entrepreneurial orientation in international business context, which involves proactiveness, innovativeness and risk taking behaviour. To gain more insightful information, this study also explores strategic performance. Covin and Miller (2014)

indicates that most literature on IEO based on quantitative research and lack of qualitative. In order to enrich the concept of IEO, research in qualitative method is needed. Furthermore, it is also important to test the concept of IEO across different level of societies, beliefs, attitudes, preferences, and behaviours. By using qualitative method, the researcher hopes to go beyond the numbers for deeper understanding of underlying reasoning from each question answered.

Literature Review

Entrepreneurial Orientation (EO)

According to Covin and Miller (2014), "IEO is, in essence, a subcategory of EO that shares the core elements of the broader EO construct yet includes an additional distinguishing elements – namely, an "international" emphasis". The term IEO originally came from the concept of entrepreneurial orientation (EO) in the domain of international entrepreneurship (IE). Knight (1997) in Covin and Miller (2014) exploration of EO which typically associated with three elements of risk taking, proactiveness, and innovative behaviours have been incorporated into a definition of IE by McDougall and Oviatt (2000, p.903) in Covin and Miller (2014): "…a combination of innovative, proactive and risk-seeking behaviour that crosses national borders and is intended to create value in organizations." This shows that both EO and IE are indeed related. According to Covin and Miller (2014), the concept of EO has been discussed for over three decades, exceeding papers in the broader topic of corporate entrepreneurship (Covin & Lumpkin, 2011); from foundational writings of Mintzberg (1973), Khandwalla (1976/1977), and Miller (1983) all the way to recent research such as by Covin and Lumpkin (2011). Freeman and Cavusgil (2007, p.3) stated, "International entrepreneurial orientation refers to the behaviour elements of a global orientation and capture top management's propensity for risk taking, innovativeness, and proactiveness.". Thus, indirectly concept of EO and IEO actually shared three same elements of risk taking, innovativeness, and proactiveness. This shows that IEO is indeed is a construct of EO with an additional distinguishing element of "international" emphasis (Covin & Miller, 2014). According to Pratono and Mahmood (2015), there is an argument that generally shows EO provides positive impact on firm performance. Saeed, Yousafzai, & Engelen (2014) in Pratono and Mahmood (2015) indicate that strong relationship between EO and firm performance has been visible across broad economies sector. EO has been acknowledged to contributes to firm growth (Moreno & Casilas, 2008) in Pratono and Mahmood (2015), sales growth (Simon, Stachel, & Covin, 2011) in Pratono and Mahmood (2015), and overall performance (Mahmood & Hanafi, 2013) in Pratono and Mahmood (2015). While some also argue, that EO provides negative impact on firm performance such as because of business cycle (Andersén, 2010) in Pratono and Mahmood (2015) or non-linear relationship (Kreiser, Marino, Kuratno, and Weaver, 2013) in Pratono and Mahmood (2015).

EO/IEO research has been mostly on three distinct topics, as suggested by Slevin and Terjesen (2011), EO/IEO and international performance; EO/IEO and culture, and measurement issues involving EO/IEO. For this research, the researcher will only discuss EO/IEO and international performance. Many researches of EO/IEO and international performance have been conducted in Chinese firms and the researchers used three main elements of innovativeness, proactiveness, and risk taking with addition(s) of international verbiage. For instance, Zheng, Ma, *et al.* (2012) in Covin and Miller (2014) explored relationship of 117 Chinese SMEs with 3 main elements with 2 additional international verbiage and the result showed that proactiveness is the most consistent and positively associated with international performance while

innovativeness shows contrasting result. Another instances are Liu, et al (2011) in Covin and Miller (2014) explored 607 Chinese firms and found that EO is positively associated with internationalization in forms of entering foreign markets, selling of products or services in foreign markets, and entering foreign markets via FDI. Zhou (2007) in Covin and Miller (2014) explored 775 Chinese firms using M/C&S scale with international verbiage and found that the three main elements positively influence foreign market knowledge acquisition. In other tested regions, EO/IEO – international performance relationship also shows similar results. For instance, Ripollés-Meliá *et al.* (2007) in Covin and Miller (2014) explored 155 Spanish firms and found that EO positively affects international performance such as number of countries and international sales percentage. Kuivalainen *et al.* (2007) in Covin and Miller (2014) explored 185 Finnish exporting business with modified EO with international verbiage and found that competitive aggressiveness is positively influenced; risk taking is negatively influenced; and proactiveness is unrelated toward born-globalness. Knight (2000, 2001) in Covin and Miller (2014) explored 268 US SMEs, found that IEO is significantly and positively influence "international preparation" which took place before conducting international expansion and respondents said resulted in better results than their competitors. Hagen *et al.* (2012) in Covin and Miller (2014) explored 43 Italian SMEs using modified EO with international verbiage and found that those SMEs with highest score in the scale shows highest levels of international performance among sampled SMEs.

Whereas studies mentioned above shows generally strong and positive influence of EO/IEO toward international performance, there were also contrasting results for several researchers. Jantunen *et al.* (2005) in Covin and Miller (2014) explored 217 Finnish manufacturing and service firms and found that EO was not significant toward degree of internationalization. They speculated that this might be caused because assessed firms were in facts fully established and not new ventures. Frishammar and Andersson (2009) in Covin and Miller (2014) explored 188 Swedish SMEs using three main elements of EO and found that only proactiveness positively influence international performance while risk taking and innovativeness showed no notable influences toward international performance. This research result by Frishammar and Andersson (2009) somehow shows similar results with Zhang, Ma, *et al.* (2012) with 117 Chinese SMEs that discussed earlier where both researchers found that proactiveness showed strong influence in international performance. It is probably because the nature of proactiveness that encourages firm to take early movement toward certain action which in-line with theory of first-mover advantage (Wild & Wild, 2013, p. 177) and study by Thomas, Whitman, & Viswesvaran (2010) in Yu and Davis (2016) mentioned more people are convinced that organizations with proactive behaviours might gain competitive advantage. In order for firm to be confident actions taken, the firm need to acknowledge the environmental turbulence that might occur. A study by Pratono & Mahmood (2016) of Indonesian SMEs shows that firms with EO have sustainable viability in predictable environment turbulence but suffering in dynamic environmental turbulence. Wales *et al.* (2011) in Pratono & Mahmood (2016) stated that EO does not have positive impact toward firm performance during dynamic environmental turbulenc. Proactiveness in the firm might allow the firm to understand the low dynamic level of environmental preference (Pratono & Mahmood, 2016). Furthermore, Pratono and Mahmood (2016) stated that firms might utilize new innovations and risk-taking behaviour during low turbulence but become more risk-averse to effectively manage unpredictable environment, this is all due to limited resources at hand of small scale businesses.

To conclude, Covin and Miller (2014) stated that there is an overall tendency of EO and IEO or specifically one of their components, proactiveness, to have the greatest influence toward international performance. They further conclude that failed studies are relatively small in number and might be caused because it was tested toward mature firms in mature economies.

Entrepreneurial Orientation in New Entry

One of the most important topic in EO research is how dynamic of new entry is related with EO phenomenon. According to Lumpkin and Dess (1996, p.136) in Covin & Miller (2014), "New entry can be accomplished by entering new or established markets with new or established goods and services." This shows that new entry can be in form of new market development activity, new product development activity, or both new market-product development activity which also known as new business activity. The discussion of proposed new entry definition is noteworthy due to two reasons.

First, new entry itself is a topic that has long been discussed as an entrepreneurial act (e.g., Ripolles-Melia, Menguzzato-Boulard, & Sanchez-Peindo, 2007; Theorelli, 1987 in Covin and Miller (2014)). This consideration comes from the thought of IE that involves entry to new and international market, the leading role in the company that drive this act is discussed as having IEO because they have acted to move into new and international market. Second, it related on how scholars think of EO especially in regard of innovativeness and how it affects EO. Covin & Miller (2014) conceptualized innovativeness as an ability to create innovation and this ability is assessed by measuring the outcomes such as new product development activity.

Covin and Miller (2014) further concludes that EO and new entry is inseparable construct in a practical sense because new entry being implied by EO and potentially others drivers such as cross-cultural contexts. The discussion by Covin and Miller (2014) shows that in regards of new entry, IEO implies to new market entry and not new product entry, while the form of new entry assessed in the M/C&S scale is new product entry. To adequate the lack of M/C&S scale to assess new market entry, an additional element of international verbiage of strategic performance by Schilke (2014) is added and will be further discussed later.

Strategic Performance

Strategic performance construct is one of two dimension constructs available from competitive advantage, where the other one is financial performance (Schilke, 2014). The researcher chose strategic performance over financial performance because according to Schilke (2014), strategic performance is a qualitative dimension while financial performance is a quantitative dimension. Competitive advantage refers to a condition where a firm have greater success compared to its current or potential competitors in the industry; it shows that superior firm performance as one indicator for competitive advantage (Barnett, Greve, and Park, 1994; Ghemawat and Rivkin, 1999 in Schilke, 2014). Furthermore, according to Eisenman (2013), long-term competitive advantage can be attained by following dynamic capabilities theory to create strategies that supports it.

In the measurement scales by Schilke (2014), he pointed out that strategic performance is closely related with how a firm scan its external environment and conclude the results from its scanning. All results of strategic performance point in the measurement scales indicate that the firm have competitive advantage compared with competitors.

Methods

This research would be using in-depth interview to explore the information required to response research questions. Interview method would be personal and direct contact in hope to gather valuable and knowledge of the company. Each question is answered by choosing between 1 and 7 and additional questions based on answers are given afterwards.

The researcher's method of sampling is snowball method. Firstly, the researcher digged the list of fisheries industries through online website of Department of Industry and Commerce (*Disperindag – Dinas Perindustrian dan Perdagangan)* from three available webpages: (1) Frozen tuna section (Dinas Perindustrian dan Perdagangan Provinsi Bali, 2015), (2) Tropical fish section (Dinas Perindustrian dan Perdagangan Provinsi Bali, 2015), (3) Other type of fish section (Dinas Perindustrian dan Perdagangan Provinsi Bali, 2016). Secondly, after finished an interview session with one company, the researcher asked for known relatives that might be willing to be interviewed. The last method was surrounding scanning, after finished an interview session the researcher acknowledged there is an area where many fisheries companies are concentrated which is in industrial blocks of Benoa. The researcher initially reached out 11 companies but only seven companies replied and allow the researcher to conduct the interview. The low number of acceptance by the industry is due to the condition of the industry is in *reformation phase* and want to avoid any possible spotlight in the meantime, hence they become less open especially in form of interview or external-party documentation.

The interviewees target were expected to be the owner or general manager but if not possible, then one of top manager or senior staff.

Results and Analysis

The researcher interviewed total of seven fisheries industry companies in Bali. Profiles of each company are as follow:

Table 5
Profiles of Observed Companies

Company Name	Type	Exp.	Workers	Weight (Ton)	Income (B IDR)
CV. Duta Bahari (LV)	LF	25	25	150	30
CV. Tunas Dewi Segara	LF	26	35	200	12
PT. Sari Segar Laut Indonesia	FF	22	90	515	54
PT. Bali Minta Utama	FF	17	151	750	85
PT. Balinusa Windumas	FF	24	250	720	156
PT. Gilontas Indonesia	FF	6	60	225	5
UD. Pulau Mas	LV	20	255	190	66

Source: Interview (compiled by author)

There are three companies under the category of live fish (LF), these companies are cultivation sector where they exports live grouper, lobster, or prawn. There are four companies under the category of frozen fish (FF), these companies are storage, processing, and exporting companies but they do not engage in catching activity.

Based on the results, only one company is under 10 years of experience whereas all others are more than 15 years. The most popular export destinations are Asia including Japan, China, Hong Kong, and Taiwan and United States; furthermore, several companies also passed the requirements for European market despite being the strictest to comply. The interviewees are mostly quality control manager or HRD manager with mostly more than 10 years of experience and only one manager are less than 5 years. Furthermore, most managers have undergraduate degree with one manager have master degree and another one with only high school degree.

Innovativeness

Innovativeness aspect in fisheries industry in Bali shows a negative but consistent trend across all questions.

1. Fisheries industry is an industry with very similar exported products; it is only up to the exporters to race in their marketing strategy to gain new importers and market. Several companies that try to get advantage in their marketing strategy by using R&D emphasis such as new packing techniques or new cutting variations as a form of promotion. But it all comes down for the purpose of marketing strategy.

2. Products in live fish industry is relatively consistent and took quiet a long time to have an additional product while in frozen fish, the products added are solely based on buyers' demand. This indicates that no real innovation based on the internal idea of the company at all.

3. Products in fisheries industry has always been the same, between tuna, grouper, lobster, or shrimp and these products has always stays the same even with added variety is has always been very minor. Even when the industry is self-introducing or self-initiating a new product, the past experience had proven the market to have low to none of interest in it.

Proactiveness

Proactiveness aspect in fisheries industry in Bali shows a positive and consistent trend across all questions.

4. Most fisheries companies claim that they are the one that initiates action then followed by competitors and they become the head not the tail in the industry.

5. When it comes to new products introduction especially by using the means of technology, most fisheries companies claimed that they are very often to do it as well as administrative technique that solely conducted to increase the working environment for employees.

6. At first, it might seem that fisheries industry in Bali is not being competitive with competitors, but when investigated thoroughly, it is clear that they are not being competitive with local competitors but instead with overseas competitors and especially fish catcher to ensure stable raw material supply. Furthermore, it is pointless to compete with local competitors due to the market condition where demand is higher than supply.

This way, the companies are still competing but not directly with competitors, they are being proactive toward fish catcher.

Risk-Taking

Risk-taking aspect in fisheries industry in Bali shows an inconsistent trend across all questions.

7. In case of projects size option, the companies are divided into two big groups. Companies that export frozen fish claimed that do not want to take a high risk projects and be risk-avoidance company since they want to play safe but another group of live fish claimed otherwise where live fish poses bigger business risk for they need to ensure that the fish arrive at the importers country are still alive and healthy.

8. All fisheries industry claimed they are doing gradual and cautious behavior toward the nature of the environment. This is due to the nature of fisheries industry where they have many new regulations imposed gradually by the ministry and it is important for them to monitor these regulations and follow them strictly.

9. Fisheries industry is an industry that relies solely on fish availability, factors such as fish migration, disease, and natural disaster could affect this easily, and this is why they have both low and high season of fish availability. During high season, their production and export could meet the demands easily, but it might not in low season. This is why most fisheries companies should take bold and aggressive action in order to compensate demand during low season.

Strategic Performance

Strategic performance aspect in fisheries industry in Bali shows a positive and consistent trend across all questions.

10. Most fisheries companies agreed that they have gained strategic advantages compared to their competitors. These companies boast their quality, price, and international-standard certification.

11. All companies claimed that they have a huge market share and they boasts their current export destination such as Asia, European Union, Middle East, and United States of America and also total supply absorption by the market due the condition where market demand is higher than market supply.

12. Most fisheries companies claimed that overall they are more successful than their competitors are.

Discussion and Recommendations

There are four major discussions for each variable toward the observed industry.

1. This study indicates that the observed fishery industry does not concern on innovative. The high reliability on natural resources becomes main reason for such decision, as the industry is selling raw fish material that does not require high processing and storage technology with further processing takes place at the level of importer. Furthermore, the

products exported are similar across many companies; hence, the companies are now racing to boost their marketing strategy to gain new importers and new market. Some companies even use R&D, such as new packaging technique, to be included as their promotion for marketing strategy.

2. The study shows that observed fisheries industry in Bali is a highly proactive industry where most fisheries companies are competing to initiate an action which then followed by others in fields of products, administrative techniques, or operating technologies. Furthermore, it also shows that the companies are trying to be proactive in order to have an advantage over its competitors without directly interfering or attacking its local competitors. What the industry doing is they want to increase their advantage and let the importers and fish catcher choose their option of exporters.

3. Fisheries industry in Bali shows an inconsistent trend toward risk-taking across all companies. Fisheries industry has different opinions toward low or high-risk project depending on sector of live or frozen fish; they take gradual and cautious steps toward nature of the environment due to gradual regulations introduction; but they are willing to take bold action toward future uncertainty especially regarding fish availability.

4. Fisheries industry shows a consistent trend toward strategic performance dimension where most fisheries companies claimed that they gained strategic advantages over their competitors in forms of quality, price, and international-standard certification; large market share around the globe; and more successful compared to the competitors.

There are four recommendations for each variable toward the observed industry.

1. Observed fisheries industry in Bali is recommended to be more innovative in running the business. Innovativeness should be done by putting stronger emphasis on R&D, technological leadership, and innovations due to that this emphasis might be useful as a marketing strategy tool to promote the advantages of the company.

2. Observed fisheries industry in Bali needs to maintain its proactiveness behaviour. Proactiveness has proven to be advantageous for the industry. Moreover, by being proactive the industry does not need to directly interfere or attack its local competitors. The industry should maintain its proactiveness to increase their advantage in both importers and fish catcher favourance. On the other hand, it is important to keep track of the condition of international export market especially in overseas competitors' countries hence fisheries industry in Bali still have the upper hand compared to overseas competitors.

3. The industry shows to have gradual and cautious behaviour toward nature of the environment, it is recommended that fisheries industry should keep on this business practice due to the nature of the environment where these are government-imposed regulations that have fatal effects when disobeyed. Furthermore, bold action toward future uncertainty needs to be maintained, it is all also due to the nature of the business where raw material availability is not always constant, bold action needs to take place to ensure the industry running. At least when the industry cannot take bold risk in regulations, they should at least take bold risk in raw material availability.

4. Fisheries industry in Bali needs to maintain its strategic performance by keeping its quality, offering a better price, and/or applying and renewing international-standard certification that can also functions as one of marketing strategy. Maintain wide-ranging international markets to increase international market shares but also needs to keep tabs of overseas competitors. Hence, by maintaining its strategic performance, it is possible that fisheries industry would be more successful than their major competitors would.

Future Research Suggestion

The limitation of this research is only focus on fisheries industry in Bali area. It might only picture the phenomenon in fisheries industry, others industries might have different spectrums toward this theory. For future studies, it is suggested that research objects could be expanded across industry and/or across region to provide a more general understanding of IEO theory and application. Future researches are also encouraged to use other dimensions of international verbiage variables to improve the overall research quality in IEO theory.

The researcher expects that with the alteration of current research on various industries, regions, or international verbiage variables, it would provide a more general understanding of IEO theory and application.