

crowd-sourced freelancers. The translation covers an increasing number of languages and even captures the subtle differences between US, English and Canadian variants of English, or converting 'ß' to 'ss' when displaying German input to a Swiss reader. Moreover, automatically translating everything into English may put off some potential guests from within Italy. Thus information is usually displayed in the local language by default, with English translation just one click away.

Effective service in different countries also requires adaptation of, for example, payment options and currencies, sign-up methods and identity verification procedures. For example, in the USA, email and a *Facebook* accounts attract customers, while in China *Weibo* or *WeChat* are more functional in attracting travellers. Supplementary web content such as recommendations for tourist sights and activities is generally sourced locally.

Also regulatory and taxation issues vary across countries and even across cities. Most places have rules for hotels and even for bed & breakfasts, and thus it is often a contentious issue whether such rules apply to *Airbnb* hosts. Do they have to, for example, provide the same health and safety standards? Do they have to pay local hospitality taxes where hotels

are liable to such taxes? Do *Airbnb* revenues count for income tax? Some cities are even concerned that apartments rented out to *Airbnb* drive up rents, or lead to a shortage of apartments to rent by, for example, students staying for an entire year. To deal with such local issues, *Airbnb* needs to have its own people nearby who understand the issues and can support their hosts and guests.

CASE DISCUSSION QUESTIONS

- 1 In the digital age, what barriers do entrepreneurs face wishing to expand their business globally?
- 2 For local businesses, such as *Airbnb* hosts, what are the key challenges of partnering with a digital economy firm based in another country?
- 3 As a traveller, what do you see as the main pros and cons of using *Airbnb* for your next trip to an unfamiliar country?

Sources: (1) B. Solomon, 2016, How Airbnb expanded to 190 countries by thinking 'glocal', *Forbes Blog*, May 3; (2) P. Yip, 2017, How to grow a business in 190 markets, blog, www.oneskyapp.com; (3) R. Rosenfelt, 2014, Going for global, *Slideshare.com*; (4) *New York Times*, 2017, Vancouver limits Airbnb, November 15; (5) *Handelsblatt*, 2018, Berlin erleichtert das Geschäft für Airbnb, March 23; (6) www.airbnb.com.

NOTES

For journal abbreviations, please see pages xviii–xix.

- 1 This definition of the MNE can be found in R. Caves, 1996, *Multinational Enterprise and Economic Analysis*, 2nd ed. (p. 1), Cambridge: Cambridge University Press; J. Dunning & S. Lundan, 2008, *Multinational Enterprises and the Global Economy*, Cheltenham: Elgar. Other terms are multinational corporation (MNC) and transnational corporation (TNC), which are often used interchangeably with MNE. To avoid confusion, in this book, we use MNE.
- 2 O. Shenkar, 2004, One more time: International business in a global economy (p. 165), *JIBS*, 35: 161–171. See also J.-F. Hennart, 2009, Down with MNE-centric models! *JIBS*, 40: 1454.
- 3 K.E. Meyer, 2011, What is and to what purpose do we study international business? *AIB Insights* 13(1): 10–13; P. Buckley, J. Doh & M. Benischke, 2017, Towards a renaissance in international business research? *JIBS*, 48: 1045.
- 4 A. Rugman & A. Verbeke, 2004, A perspective on the regional and global strategies of multinational enterprise, *JIBS* 35: 3–18; A. Rugman, 2005, *The Regional Multinational*, Cambridge: Cambridge University Press.
- 5 K.E. Meyer & R. Grosse, 2018, Introduction to managing in emerging markets, in: *Handbook of Managing in Emerging Markets*.
- 6 M.W. Peng, 2004, Identifying the big question in international business research, *JIBS*, 35: 99–108.
- 7 C. Oliver, 1997, Sustainable competitive advantage: combining institutional and resource based views, *SMJ*, 18: 697–713; Peng, M.W. 2003, Institutional transitions and strategic choices, *AMJ*, 28: 275–296. W. Henisz & B. Zelner, 2005, Legitimacy, interest group pressures, and change in emergent institutions, *AMR*, 30: 361–382; K.E. Meyer & M.W. Peng, 2016, Theoretical foundations of emerging markets research, *JIBS*, 47: 3–22. M.W. Peng, D. Wang & Y. Jiang, 2008, An institution-based view of international business strategy, *JIBS*, 39: 920–936.
- 8 J. Barney, 1991, Firm resources and sustained competitive advantage, *JM*, 17: 99–120, R. Grant, 1996, Towards a knowledge-based theory of the firm, *SMJ*, 17 (winter special issue): 109–122; M.W. Peng, 2001, The resource-based view and international business, *JM*, 27: 803–829; M. Peteraf, 2003, The foundations of competitive advantage: a resource-based view, *SMJ*, 14: 179–191.
- 9 J. Johansen & J. Vahlne, 2009, the Uppsala internationalization process model revised: From liability of foreignness to liability of outsidership, *JIBS*, 40, 1411–1432. Originally this concept was known as liability of foreignness, see J. Johanson & J. Vahlne,