SIE
Interreg Europe

Torun Technology Park

European Union
European Regional Development Fund

Analysis of internationalizing related to small and medium-sized enterprises of the Kuyavian and Pomeranian Province

Contents

Glossary - meaning of terms for the needs of the analysis

Internationalization of entrepreneurs was qualified for the study on three planes defined as:

● **Export of goods,** to deliver goods abroad regardless of the way of exit, also to the European Union Member States included;

● **Trade in services -** providing services, which can take place in two ways:

a) cross-border services (providing services without moving the service provider nor the service recipient, it is the service itself that crosses the borders of states, for example via the Internet, e.g. computer software developed in Poland for a foreign company);

b) consumption in Poland, i.e. the provision of services to a foreign contractor in Poland in the sector of recreational or health tourism (foreign service recipient comes to Poland, for instance; the arrival of a patient at the local premises to have a medical operation or tourist-purpose travel).

The above approach is justified by the tourist and spa potential of the region. Health and health tourism are also the main smart specializations of the Kuyavian and Pomeranian Province based on such values: area in the region characterized by full maturity.

• **Doing business in foreign markets in any of the following forms** (including direct own investment, subcontracting, services to foreign customers abroad, licensing, franchising, joint ventures, mergers, and acquisitions).

Micro, small and medium-sized enterprises - definition according to Annex I Definition of Small and Medium-sized Enterprises to Commission Regulation (EC) No 800/2008 of 6th August 2009 on Recognizing Certain Types of Aid as Compatible with the Common Market in application of art. 87 and 88 of the Treaty (General Block Exemption Regulations).

Entrepreneurs running export business (exporters) - For the purpose of this study, enterprises whose value of exports sale on 31st December 2015 ranged from 0.1% to 100% were identified as such.

Entrepreneurs running no export business (non-exporters) - for the purpose of this study, enterprises whose value of exports sale on 31st December 2015 was 0.00% were identified as such.

Central and Eastern Europe - Belarus, Bulgaria, the Czech Republic, Moldova, Romania, Russia, Slovakia, the Ukraine, Hungary

Western Europe - Austria, Belgium, France, Germany, Liechtenstein, Luxembourg, Monaco, Netherlands, Switzerland

Southern Europe - Albania, Andorra, Bosnia and Herzegovina, Croatia, Montenegro, Greece, Spain, Macedonia, Malta, Portugal, San Marino, Serbia, Slovenia, Italy

Northern Europe - Denmark, Finland, Iceland, Norway, Sweden, Estonia, Lithuania, Latvia, Ireland, United Kingdom

Middle East - Saudi Arabia, Bahrain, Cyprus, Egypt, Iraq, Iran, Israel with Palestine, Yemen, Jordan, Qatar, Kuwait, Lebanon, Oman, Syria, Turkey, United Arab Emirates

Far East - Japan, Mongolia, South Korea, North Korea, the Republic of China, Taiwan

Central Asia - Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan, Turkmenistan

South Asia - India, Pakistan, Nepal, Bhutan, Bangladesh

ASEAN countries - Brunei, Philippines, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Singapore, Thailand, Vietnam

Introduction

This document presents an analysis of the internationalization of small and medium-sized enterprises (hereinafter referred to as the analysis from the Kuyavian and Pomeranian Province). The analysis has been based on the results of the study conducted for the *SME Internationalization Exchange (SIE)* Project co-financed by the European Regional Development Fund under the INTERREG Europe programme. The SIE is a partnership project, involving representatives from the Czech Republic, France, Spain, Germany, Poland and Italy. The aim of the project is to evaluate the effectiveness and improvement of support for the internationalization of small and medium-sized enterprises in the Kuyavian and Pomeranian Province. At the same time, a similar analysis has been carried out in the partner states, in order to compare research results and develop regional action plans with recommendations and suggestions for concrete actions to improve the internationalization policies of small and medium-sized enterprises in the European partner regions. In the Kuyavian and Pomeranian Province, the project is being implemented by Toruń Regional Development Agency (TARR).

The characteristics of the enterprises under study begin the description of analysis results. Further, the report focuses on the internationalization of Kuyavian and-Pomeranian entrepreneurs and the intensity of involvement in foreign markets. The next part of the analysis shows the strategic approach, forms and ways of entrepreneurs business internationalization.

An important element of the document is to diagnose the most important barriers and obstacles met by Kuyavian and Pomeranian entrepreneurs currently and anticipated in the future. Furthermore, the analysis indicates the motives that entice entrepreneurs to expand abroad as well as the tendencies and potential of Kuyavian and Pomeranian entrepreneurs in exploring new markets in the next five years.

The final part of the analysis refers to the regional support policy and the institutions, supporting entrepreneurs in the internationalization of their business.

3

Description of the survey

Aim of the survey

The main purpose of the analysis is to describe **the facts and to evaluate the potential** of internationalization of small and medium-sized enterprises in the Kuyavian and Pomeranian Province, with particular emphasis put on the hitherto degree of internationalization and barriers, hindering the international business of entrepreneurs. The most important **specific objectives** include:

- evaluation of the current scale of internationalization of small and medium-sized enterprises;
- evaluation of the potential of individual economy sectors to undertake the internationalization of small and medium-sized enterprises;
- evaluation whether entrepreneurs are ready to enter new foreign markets;
- evaluation of the effectiveness of support for regional policies and mechanisms of internationalization of small and medium-sized enterprises;
- drawing up recommendations for the development of actions to support the internationalization of enterprises.

Methodology of the study

The analysis included:

- Primary data from CATI (Computer Aided Telephone Interview) of enterprises,
- Secondary data from the Central Statistical Office (GUS) for 2015 and 2016 and from the Centre for Analytical Customs Administration (CAAC).

Sample under Study

At the end of December 2016, 197.100 entities of the national economy were registered at the GUS database in the Kuyavian and Pomeranian Province (without natural persons operating exclusively agricultural farms). Roughly 96.00% are enterprises employing no more than 9 people. Criteria for the selection of small and medium-sized enterprises sample were set out based on the information obtained from the Provincial Statistical Office in Bydgoszcz. Micro-enterprises were excluded from the study sample, due to the specificity of their business (concentration on the local or regional market) and their number (they make up roughly 96.00% of enterprises in the province) - these two characteristics could disturb the image of enterprises internationalization in the region. The above distinguishing is needed to avoid in the results the overrepresentation of micro entrepreneurs who internationalize their business to a lesser extent and in addition tend to have completely different problems and barriers when entering foreign markets. The study also took into account the factor of running or not internationalizing activities. Furthermore, sectors with little potential for exploring new markets (e.g. the public sector) were excluded from the study.

The size of the population was 5 242 enterprises. There were 257 small and 106 medium-sized enterprises from the Kuyavian and Pomeranian Province. The confidence level for the whole population of small and medium-sized enterprises was 95.00% and the maximum measurement error was estimated as 5.00%. While selecting the sample, the criterion of business structure by type of activity was taken into account. The random sampling also favoured the correctness of inference. The sample is dispersed territorially, but the location criterion because of districts was not taken into account while drawing lots.

Due to the aims of the study, it was decided that the sample would be stratified in a disproportionate manner, i.e. medium-sized enterprises were over-represented in the study. The real proportions of small and medium-sized enterprises are 85.00% to 15.00% - in consequence, only 53 medium-sized enterprises would be sampled in 12 sectors of Polish industrial classification, which would make it impossible to correctly infer on the motives and needs of their owners in connection with the process of internationalization. Due to the earlier recognition of the scale of internationalization of enterprises, in particular, groups of enterprises (results of studies of the Polish Agency for Entrepreneurship Development[1]), it was not necessary to maintain the actual proportions.

The study was conducted by CATI telephone interview. Interviews were conducted - on principle - with managers/owners or other people indicated by managers/owners.

The study was carried out using a standard tool - an interview questionnaire. It contained 20 closed and semi-open questions with predefined cafeteria of responses. The interview questionnaire was supplemented with 8 metric questions. The questionnaire included seven thematic blocks: basic information about the company, data on the level of internationalization of the company, directions of internationalization of the business, factors of internationalization of the business, objectives and conditions of internationalization of business activity, support of the business environment in the internationalization of business.

General characteristics of the sample

Sectors

Sector 1 - C - Manufacturing - 27.82% of enterprises surveyed, then 2) G - Wholesale and retail trade. Repair of motor vehicles including motorcycles - 22.31% and 3) F - Construction - 16.53% of enterprises surveyed in the industry.

[1] *See: Ewaluacja potencjału eksportowego przedsiębiorstw w Polsce, Raport końcowy/Final report drawn up by WYG PSDB Sp. z o.o. as ordered by Polska Agencja Rozwoju Przedsiębiorczości, Warszawa 2014.*

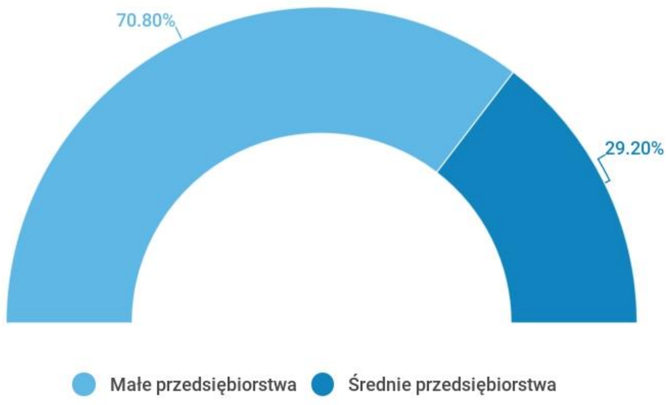
Table 1 Enterprises broken down as to industries

A - Agriculture, forestry, shooting and fishing	12	3,31%
C – Industrial manufacture	101	27,82%
E – Water supply; sewage and waste management along with remediation	13	3,58%
F - Construction	60	16,53%
G – Wholesale and retail trade; repair of vehicles, motorcycles included	81	22,31%
H – Transport and warehouse management	13	3,58%
I - Accommodation and catering services	12	3,31 %
J – Information and communications	12	3,31 %
L – Real estate market services	11	3,03%
M – Professional, scientific and technical activities	12	3,31 %
N – Administration and support services	12	3,31 %
P – Education	12	3,31 %
Q – Health services and social welfare	12	3,31 %
	363	100%

Source: own study based on CATI results (n= 363)

Over 70,80% of all enterprises under study were small ones and 29,20 % medium-sized ones.

Figure 1. Enterprises broken down by industries



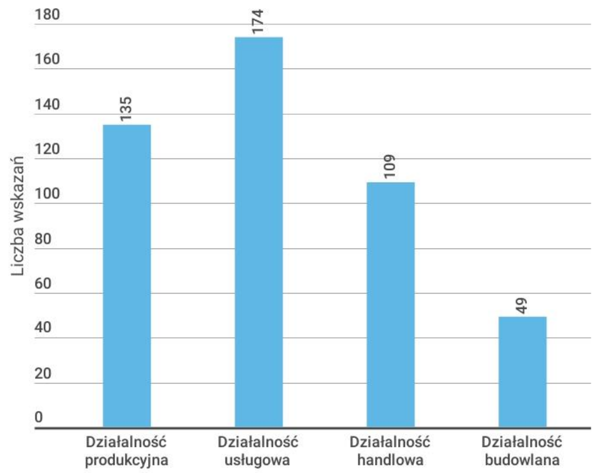
Small enterprises   Medium-sized enterprises

Source: own study based on CATI results (n= 363)

Type of business

A majority of respondents amongst the surveyed enterprises indicated that they carried out service activities (174 responses). Production business was selected by 135 respondents and commercial business by 109. 49 enterprises under study conducted construction business.

Figure 2. Type of business (multiple choice).



Source: own study based on CATI results (n= 363)

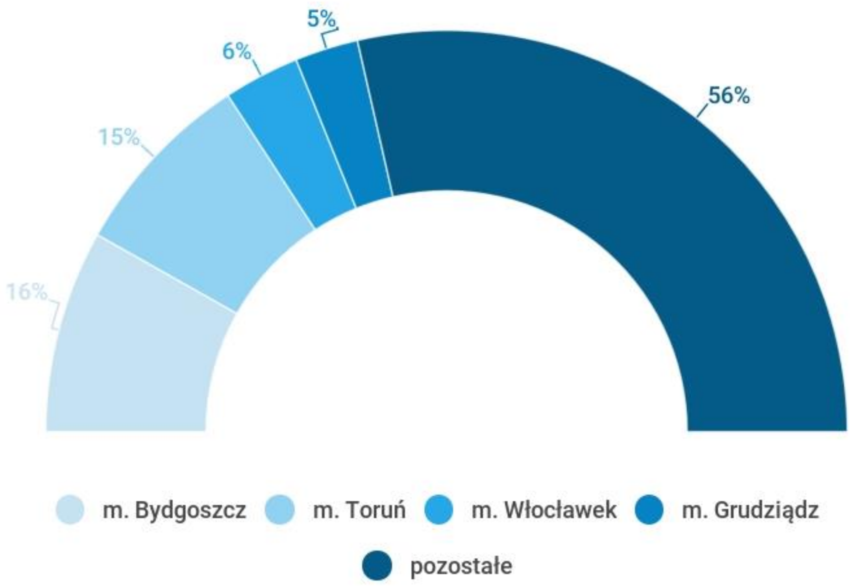
Glossary:
liczba wskazań = number of responses
działalność produkcyjna= manufacture
działalność usługowa = services
działalność handlowa = trading
działalność budowlana = construction

Location

The Kuyavian and Pomeranian Province is divided into 19 districts and 4 cities with the status of district i.e. Bydgoszcz, Toruń, Włocławek, and Grudziądz. During the CATI survey, the data on enterprise location were grouped, according to the above structure. An analysis of the collected data indicates that out of 363 enterprises surveyed, over one half (56.00%) have their main seat outside the largest urban centres of the province, i.e. the 4 cities with district status. Further, the results show that the difference between the two key cities in the region (Bydgoszcz and Toruń) is small when speaking of the location of entities surveyed with a minimum prevalence of Bydgoszcz (16.00% of enterprises come from Bydgoszcz and 15.00% from Toruń), 6.00% of enterprises are from Włocławek , while 5.00% from Grudziadz.

When selecting the sample for the study, the location criterion, which would reflect the seat of the enterprises were not taken into account and thus, we could consider the data as failing to reflect the facts. In addition, data from the Central Statistical Office (Economic entities in the Kuyavian and Pomeranian Province, compiled on 8th February 2017) show that in 2016 in Bydgoszcz, there were about 42 K entities of the national economy registered, while in Toruń about 25 K. Therefore, it shall be admitted that the results of the study do not reflect the actual proportions.

Figure 3. Enterprises broken down by location.



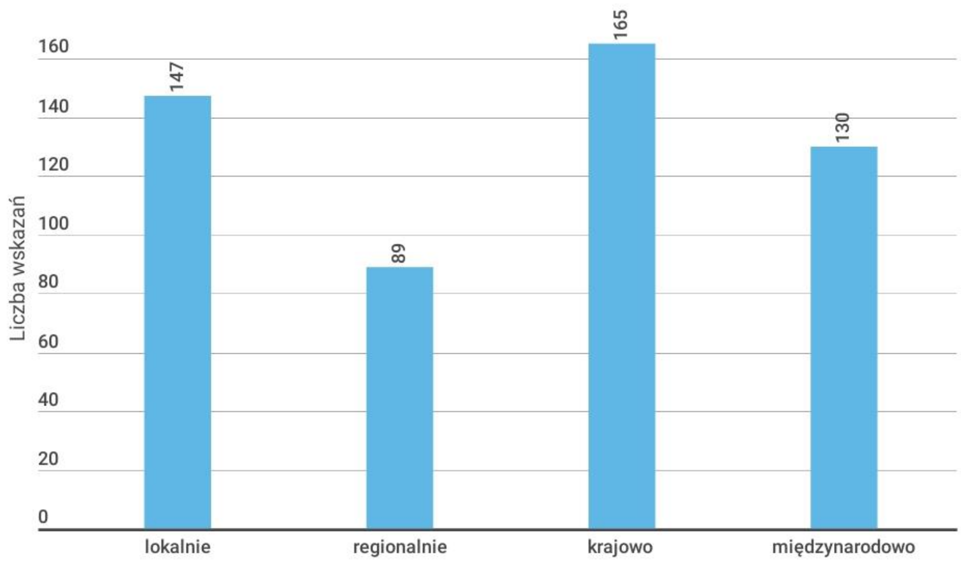
Source: own study based on CATI results (n=363)

Glossary :
m. = city of
pozostałe – the remaining ones

Range of business

In terms of the range of their business, the enterprises surveyed operate mainly on the domestic (165 responses) and local (147 responses) market. 130 enterprises selected international businesses. 89 respondents are active in the regional market.

Figure 4. Range of business (multiple choice).



Source: own study based on CATI (n=363) results

Glossary:
liczba wskazań = number of responses
lokalnie = local
regionalnie = regional
krajowo = domestic
miedzynarodowo = international

Analysis of secondary data

In order to have a broader view on the issues of internationalization of enterprises, the use of external resources of secondary sources has proved to be helpful. As the Central Statistical Office (GUS) does not make available statistical collections of foreign trade entities broken down into provinces, a database has been purchased from the Centre for Analytical Customs Administration (CAAC) to allocate trading in goods to entrepreneurs from the Kuyavian and Pomeranian Province. The analysis also included a review of GUS statistical data and other studies on the object and purpose of the study.

Characteristics of the region and international business of Kuyavian and Pomeranian Province enterprises

The Kuyavian and Pomeranian Province is one of relatively small regions of the European Union. It occupies an area of 18 K km² (5.70% of the territory of Poland, 10th place in the country) and is inhabited by 2 091 K residents (5.40% of the population of Poland, 10th place in the country)[2]. The province has two capitals, the largest cities in the region: Bydgoszcz and Toruń. Cities - located 40 km away from each other - are connected by highways, railways and the water route of the Wisła/Vistula River.

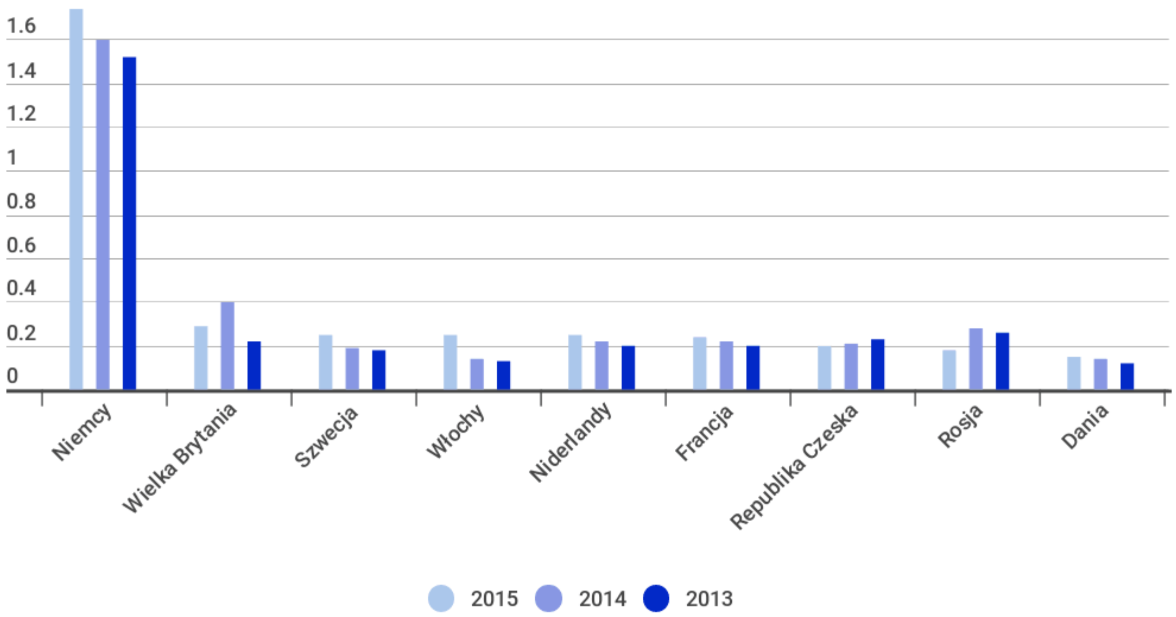
In the industrial REGON register of the Kuyavian and Pomeranian Province, trading enterprises prevail, as they account for 28.00% of all registered entities. Nearly 12.00% are construction enterprises and 9.00% are industrial manufacturers. In the services sector, transport operators (7.00%) have the largest number, then, professional, scientific and technical services along with health care and social services (6.00% in both cases).

When analyzing the degree of internationalization of the Kuyavian and Pomeranian Province enterprises, data on export volume shall be included. For the purposes of this document, data have been taken from the Centre for Analytical Customs Administration (CAAC). These data taken into account, we need to bear in mind the fact that, however, they are of a figurative nature. This is mainly the consequence of the fact that commercial statistics do not always allow to classify trade flow to a specific region/province (the importance of trade turnover of enterprises operating in more than one province has been growing). Such inability has it that the structure of provinces' share in national exports becomes underestimated – as it does not take into account their participation in an unclassified exchange, if any. In addition to the sixteen Polish provinces, the category "non-classified province "/"no province code" appears.

CAAC data show that Germany is the most important recipient of products from the Kuyavian and Pomeranian Province - 33.75% in 2015. Another major customer is the UK. In 2015, 5.72% of exports from the province were directed to the UK. Sweden, Italy, the Netherlands and France, respectively, achieved 4.92%, 4.90%, 4.81% and 4.60%. The remaining states are the Czech Republic at 3.82%, Russia at 3.54%, Denmark at 2.92% and Finland at 2.15%. The biggest difference compared to 2014 was observed in the case of Russia, which recorded a decrease from the second place to the eighth.

[1] Upgrading Plan 2020+ of the Kuyavian and Pomeranian Province

Figure 1. Geographical structure of exports of Kuyavian and Pomeranian Province between 2013 and 2015 by value (in EUR billion).



Source: own study based on data from Analytical Customs Administration Centre – CAAC

Glossary:
Germany
Great Britain
Sweden
Italy
the Netherlands
France
The Czech Republic
Russia
Denmark

The structure of the major export markets in 2014 is different in terms of the sequence of major customers compared to 2015. Germany is consistently ranked in the first place at 33.52%. Other positions are taken by Russia, UK, United Kingdom, the Netherlands, France, the Czech Republic, Sweden, Finland, Denmark, and Italy. The specification of the 2013 main export receivers of the Kuyavian and Pomeranian Province was characteristic by the high position of the Czech Republic, occupying the 3rd place with a 5.08% share.

Furthermore, it needs noting that over the three years (2013, 2014, and 2015), the top ten exporters of the province did not change (except for the Ukraine, which in 2014 and 2015 no longer belonged to the top 10 exporters of the region). The only modifications refer to the position of each country.

According to the Central Statistical Office (GUS) data (signal information, Foreign Trade Turnover - total and by country between January and December 2015, Warsaw, 12.02.2016), the most important trading partner for Poland, according to export turnover, is Germany, whose turnover amounted to EUR 48 495.5 million (21.10%), followed by the UK (6.80%), the Czech Republic (6.60%) and France (5.60%).

Comparing the data for Poland, it needs to be noted that the structure of the main trading partners in the Kuyavian and Pomeranian Province differs from the national standard except for the first two places, which in both cases occupy successively Germany and the United Kingdom. In addition, Germany's share of Kuyavian and Pomeranian Province exports at 33.52% in 2015 is well above the national average (over 6.00%).

An analysis of obtained CAAC data also allowed to present the share of the most important commodity groups exported from the Kuyavian and Pomeranian Province. In order to present the structure of goods and services, the specification contains 10 most important exported goods by value of the entire province.

In 2015, two commodity groups prevail; group 48 (Paper and Cardboard, Articles made from paper pulp, paper or cardboard) and group 39 (Plastics and articles thereof). They are most important commodity groups whose share in exports is very similar and amounts to 12,37% and 11,88 % respectively. The remaining items 85 (Electrical machines and parts thereof, sound and video recorders & players, parts and accessories thereof) and 94 (furniture, bed linen, mattresses, mattress supports, pillows etc. lamps and lighting fixtures); then, 84 (nuclear reactors, boilers, machinery and mechanical devices, their parts) and 73 (iron and steel products) are of very similar values, too.

Tabele 1. Share of the most important commodity groups' exports of Kuyavian and Pomeranian Province in 2015.

CN code	Product	PLN amount	EUR	Share in the export of the province
48	PAPER AND CARDBOARD; ARTICLES OF PAPERPULP, PAPER OR CARDBOARD	2664476409	637300272	12,37%
39	PLASTICS AND PLASTIC ARTICLES	2558807412	612534960	11,88%
85	MACHINERY AND ELECTRICAL EQUIPMENT AND THEIR PARTS; SOUND RECORDERS AND PLAYERS, IMAGE AND SOUND RECORDERS AND PLAYERS, ALONG WITH PARTS AND ACCESSORIES	1682253953	402068490	7,81%
94	FURNITURE; BEDDING, MATTRESSES SUPPORTS, MATTRESSES, PILLOWS, etc.; LIGHTS AND LIGHTING; INFORMATION SIGNS etc .; PREFABRICATED BUILDINGS	1618038878	386885674	7,51%
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL EQUIPMENT;	1285600167	307190656	5,97%

	PARTS THEREOF			
73	CAST IRON OR STEEL PRODUCTS	1278295017	306012547	5,94%
72	CAST IRON AND STEEL	1136980937	272704218	5,28%
96	ASSORTED INDUSTRIAL ARTICLES	784486392	187514279	3,64%
86	ENGINES, RAILWAY FLOTILLA AND ITS PARTS; EQUIPMENT AND RAIL COMPONENTS ALONG WITH PARTS; MECHANICAL SIGNALING EQUIPMENT OF ALL TYPES (ELECTROMECHANICAL INCLUDED)	567152828	136009885	2,63%
34	SOAP; PREPARATIONS: DETERGENTS, LUBRICANTS, SYNTHETIC WAXES, PREPARED, FOR CLEANING, SCRUBBING, CANDLES ETC, MODELING PASTES, WAXES, DENTAL PREPARATIONS	530454862	126618288	2,46%

Source: own study based on data from Analytical Customs Administration Centre - CAAC

In 2014, the same commodity groups were included. Insignificant changes occurred in their sequence. The importance of Group 85 (Electrical machines and parts thereof, sound and video recorders & players, parts and accessories thereof) has lost slightly to Group 94 (furniture, bed linen, mattresses, mattress supports, pillows etc. lamps and lighting fixtures).

Table 2 Share of most important commodity groups' exports of the Kuyavian and Pomeranian Province in 2014

CN code	Product	PLN amount	EUR	Share in the province's export
48	PAPER AND CARDBOARD; ARTICLES OF PAPERPULP, PAPER OR CARDBOARD	2547938470	609231627	12,80%
39	PLASTICS AND PLASTIC ARTICLES	2247275475	537402041	11,29%
94	FURNITURE; BEDDING, MATTRESSES SUPPORT, FIXTURES, MATTRESSES ETC.; LIGHTS AND LIGHTING LIGHTS; INFORMATION SIGNS ETC.; PREFABRICATED BUILDINGS	1452220056	347111330	7,30%
85	MACHINERY AND ELECTRICAL EQUIPMENT AND THEIR PARTS; SOUND RECORDERS AND PLAYERS, IMAGE AND SOUND RECORDERS AND PLAYERS,	1412832626	337794048	7,10%

	ALONG WITH PARTS AND ACCESSORIES			
73	CAST IRON OR STEEL PRODUCTS	1217285607	291041034	6,12%
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL EQUIPMENT; PARTS THEREOF	1164092911	278246426	5,85%
72	CAST IRON OR STEEL	1113442478	266075295	5,59%
96	ASSORTED INDUSTRIAL ARTICLES	831013880	198683526	4,17%
86	ENGINES, RAILWAY FLOTILLA AND ITS PARTS; EQUIPMENT AND RAIL COMPONENTS ALONG WITH PARTS; MECHANICAL SIGNALING EQUIPMENT OF ALL TYPES; MECHANICAL SIGNALING EQUIPMENT OF ALL TYPES (ELECTRO-MECHANICAL INCLUDED)	611413284	145982904	3,07%
34	SOAP; PREPARATIONS: DETERGENTS, LUBRICANTS, SYNTHETIC WAXES, PREPARED, FOR CLEANING, SCRUBBING, CANDLES ETC, MODELING PASTES, WAXES, DENTAL PREPARATIONS	496653083	118671271	2,50%

Source: own study based on data from Analytical Customs Administration Centre - CAAC

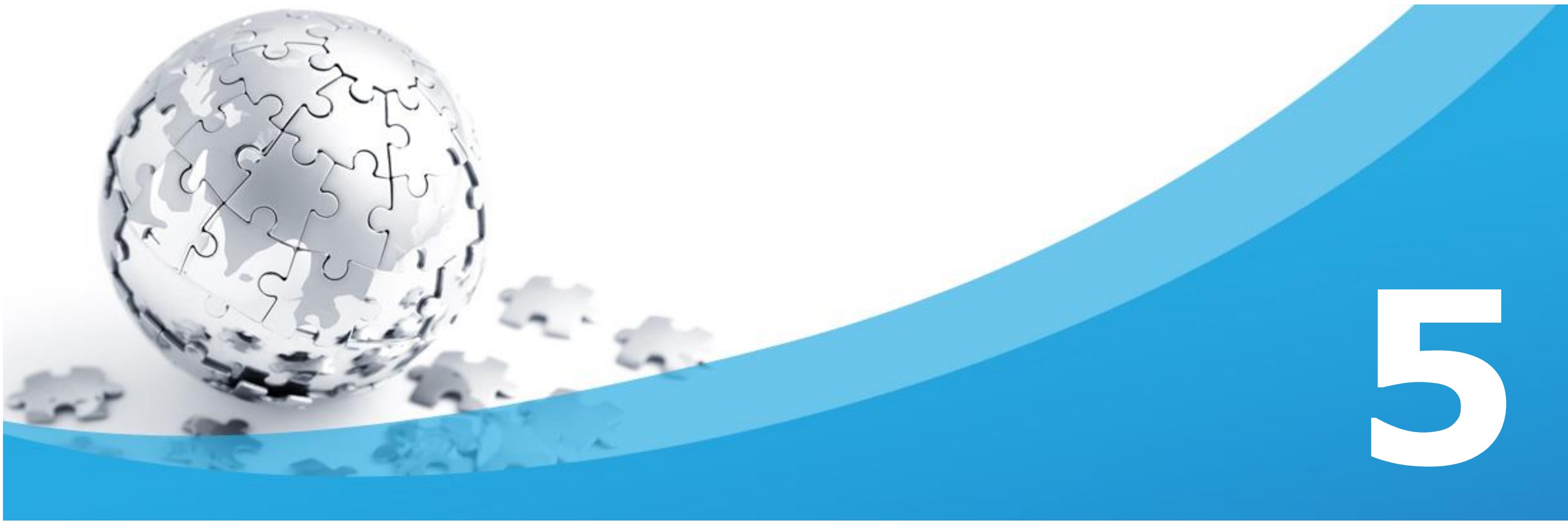
In 2013 also, no major structural changes were observed, indicating a certain degree of fixed demand among foreign buyers. Group 34 (soap, detergents, lubricants, synthetic waxes ...), which did not appear in the following table, occurs in the following two years, which may indicate a long-term interest in this product group.

Table 4. Share of the most important commodity groups in exports of the Kuyavian and Pomeranian Province in 2013

CN code	Product	PLN amount	EUR	Share in the province's export
48	PAPER AND CARDBOARD; ARTICLES OF PAPERPULP, PAPER OR CARDBOARD	2599584691	622307356	13,55%
39	PLASTICS AND PLASTIC ARTICLES	2346980195	561572300	12,23%
94	FURNITURE; BEDDING, MATTRESSES SUPPORT, FIXTURES, MATTRESSES ETC.; LIGHTS AND LIGHTING LIGHTS; INFORMATION SIGNS etc .; PREFABRICATED	1350961960	323336242	7,04%

	BUILDINGS			
85	MACHINERY AND ELECTRICAL EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND PLAYERS, IMAGE AND SOUND RECORDERS AND PLAYERS, AND PARTS AND ACCESSORIES	1342524735	320990493	7,00%
73	CAST IRON OR STEEL PRODUCTS	1141939761	273181246	5,95%
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL EQUIPMENT; PARTS THEREOF	1109707881	265394280	5,78%
72	CAST IRON OR STEEL	865102697	206993842	4,51%
96	ASSORTED INDUSTRIAL ARTICLES	836855310	200300077	4,36%
17	SUGAR AND SUGAR PRODUCTS	571713104	136744802	2,98%
86	ENGINES, RAILWAY FLOTILLA AND ITS PARTS; EQUIPMENT AND RAIL COMPONENTS ALONG WITH PARTS; MECHANICAL SIGNALING EQUIPMENT OF ALL TYPES (ELECTRO-MECHANICAL INCLUDED)	465312115	111337206	2,43%

Source: own study based on data from Analytical Customs Administration Center - CAAC

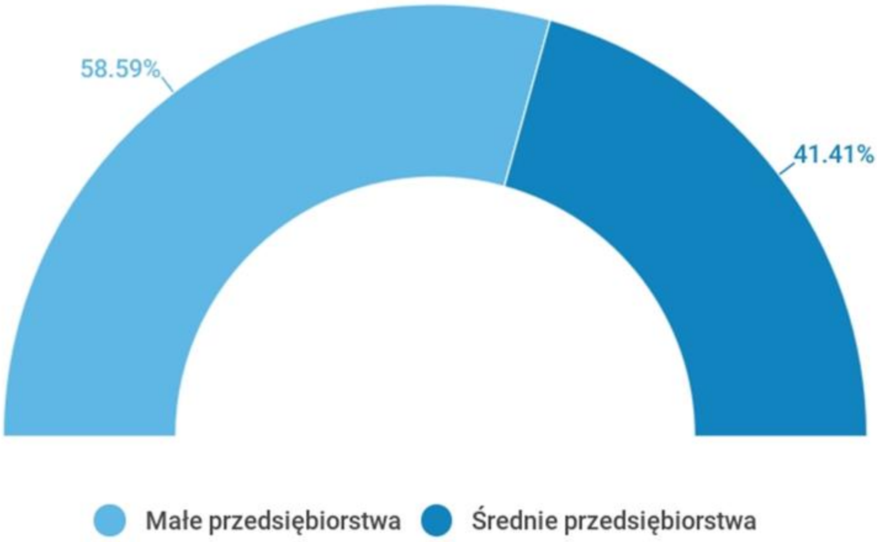


5. Diagnosis of international business of Kuyavian and Pomeranian Province entrepreneurs based on the study

5.1 Characteristics of internationalized enterprises under survey (broken down by industries, size, type of business, location and range of business)

Of the 363 enterprises surveyed, 128 are internationally-oriented entrepreneurs, i.e. those who carry out international operations in any form (definition of enterprises internationalization - see the glossary). Of these 128 entities, 75 (58.59%) are small-sized enterprises and 53 (41.41%) are medium-sized enterprises.

Figure 6. Internationalized enterprises broken down by size.

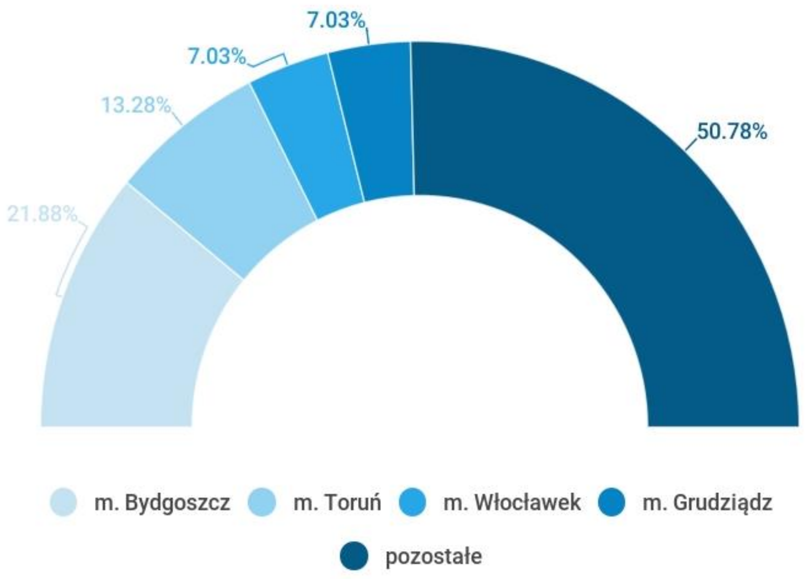


Small enterprises *Medium-sized enterprises*

Source: own study based on CATI results (n=128)

By analyzing the location of the internationalized enterprises under study, it can be seen that they are concentrated in the main urban centres of the province. Most internationalized enterprises have their seats in Bydgoszcz; 21.88% and in Toruń; 13.28%. Włocławek and Grudziądz are at the same level of 7.03%. The location of internationalized enterprises differs from the previously reported data for the whole sample. While the results of the sample survey broken down by the enterprises' location did not reflect the actual situation (the location criterion was not taken into account when selecting the sample for study), the proportions between the two largest cities of the region (Toruń and Bydgoszcz) presented in figure 6 and referred exclusively to internationalized enterprises allow to admit that they are similar to the actual proportions.

Figure 7. Breakdown of internationalized enterprises by location.

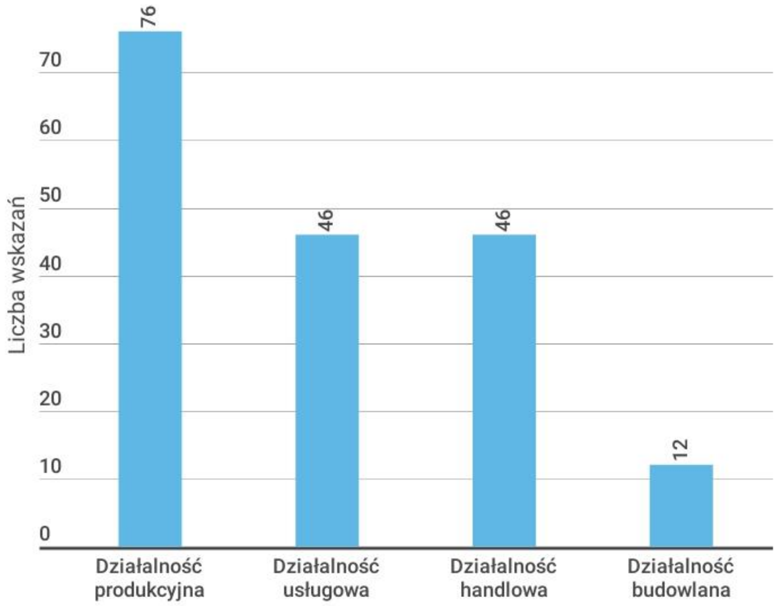


Source: own study based on CATI results (n=128)

Glossary :
m. = city of
pozostałe – the remaining ones

A majority of internationalized enterprises are manufacturing enterprises - 76 responses. Services and trade were given by 46 respondents. The smallest group of 12 responses are enterprises that carry out construction activities.

Figure 8. Type of business conducted by internationalized enterprises (multiple choice).



Source: own study based on CATI (n=128) results

Glossary:
liczba wskazań = number of responses
działalność produkcyjna= manufacture
działalność usługowa = services
działalność handlowa = trading
działalność budowlana = construction

Analysing all the enterprises under survey, nearly every second enterprise internationalized belongs to the C sector - industrial manufacture (46.10%) nearly every fifth enterprise, running international business belongs to G sector- Wholesale and retail (19.53%). A little over every tenth enterprise belongs to F sector - Construction. In H sectors - Transportation and warehouse management and I sector - information technology and communications, belong 4.69% of enterprises running international business. Least active sectors in the Kuyavian and Pomeranian Province as to enterprises running business in the international markets are L - Business related to real estate market and E - water supply, each of them 0.78%. Sewage and waste management and business related to land remediation take up 1.56%. Furthermore, amongst the internationalized enterprises to under survey, there occurred no enterprises to represent the following sectors P - education, Q - health care and social welfare.

Table 5. Division of internationalized enterprises from the point of view of sector.

PKD sector	Per cent
A- Agriculture, forestry, hunting and fishing	2.34%

C - Industrial manufacture	46.10%
E - Water supply; sewage and waste management and land remediation	0.78%
F – Construction	14.84%
G - Wholesale and retail; repair of motor vehicles, motorcycles included	19.53%
H - Transportation and warehouse management	4.69%
I - Business related to accommodation and catering services	3.13%
J - Information technology and communication	4.69%
L - Business related to real estate markets	0.78%
M - Professional, scientific and technical business	1.56%
N - Business related to administration and support services	1.56%
P – Education	0.00%
Q - Healthcare and social welfare	0.00%
Total	100%

Source: Own study based on the CATI results (n=128)

5.2. Business forms adopted by internationalized regional enterprises

Internationalisation of companies and enterprises from the Kuyavian and Pomeranian Province is characterised by a simple form of connections with foreign companies. 17.69% of the enterprises export goods by their own forces/by their own exportation division. 6.92% of enterprises export goods by their own network of distribution and 5.38% export through an agent/commercial go - between or by a foreign distributor. More complicated forms of connections with foreign markets occur relatively rarely. Only 0.77% of enterprises run exportation through foreign branches or manager's contracts in the foreign markets. No enterprise indicated within this survey its sale/licensing or being a franchiser or performing a merger.

Furthermore, the entrepreneurs under survey provide services to foreign customers in the territory of Poland in 35.38% and 50.00% provide services to foreign clients abroad and only 4.62% provide electronic services abroad.

5.3. Motives for undertaking international business

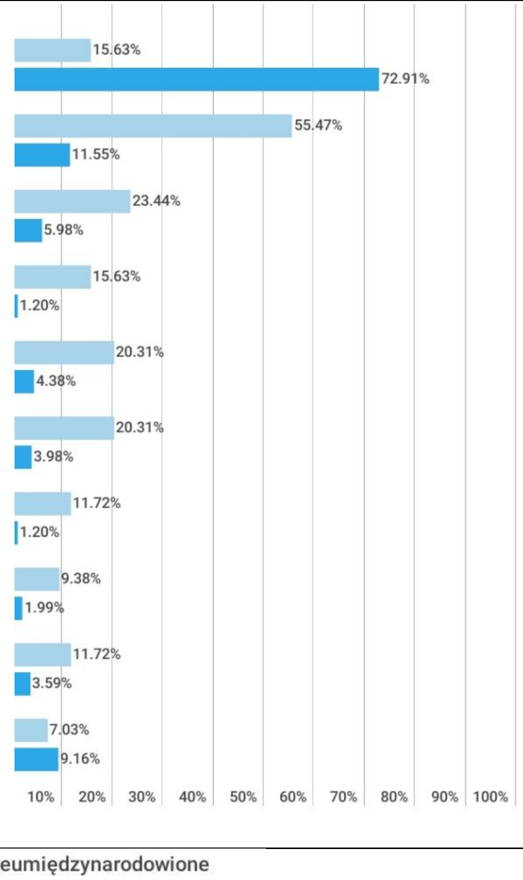
Many factors, both related to the surroundings in which the enterprises act, as well as, to their individual specificity have an impact on the decision to start international business.

The survey conducted allowed to identify factors/motives which are conditions to start and run international business. Amongst internationalized enterprises under survey, the search for new markets of sale are the most frequently given reason to undertake business in the international market. This motive has been indicated by as many as 56.16% respondents. Less significant, but also crucial importance have such factors as fierce competition in the internal markets (23.85%), the need to widen the offered products/services and to reduce costs of business, correspondingly 20.00% each. Further factors indicated by respondents are in sequence: acquisition of strategic resources or competence - 15.39%, optimising the use of resources - 11.54%, improvement of output and efficiency of distribution channels - 11.54%, tax optimising - 9.23%. internationalized entities see internationalization as activity, bringing benefits and a natural path of enterprise development.

Non-internationalized entities do not see any factors which would determine undertaking internationalizing activities apart from an increase in revenues. They are as many as 75.97%. Factors which could have an impact on exportation business, if any, are looking for new sale markets - 9.45%, then 5.58% - fierce competition in the internal market, then, widening of product/service offer 3.44% - reduction of business running costs and improving the output and efficiency of distribution channels - 3.01% and at the end 1.72% of responses - getting strategic resources or competences and tax optimising. Thus, non-internationalized entities, are to a small extent aware of the types of benefits related to export.

Figure 9. Motives for undertaking internationalizing business of internationalized and non-internationalized enterprises under survey.

No factors to determine internationalizing
Looking for new sale markets
Large competition in the local/regional markets
Acquisition of strategic resources or competences
Reduction in business costs
Extension of product/services offer
Optimising of resources use
Tax optimising
Increase in the output and efficiency of distribution channels
Other
0



internationalised enterprises	non-international enterprises

Source: Own study based on the CATI results (n1 = 128, n2 = 235)

5.4. Barriers hindering international business of regional enterprises

The results of survey conducted allowed to set out factors which hinder international expansion of regional enterprises. The barrier of the largest significance for enterprises under survey is the risk, arising from the fluctuation of foreign currencies exchange rates (60.15% - summing up responses impact; very large and large impact). Another barrier as to the significance of impact on internationalizing activities of the enterprises under survey are conditions and uncertain political situation (51.57%) and then, large saturation with products and competition in the foreign markets (47.65%). High costs of trans-border business and requirements for certificates in international markets (34.72%) were at the similar level.

It also results from the survey, that cultural barriers have very insignificant impact on the undertaking of internationalizing activities. For 42.97% of enterprises, they have no importance or their importance is minimum and for 24.22% of those under questionnaire it is neutral. The above approach may result from the fact, that the internationalizing activities of small and medium-sized enterprises from the Kuyavian and Pomeranian region are focused in Europe where no large cultural differences occur as in the case, for instance, in Asian states.

Another group of barriers is related to formal and legal factors. Bureaucracy and administrative barriers in target countries for 33.59% of those under questionnaire have minimum or no importance and for 25.00% they are neutral. Bureaucracy and administrative barriers in Poland have a very big importance for a similar number of enterprises: 23.44% and at the same time, minimum or no importance were indicated by 25.78% of those under questionnaire. They have neutral importance for 21.09% of enterprises.

Table 6. External barriers which have currently an impact on internationalizing business of enterprises.

External barriers	very large	large	not large	none/minimum	neutral	total
Change of foreign currencies exchange rate	26,56%	33,59%	7,81%	18,75%	13,28%	100%
Conditions and uncertain political situation	21,88%	29,69%	12,50%	18,75%	17,19%	100%
Requirements to use certificates in international markets	10,16%	24,22%	12,50%	28,91%	24,22%	100%
Cultural difference in foreign markets	3,91%	11,72%	17,19%	42,97%	24,22%	100%
Bureaucracy and administrative barriers in Poland	23,44%	15,63%	14,06%	25,78%	21,09%	100%
Bureaucracy and administrative barriers in target countries	10,94%	16,41%	14,06%	33,59%	25,00%	100%
Large saturation in products and competition in foreign markets	20,31%	27,34%	7,81%	21,88%	22,66%	100%
High costs of trans-border business	11,72%	25,00%	11,72%	26,56%	25,00%	100%

Source: Own study based on the CATI results (n=128)

Answer to question: Please indicate the current impact on internationalizing your business of the below given barriers. Possible answers(very large, large, not-large, none/minimum, neutral)

The level of noticing internal barriers on behalf of enterprises is mean or low (table 7). Barriers which currently have the largest impact, in the opinion of enterprises being internationalized, are non recognizable trade names/marks in foreign markets - 39.07% (aggregated responses of very large and large impact) and difficulties in finding appropriate foreign partners - 38,28%. These results show that the enterprises are mostly concerned by recognisability of trademarks/marks in the foreign markets. The above thesis is similar to the indication, that widely understood promotion is one of the most important factors which have an impact on running international business.

Table 7. Internal barriers which currently have an impact on business internationalizing activities.

Internal barriers	very large	large	not large	none/minimum	neutral	total
No competent staff	12,50%	18,75%	7,03%	39,84%	21,88%	100%
No proper organisational structure	7,03%	18,75%	13,28%	42,19%	18,75%	100%
No export strategy	8,59%	21,88%	8,59%	42,97%	17,97%	100%
Difficulty in finding appropriate foreign partners	13,28%	25,00%	9,38%	27,34%	25,00%	100%
Difficulty in verifying business partners	11,72%	24,22%	7,03%	32,03%	25,00%	100%
No financial liquidity	15,63%	21,09%	7,81%	42,97%	12,50%	100%
No competitive prevalence	11,72%	23,44%	10,94%	30,47%	23,44%	100%
No resources to finance internationalizing activities	11,72%	17,97%	13,28%	37,50%	19,53%	100%
Not full or no information and knowledge on foreign markets	8,59%	21,88%	13,28%	32,03%	24,22%	100%
No knowledge on legal tax-customs procedures	12,50%	20,31%	10,16%	34,38%	22,66%	100%
No recognisability of enterprise/trademark in foreign market	10,94%	28,13%	11,72%	31,25%	17,97%	100%

Source: own study based on results of CATI(n=128)

Answer to question : Please indicate the current impact on internationalizing of your enterprise of below given barriers. Choose from: very large, large, not large, none/ minimum, neutral

On average, every second entrepreneur being internationalized asked on the importance of internal barriers in the prospects of the next five to ten years was of the opinion that they would have no impact on their business. Fewer than 30 % of those under questionnaire indicated none or minimum importance and about 20% of responses indicated neutral importance. For fewer than every third enterprise being internationalized under study, the barriers set out would have large importance for their international business in the next years. However, the competitive prevalence (42.97%) and no recognisability of the enterprise/trademark in foreign market (41.41%) were mostly indicated.

Table 8. Impact of barriers on international activities of enterprises being internationalized (within 5 to 10 years)

Barriers	very large	large	non-significant	none/minimum	neutral	total
No competent staff	14,06%	28,13%	10,94%	33,59%	13,28%	100%
Difficulty in finding appropriate foreign partners	10,94%	21,88%	14,06%	27,34%	25,78%	100%
Difficulty in verifying business partners	10,16%	24,22%	10,94%	31,25%	23,44%	100%
No financial liquidity	10,16%	23,44%	12,50%	36,72%	17,19%	100%
No competitive prevalence	12,50%	30,47%	8,59%	28,91%	19,53%	100%
No resources to finance internationalizing activities	11,72%	25,00%	10,94%	35,16%	17,19%	100%
Not full or no information or knowledge on foreign markets	7,03%	26,56%	10,94%	34,38%	21,09%	100%
No knowledge on legal tax- customs procedures	7,03%	24,22%	13,82%	34,38%	21,09%	100%
No recognisability of enterprise/trademark in foreign market	10,94%	30,47%	9,38%	31,25%	17,97%	100%

Source: own study based on results of CATI(n=128)

Answer to question: Please indicate what impact, in your opinion, will have the below given barriers within next 5-10 years on your enterprise's business. Choose from: very large, large, not large, none/ minimum, neutral.

In the case of non-internationalized companies, taking part in the study, the analyses of results was to claim, that the enterprises do not notice barriers in business running out of their maternal market. On average, 68% of those under questionnaire indicate none or minimum importance of the barriers set out and for 15% they have neutral importance. The above status may be under the impact of lacking awareness and knowledge of non-internationalized enterprises in the field of international activities and both internal and external factors, shaping them. This may also testify to the need of education, and improvement in the entrepreneurs' awareness of benefits, arising from product sale in foreign markets and of benefits, coming from international cooperation.

Furthermore, the analysis of the remaining results of the survey shows that the enterprises which are not internationalized see as the largest external obstacle the bureaucracy and the administrative barriers of Polish authorities (over 20% of responses). Next in the specification are conditions and uncertain political situation (fewer than 19% of answers) and change in foreign currency exchange rate (over 14% of responses). No competent staff, however, is an internal barrier which in the opinion of non-internationalized enterprises under study have the largest impact on failure to undertake steps to internationalize their business activity (over 15% of answers).

Table 9. External barriers which have currently an impact on internationalizing of non-internationalized enterprises.

External barriers	very large	large	not large	none/minimum	neutral	Total
Change of foreign currencies exchange rate	7,57%	7,97%	4,38%	65,34%	14,74%	100%
Conditions and uncertain political situation	6,37%	12,35%	5,58%	60,96%	14,74%	100%
Requirements to apply certificates in foreign markets	5,58%	5,18%	3,19%	70,12%	15,94%	100%
Cultural differences in foreign markets.	2,39%	1,99%	7,17%	72,91%	15,54%	100%
Bureaucracy and administrative barriers in Poland	9,16%	11,55%	3,98%	60,96%	14,34%	100%
Bureaucracy and administrative barriers in target countries	5,18%	5,18%	5,98%	67,33%	16,33%	100%
Large saturation in products and competition in foreign markets	6,37%	6,37%	3,19%	66,53%	17,53%	100%
High cost of trans-border business	6,37%	6,37%	4,38%	67,33%	15,54%	100%

Source: own study based on results of CATI(n=235)

Answer to question : Please indicate the current impact on your business internationalizing of the below stated barriers. Choose from: very large, large, not large, none/ minimum, neutral.

Table 10. External barriers which have currently an impact on internationalizing of non-internationalized enterprises.

Internal barriers	very large	large	not large	none/minimum	neutral	total
No competent staff	4,78%	9,96%	5,18%	65,74%	14,34%	100%
No appropriate organisational structure	4,38%	6,77%	4,78%	68,92%	15,14%	100%
No export strategy	4,78%	6,37%	4,78%	69,32%	14,74%	100%
Difficulty in finding appropriate foreign partners	7,17%	4,78%	3,98%	66,14%	17,93%	100%
Difficulty in verifying business partners	7,57%	6,77%	3,59%	65,34%	16,73%	100%
No financial liquidity	4,78%	5,18%	3,98%	71,31%	14,74%	100%
No competitive prevalence	4,38%	8,37%	2,79%	66,53%	17,93%	100%
No resources to finance internationalising activities	4,38%	3,98%	3,98%	70,52%	17,13%	100%
Random or no information and knowledge related to foreign markets	6,37%	6,37%	4,78%	66,14%	16,33%	100%
No knowledge on legal/tax/ customs procedures	7,57%	5,98%	4,38%	66,53%	15,54%	100%
No recognisability of trademark on foreign markets	5,58%	7,17%	3,98%	66,53%	16,73%	100%

Source: own study based on results of CATI(n=235)

Answer to question : Please indicate the current impact on your business internationalizing of the below stated barriers. Choose from: very large, large, not large, none/ minimum, neutral.

The non-internationalized companies assessed in a similar manner the impact of the above-mentioned internal barriers within next 5-10 years. About 80.00% of respondents considered these barriers not to have any importance, to be minimum or to stay neutral for the business run.

No competent staff (17.71%) and difficulties in verifying business partners (13.15%) are factors, in the opinion of enterprises, which do not run international business which in the nearest years would have the largest impact on the business they run.

Table 11. Impact of barriers on international business of non-internationalized enterprises within 5-10 years

Barriers	very large	large	not large	none/minimum	neutral	total
No competent staff	7,75%	9,96%	5,58%	63,75%	13,15%	100%
Difficulties in finding appropriate foreign partners	3,19%	8,76%	5,18%	64,14%	18,73%	100%
Difficulties in verifying business partners	3,59%	9,56%	6,37%	64,14%	16,33%	100%
No financial liquidity	3,98%	7,17%	6,77%	67,73%	14,34%	100%
No competitive prevalence	3,19%	8,37%	5,98%	66,14%	16,33%	100%
No sources to finance international activities	3,98%	6,37%	5,58%	67,73%	16,33%	100%
Random or no information nr knowledge on foreign markets	3,98%	5,58%	5,18%	66,14%	19,12%	100%
No knowledge on legal/tax customs procedures	5,18%	7,17%	4,78%	66,14%	16,73%	100%
No recognisability of trademark on foreign markets	3,59%	6,37%	6,77%	66,14%	17,13%	100%

Source: own study based on results of CATI(n=235)

Answer to question: Please indicate what impact, according to you, will have the below stated barriers within nearest 5-10 years on your enterprise's business. Choose from: very large, large, not large, none/ minimum, neutral.

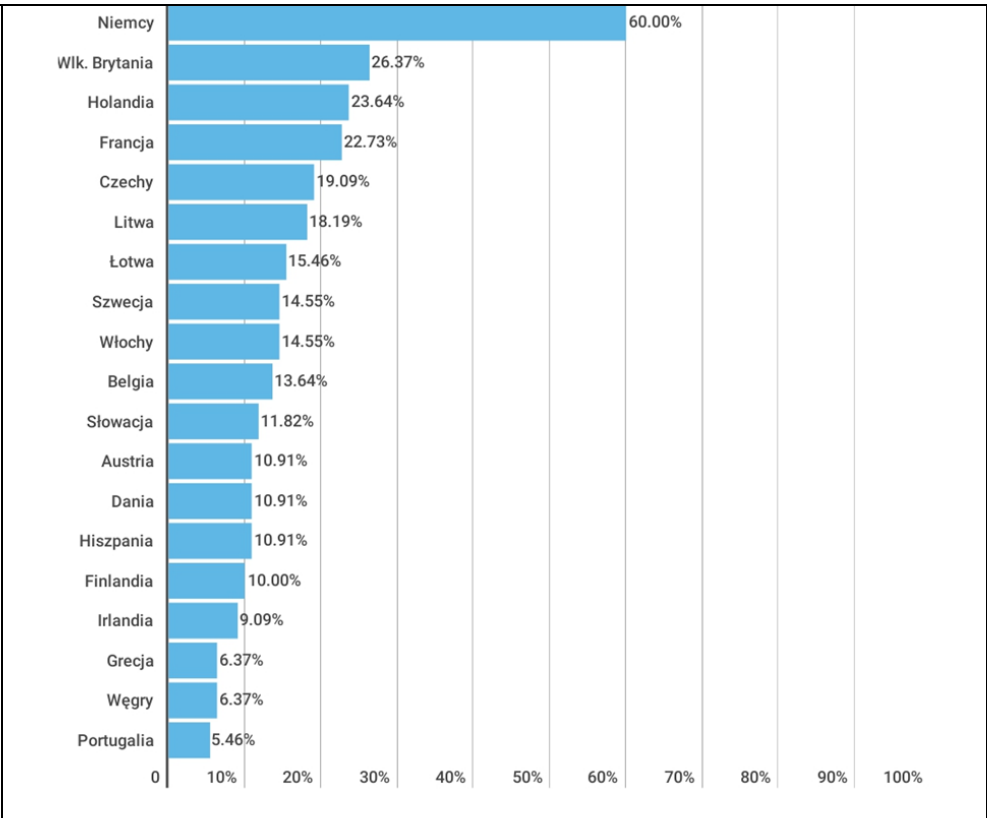
5.5. Directions of enterprises internationalizing

A) Directions of international expansion of enterprises from the region

In the export directions of the enterprises under survey of the Kuyavian and Pomeranian Province a strong concentration in European markets can be noticed, in particular in the German markets. The most important trading partner of exporters from the Kuyavian and Pomeranian Province is Germany. 60.00% of respondents indicate Poland's neighbours as a direction of expansion of their products or services. Next states to which the largest number of enterprises exports goods are Great Britain (26.37%), the Netherlands (23.64%) and France (22.73%). Most frequently selected orientation of enterprises products/services expansion of the states neighbouring with Poland are the Ukraine 12.73%, then, Russia 10.91%. Most frequent export directions from Asian countries are Saudi Arabia 4.55%, then China and the United Arab Emirates. African markets seem not to be an attractive area to regional exporters. Amongst the respondents, taking part in the survey only 0.91% indicated Africa as the target market for the foreign expansion. A similar situation refers to Australia. Furthermore, none of the enterprises under survey indicated the destination of its products to South America.

Figure 14. Directions of enterprises expansion while exporting from Kuyavian and Pomeranian Province to states belonging to the European Union

Germany
Great Britain
Netherlands
France
Czech Republic
Lithuania
Latvia
Sweden
Italy
Belgium
Slovakia
Austria
Denmark
Spain
Finland
Ireland
Greece
Hungary
Portugal



Source: own study based on results of CATI(n=110)

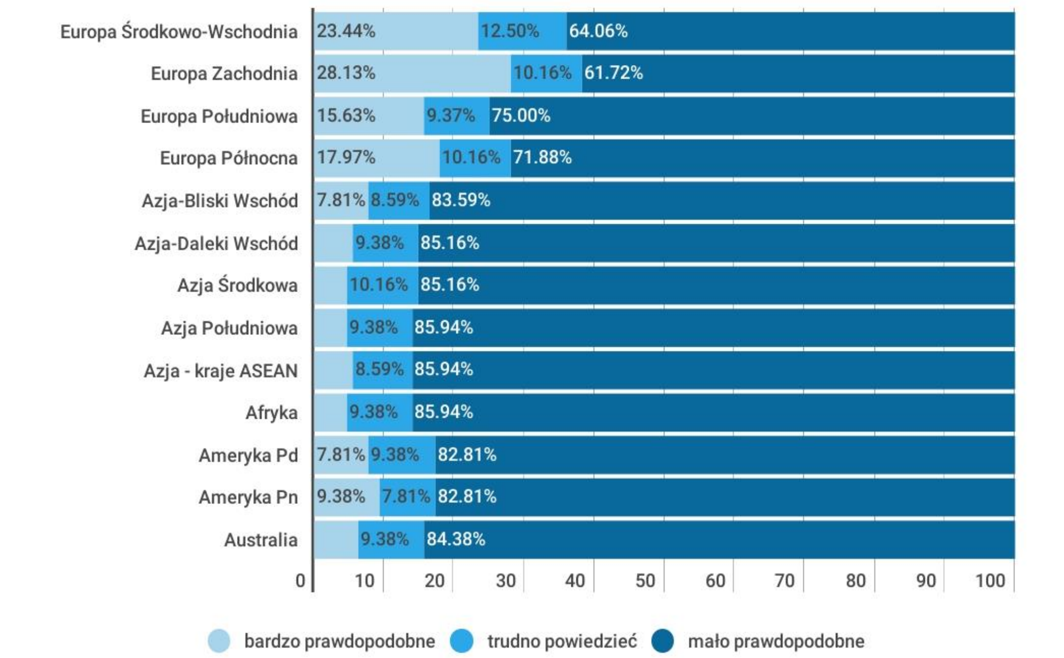
Answer to question: Current orientation of your business internationalization (multiple choice - you can choose more than one reply).

B) Promising international markets

Analysing the promising markets, we can claim that every other internationalized enterprise from the Kuyavian and Pomeranian Province shall not extend its business by new markets, neither in the next year nor within 3 nearest years (correspondingly 55.47% in the next year and 52.34% in 3 years). However, on average, every third entrepreneur assumes such possibility and on average, every tenth enterprise has an opinion related thereto. This means enterprises are afraid, even those internationalized, to launch business in new markets. A large part of enterprises limit the risk and use a safe strategy in the field of export business development. Enterprises plan mainly to develop export in markets where they have been already active.

Western Europe and Central Eastern Europe are directions indicated most frequently as prospects for the next year - over 20.00% of replies. Little less interest, at a level of 17.97% related to Northern Europe and in further prospects 15.63% - to Eastern Europe. Only 5% of enterprises plan to look for new enterprises in economically developing countries (Asia, Africa, North and South America and Australia).

Figure 9. Forecasting expansion directions of internationalized companies under study in the next year (i.e. 2017).

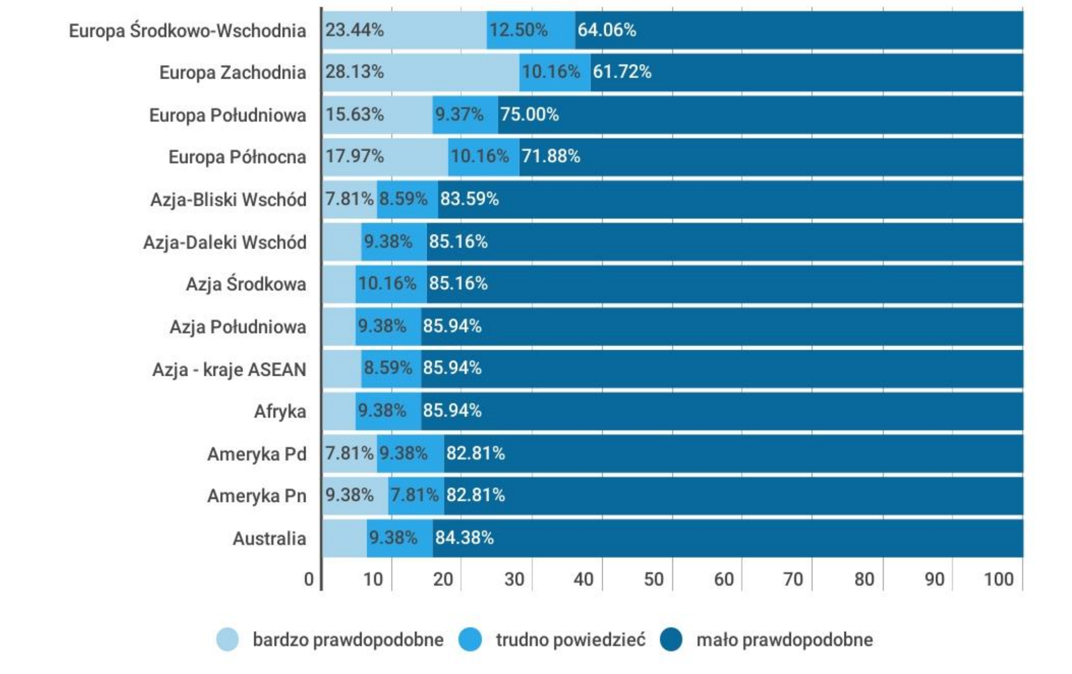
<table>
<tr>
<td>Central and Eastern Europe
Western Europe
Southern Europe
Northern Europe
Asia - Near East
Asia - Far East
Central Asia
South Asia
Asia - ASEAN countries
Africa
South America
North America
Australia</td>
<td>
</td>
</tr>
<tr>
<td></td>
<td>very probable difficult to say little probable</td>
</tr>
</table>

Source: own study based on results of CATI(n=128)

Answer to question: which new markets do you plan to enter in the following years? During the nearest year? Choose from: little probable, difficult to say, very probable.

The plans of internationalized enterprises under survey to expand their business by new markets in the next three years are very similar. Most of enterprises consider launching business in new international markets as little probable. It is similar with short term (annual) plans in case of three year plans. Mostly indicated direction of expansion, if any, is Europe.

Figure 10. Anticipated expansion directions of internationalised enterprises under study for the next three years.

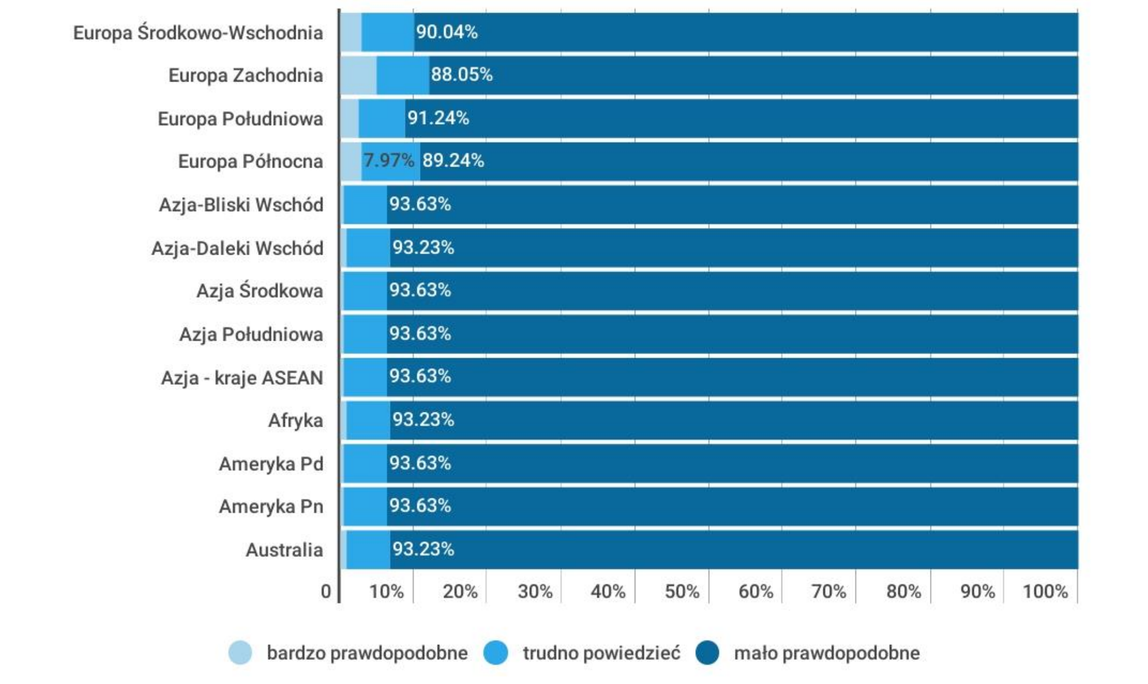
Central and Eastern Europe Western Europe Southern Europe Northern Europe Asia - Near East Asia - Far East Central Asia South Asia Asia - ASEAN countries Africa South America North America Australia	
	very probable difficult to say little probable

Source: own study based on results of CATI(n=128)

Answer to question: which new markets do you plan to enter in the following years? During the nearest 3 years? Choose from: little probable, difficult to say, very probable.

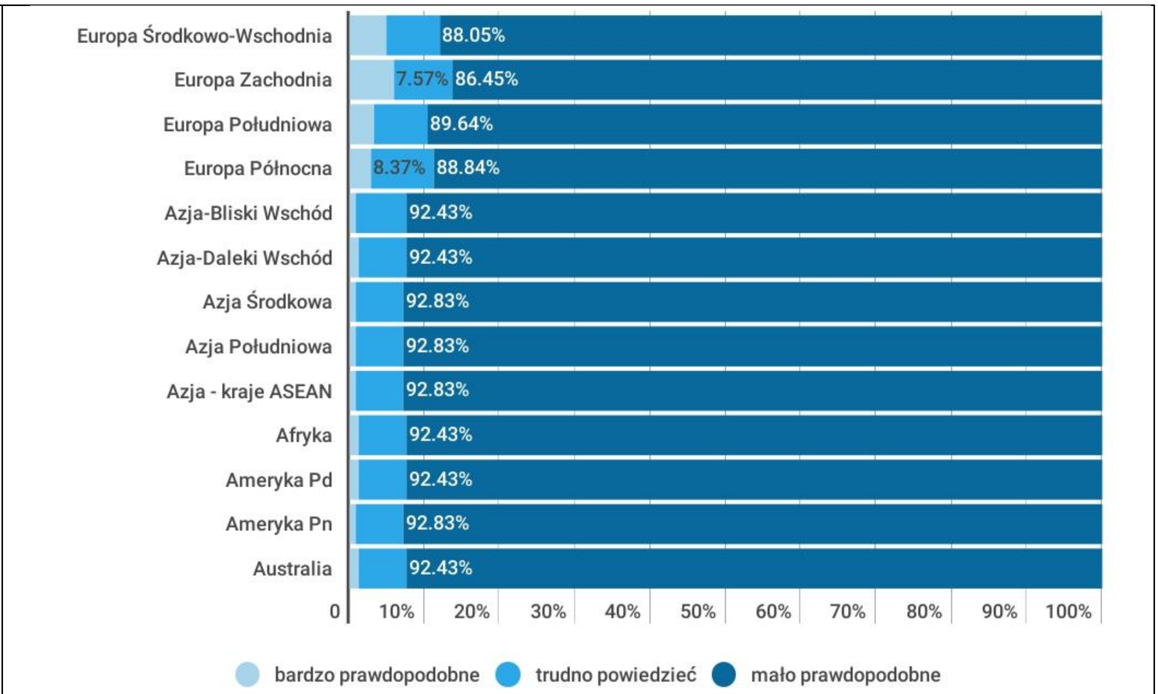
The answers of enterprises running no internationalizing business is similar. In the case of declaration related to extending their business by new markets 62.55% do not intend to do it, at all, in the next year whereas 58.57% do not intend to do it in the nearest three years, either. However, analysing the declaration of these enterprises related to perspective directions of the future export business, if any, about 9 per ten enterprises show no interest in any of the abovementioned directions. Amongst those few who would decide in the next year to extend the directions of their business, Europe was indicated most frequently. It seems also a natural direction to enterprises who have no experience in international business, at least because of distance. The interest in far away markets i.e. (Asia. Africa, North and South America, Australia) has never exceeded 1.00%.

Figure 11. Forecasting expansion directions of non-internationalized enterprises, if any, in the next year. (i.e. 2017)

Central and Eastern Europe Western Europe Southern Europe Northern Europe Asia - Near East Asia - Far East Central Asia South Asia Asia - ASEAN countries Africa South America North America Australia	
	very probable difficult to say little probable

Source: own study based on CATI results (n= 235)

Figure 12. Forecast expansion directions of non-internationalized enterprises in the next 3 years.

Central and Eastern Europe Western Europe Southern Europe Northern Europe Asia - Near East Asia - Far East Central Asia South Asia Asia - ASEAN countries Africa South America North America Australia	
	very probable difficult to say little probable

Source: own study based on CATI results (n= 235)

5.6 Success factors of Kuyavian and Pomeranian exporters (most efficient manners of reaching new foreign customers, evaluation of resources, competitive prevalence)

The analysis shows that vast majority of 84.94% of the surveyed international firms are export enterprises, i.e. the per cent of export sales as on 31.12.2015 is over 0.01%. Furthermore, 46.36% of surveyed exporters are enterprises where the value of export sales ranged from 0.10% to 10.00% (as on 31.12.2015). 53.64% of the respondents indicated values above 10.00%.

Table 15. Enterprises broken down by sale as on 31st December 2015

% udział eksportu w sprzedaży na dzień 31.12.2015r.	Liczba wskazań przez badane firmy	Odsetek przedsiębiorstw
0,1-10%	51	46,36%
10-25%	14	12,73%
25-50%	14	12,73%
50-75%	16	14,55%
75-100%	15	13,64%
Suma	110	100%

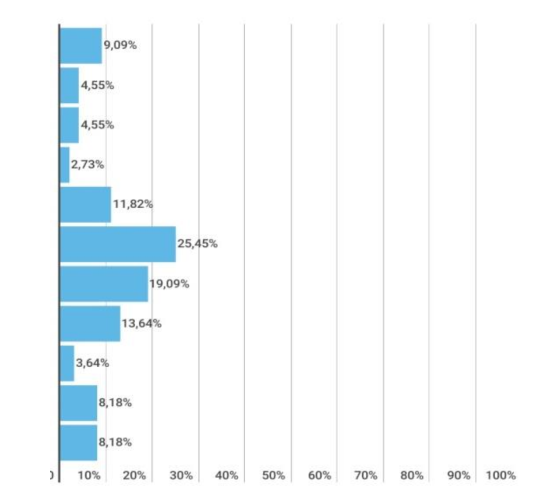
Source: own study based on CATI results *CATI (n=110)*

Glossary:
% udział eksportu w sprzedaży = % of exports in sale as on
Liczba wskazań przez badane firmy = number of responses from surveyed enterprises
Odsetek przedsiębiorstw = per cent of enterprises

Ways of reaching the client

The survey results showed that the most successful way to reach new foreign customers for exporters were the recommendations of current customers/business partners - 25,45% of responses. 21.82% of respondents indicated their presence on the Internet/industry platforms. It is also worth noting that quite a large number of responses related to participation in the fairs - a total of 32.73%. The least effective for the surveyed enterprises (below 5.00%) were: social media - 4.55%, participation in business and commercial missions - 3.64%, foreign press - 2.73% and dedicated dispatch to customers (conventional or electronic) - 0.21%.

Figure 13. The most effective ways to reach new foreign customers.

(Conventional or electronic) dispatch to customer Own online shop Social media Sector press Participation in tenders Earlier clients/business partners Participation in foreign fairs Participation in domestic fairs of international nature Participation in industry and trading missions Availing themselves of trading go-between Other	

Source: own study based on CATI results *CATI (n=110) (multiple choice)*

In addition, the survey showed that 38.19% of the surveyed exporters represent a strategic approach to internationalization and 35.72% have a documented export strategy/plan. This means that having such a strategy is important for enterprises, operating in foreign markets and can increase the chances of their effectiveness.

5.7 Conditions for undertaking international activities amongst Kuyavian and Pomeranian enterprises

Competitive factors

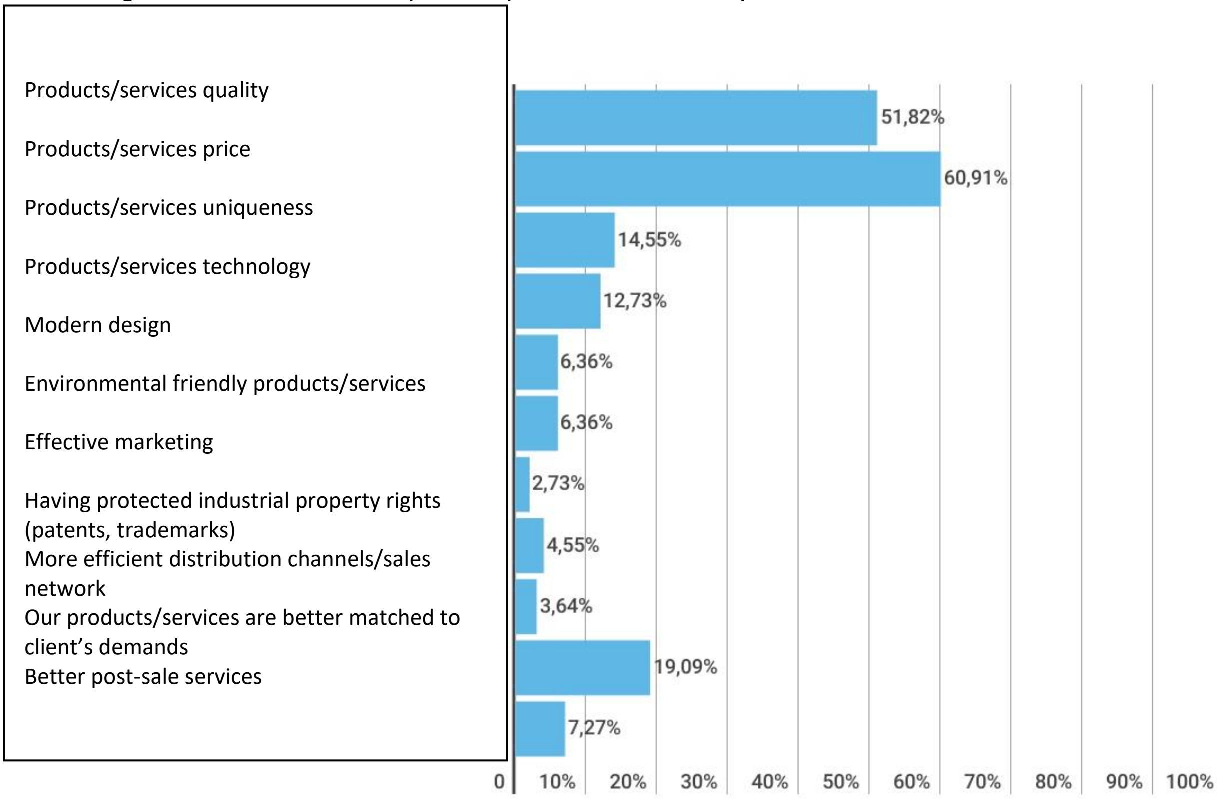
The survey results indicate that the most important factor which affects the competitiveness of exporting enterprises is *the price of products/services* along with *the quality*. The difference between these factors is relatively small. The price was chosen by 60.91% of respondents, whereas the quality was indicated by *51.82%* of the respondents. These results show that the low price of Kuyavian and Pomeranian products and services is their main asset in the foreign trade. The high quality index could prove a strong competitive position of regional enterprises in the foreign markets. However, low indications for other factors related to products/services innovativeness, i.e. *product uniqueness 14.55%, high technological level 12.73%, modern design 6.36% and environment friendly products/services 2.73%* may indicate that this quality is understood as sufficient to launch goods into foreign markets.

In addition, the enterprises surveyed indicated as an important determinant of their competitive prevalence in the international market the *flexibility* as the *ability to match products/services quickly and better to the market demands of* 19.09%.

Subsequently, the enterprises surveyed pointed to competitive prevalence related to the organization i.e. *efficient distribution channels 3.64%, effective marketing - 11.82%, sales service - 7.27%.*

Although the high technological level is indicated as one of the key qualitative factors, only 4.55% of enterprises see their competitive prevalence in their owning industrial property rights. This may be the proof of a low level of innovativeness of regional enterprises' products or lack of confidence in the effectiveness of industrial property protection in the foreign markets.

Figure 15. Sources of competitive prevalence of enterprises in international business.



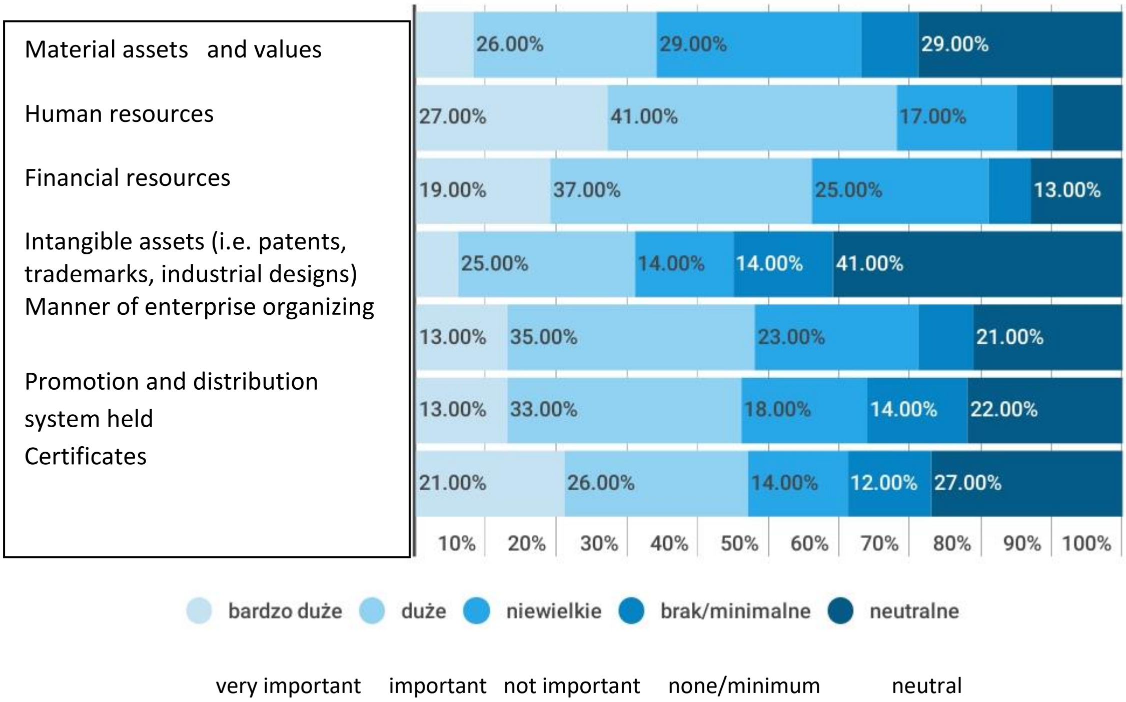
Source: own study based on CATI results *CATI (n=110)*

Answer to question: What sources of competitive prevalence do you use to expand into foreign markets? You can choose more than one answer.

The results of the analysis related to the significance of the resources held by the exporting enterprises for their internationalizing activities can confirm the above thesis. *Intangible assets (eg. patents, trademarks, industrial designs)* for as many as 41.00% of the surveyed enterprises are of little or no importance. 28% of enterprises considered it to be negligible or neutral. Only for about 6.00%, this factor is very important and for 25.00% important. Certificates held have negligible significance for 53.00% of respondents, whereas for 26.00% it is large and for 21.00% very large. The enterprise's human capital is most important from the point of view of the surveyed enterprises for 68.00% and financial resources for 37.46%.

The manner of organization and promotion along with distribution systems held are the resources that play a big role, respectively, for 35.00% and 33.00% of respondents. In turn, 41% of respondents attach the utmost importance to the promotion/advertising and marketing of their brands in the foreign market activities. For 14.00% of respondents the factor of *promotion and distribution system* is of little importance. 22.00% of surveyed enterprises indicated no importance and for 18.00% of respondents it was neutral. On the contrary, the manner of the enterprise organization in the internationalizing process had no or very little importance for 21.00% of enterprises and for 21,00% was of neutral importance.

Figure 16. Evaluation of resources and their role in the internationalizing business.



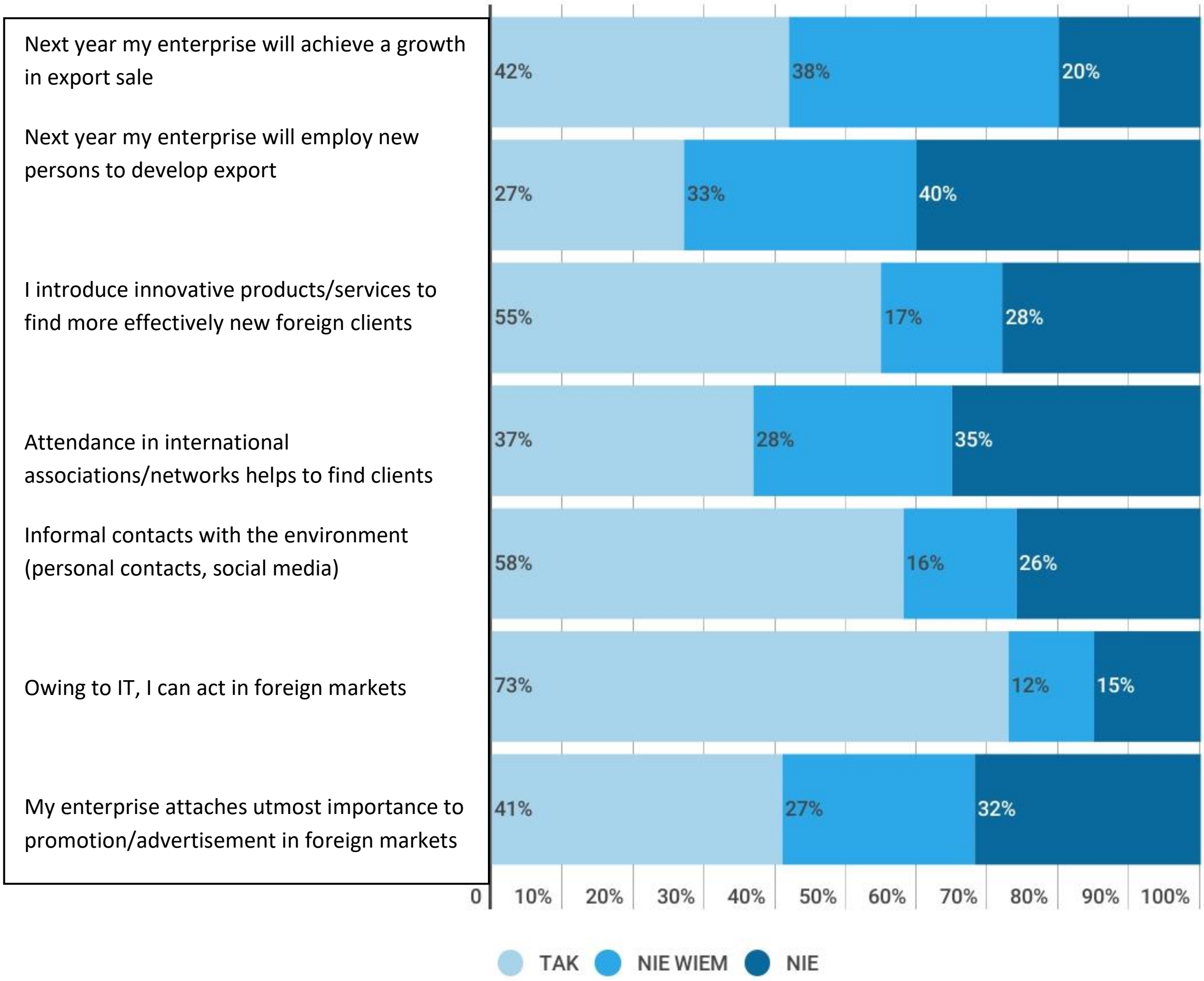
Source: own study based on CATI results *(n=110)*

Answer to question: Please specify the importance of your resources in the internationalization activities undertaken. Choose from: very important, important, not important, none/minimum, neutral.

As many as 73.00% of surveyed enterprises indicated that owing to IT technologies, they can operate in foreign markets. For 58.00% of respondents informal relations with the environment are of great importance in entering the foreign markets. 55.00% of entrepreneurs introduce innovative products/services to find new foreign customers more effectively.

At the same time, 42.00% of export enterprises count on sales growth in the foreign markets, and nearly 30.00% plan to increase their employment in order to expand export activities. The above results indicate that enterprises from the Kuyavian and Pomeranian Province have optimistic expectations about the growth in export business and are interested in its further development.

Figure 17. Factors shaping export activities.



Yes I don't know No

Source: own study based on CATI results

Answer to question:: Please indicate whether these theses are right. Multiple choice (yes, no, I don't know)

6. Support for the internationalization of enterprises in the Kuyavian and Pomeranian Province

The results of the study carried out show that both internationalizing and non-internationalizing enterprises have taken advantage of the support of external institutions rather intensely to prepare themselves for the internationalization or to increase their presence in foreign markets in the past 3 years. 1.54% of internationalizing enterprises and only 0.44% of non-internationalizing enterprises declared not to have benefited from the support of any institutions.

On the basis of the survey, it was found out that in the recent 3 years, enterprises internationalizing their business benefited most eagerly from the support of commercial consulting firms (80.77%). 5.39% of the surveyed enterprises availed themselves of the public support forms, i.e. the *government administration* - the Ministry of Development, earlier the Ministry of Economy or the Ministry of Infrastructure and Development, while the government agencies offers (Polish Agency for Enterprise Development and National Centre for Research and Development, Polish Information and Foreign Investment Agency, Agency for Restructuring and Modernization of Agriculture) were benefited from by only 1.54%. Promotion, Trade and Investment Departments of the Embassies and Consulates of the Republic of Poland (WPHI) also gave rise to relatively little interest - 6.16%. In the case of regional institutions, of whose support the enterprises which export goods avail themselves most frequently, are Regional Development Agencies and Export Credit Insurance Corporation at 4.62% each. So far, 3.08% of entrepreneurs have taken support from banking institutions (eg. BGK with Financial Support for Exports). The Enterprise Europe Network (EEN) and the Investor and Exporters Service Centre (COIE) were less popular at 1.54% each, similarly to the Chamber of Commerce, Industry and Economy at 0.77%.

The above results show a low degree of use by exporting enterprises of the offers coming from institutions whose actions are dedicated to them. The reasons for such situations may be numerous. They may be found in the lack of knowledge on the business environment and the difficulty in reaching it, no matching of the offers to the expectations of entrepreneurs, their inadequate form and type of instruments to support export activities, the requirements of the institutions before their support is granted and other constraints, arising from the human or financial resources of the business support institutions.

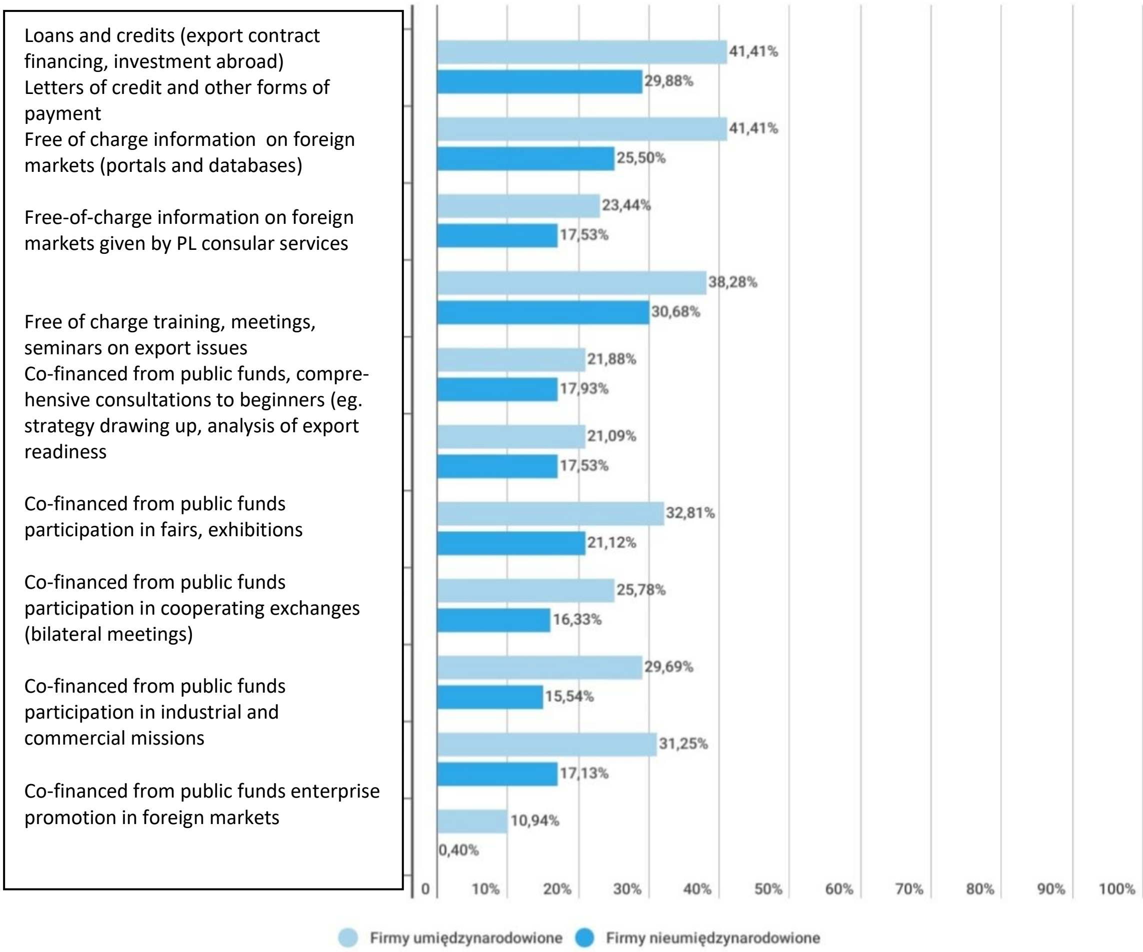
The situation amongst non-internationalized enterprises is similar, since so far as many as 97.40% of them have availed themselves mostly of the support of *commercial consulting firms*. Only 3.92% of the enterprises surveyed used the offer of government administration, the Ministry of Development, earlier the Ministry of Economy or the Ministry of Infrastructure and Development. Meanwhile, only 0.44% of enterprises took advantage of governmental offers (Polish Agency for Entrepreneurship Development and National Centre for Research and Development, Polish Agency for Information and Foreign Investment, Agency for Restructuring and Modernization of Agriculture). Few more enterprises benefited from the support of Trade and Investment Promotion Departments of Embassies and Consulates of the Republic of Poland (WPHI) - 0.87%. The support of the Regional Development Agency and of banking institutions (eg. BGK with Financial Support for Export) have succeeded with 0.84% enterprises. None of the surveyed enterprises having no export used the support of such institutions as the Chamber of Commerce and Industry, the Investor and Exporters Service Centre, COIE, Enterprise Europe Network (EEN), Export Credit Insurance Corporation.

The study carried out also facilitated analyzing the forms of support to international business known to both non-internationalized and internationalized enterprises.
Internationalized enterprises know best the forms of support that can be classified as financial. In this group of instruments, loans and credits were most frequently mentioned (export contract, or investment financing abroad) - 49.23%, letters of credit and other forms of payment - 43.85%,

government co-financing comprehensive advisory services to exporters (eg. strategy development, market analysis, evaluation of trade partners credibility, certification of goods 35.39%, government co-financed participation in economic and commercial missions - 33.08%, co-operation exchanges co-financed by public participation (bilateral meetings) - 33.54%, participation in trade fairs and exhibitions co-financed from public funds - 28.00%, comprehensive advice for beginning exporters co-financed from public funds (eg. drawing up of strategy, export readiness analysis) - 21.54%. Information and promotion support is a little less known.

In this group, the free-of-charge information about foreign markets provided by consular offices of Poland is best known - 40.77%. Then, the free information on foreign markets (portals and databases) - 26.93%. Training support in form of free training, meetings, conferences on exports is known to 23.08% of those exporting enterprises which were surveyed. In the case of non-internationalized enterprises, the question of knowledge of available forms of support for internationalization seems very similar. This group of entrepreneurs know best the free-of-charge information about foreign markets provided by consular offices of Poland - 31,33%, then, financial forms of support loans and credits - 27.47%, and letters of credit and other forms of payment - 26.00%. Support for information and promotion activities is at a similar level of - about 16.00%. The least known, just a trace number of responses of - 0.43% refers to the financial support to promote enterprises in foreign markets.

Figure 18. Knowledge of forms of support amongst enterprises surveyed.



Internationalized enterprises Non-internationalized enterprises

Source: own study based on CATI results

Answer to question:: Which of the below stated types of support to internationalization are known to you? Multiple choice.

Although on average, every second enterprise under survey declared to know on the support to internationalizing, only as few as 14,00% of those under survey availed themselves of it.

Table 16. Forms of support to international business taken advantage of by enterprises under survey

What forms of support from external bodies did you use to start or expand your presence in foreign markets in	Per cent index of entities availing themselves of a given form of support

recent 3 years? (multiple choice)	Internationalized enterprises	Non-internationalized enterprises
Loans and credits (export contract financing, investment abroad)	3,03%	0%
Letters of credit and other forms of payment	2,21%	0,28%
Free of charge information on foreign markets (portals and databases)	3,03%	0,28%
Free-of-charge information on foreign markets given by RP consular services	1,93%	0,28%
Free of charge training, meetings, seminars on export issues	3,03%	0,28%
Co-financed from public funds, comprehensive consultations	2,76%	0%
a) drawing up strategy/ plan of action	2,48%	0%
b) market analysis	2,48%	0%
c) looking for and matching business partners	2,21%	0%
d) assessment of business partners credibility	2,21%	0%
e) certification of goods and services	2,21%	0%
f) design adjustment to market demand	1,93%	0%
g) legal support to negotiation process and contract concluding	2,21%	0%
h) founding department of export services	1,93%	0%
i) other (what?)	0%	0%
Co-financed participation in fairs, exhibitions	2,48%	0%
Co-financed participation in cooperating exchanges (bilateral meetings)	2,21%	0%
Co-financed participation in industrial and commercial missions	2,21%	0%

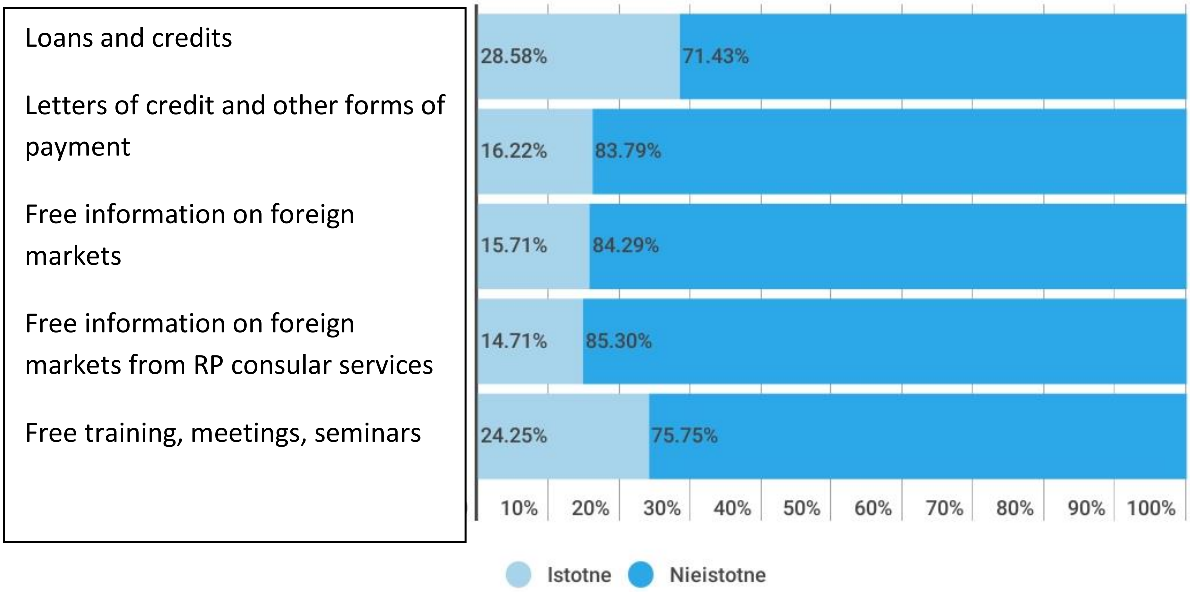
Co-financed enterprise promotion in foreign markets		0%
a) leaflets, brochures and other advertising material	2,48%	0%
b) offer publishing in media, the Internet included	2,21%	0%
c) developing website in foreign languages	2,21%	0%
d) individual presentation of the enterprise's offer to potential clients abroad	2,21%	0%
e) missions of potential clients in the enterprise's seat in the RP territory	2,21%	0%
f) including the enterprise's offer into joint promotional action of the council/region, state or a group of enterprises (eg. cluster)	2,48%	0%

Source: own study based on CATI results

The survey also helped to analyse the forms of support, of which the exporters availed themselves in the recent three years by their relevance and importance to the enterprises under study. Furthermore, the enterprises assessed the quality of the individual forms of support.

The results of the study showed that in the group of reimbursable financial instruments and information and training support, the enterprises considered *loans and credits* most important - 29.00% of responses and free training, meetings, seminars slightly over 24.00% of responses. The free information on foreign markets provided by the consular offices of RP was considered by 85.30% as irrelevant. In subsequent sequence, letters of credit and other forms of payment - 84.29% of responses and free of charge training, meetings and conferences - 83.79%.

Figure 19. Relevance and importance of forms of support in internationalizing activity (reimbursable financial instruments, information and training support

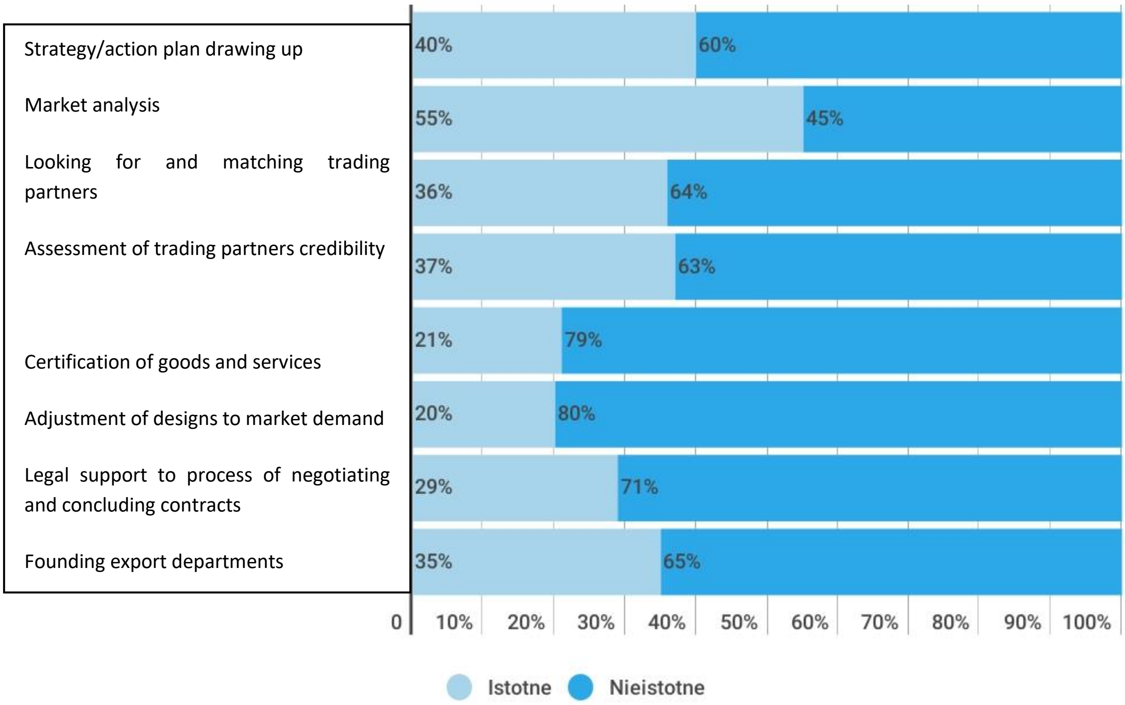


Relevant Irrelevant

Source: own study based on CATI results *CATI (n=110)*

It is of little importance for the surveyed enterprises to be provided financing for consultancy services in the field of design adjustment to market demand 80.00% and for the certification of goods and services 79.00%. The most important for the surveyed enterprises was co-financing of some consulting services, i.e. market analysis - 55.00% of responses and strategy/action plan drawing up - 40.00%.

Figure 20. Relevance and importance of forms of support in internationalizing activity (co-financing of consulting services in: strategy/action plan drawing up, market analysis, looking for and matching trading partners, credibility of trading partners, certification of goods and services, adjustment of design to market demand, legal support to process of negotiating and concluding contracts, founding export departments).



Relevant Irrelevant

Source: own study based on CATI results *(n=110)*

Entrepreneurs under survey considered the least relevant among the promotional activities to support their internationalization business was the financial support to include the enterprise's offer in joint promotional activities of the council/region/state or group of enterprises (eg. clusters) - 81.00% and visits at the enterprise's premises in the RP -79.00%. Most important for the surveyed enterprises is co-financing of website in a foreign language - 40.00% and co-financed promotional materials (folders, leaflets, brochures) - 34.00%. Co-finance of participation in fairs and exhibitions, industry and trade missions and cooperative exchanges are not relevant for over 70.00% of respondents in their international activity.

Figure 21. Relevance and importance of forms of support in internationalizing activities (co-finance for promotional action) i.e.:

Participation in fairs, exhibitions

Participation in cooperating exchanges (bilateral meetings)

Participation in industrial and commercial missions

Folders, leaflets, other promotional materials

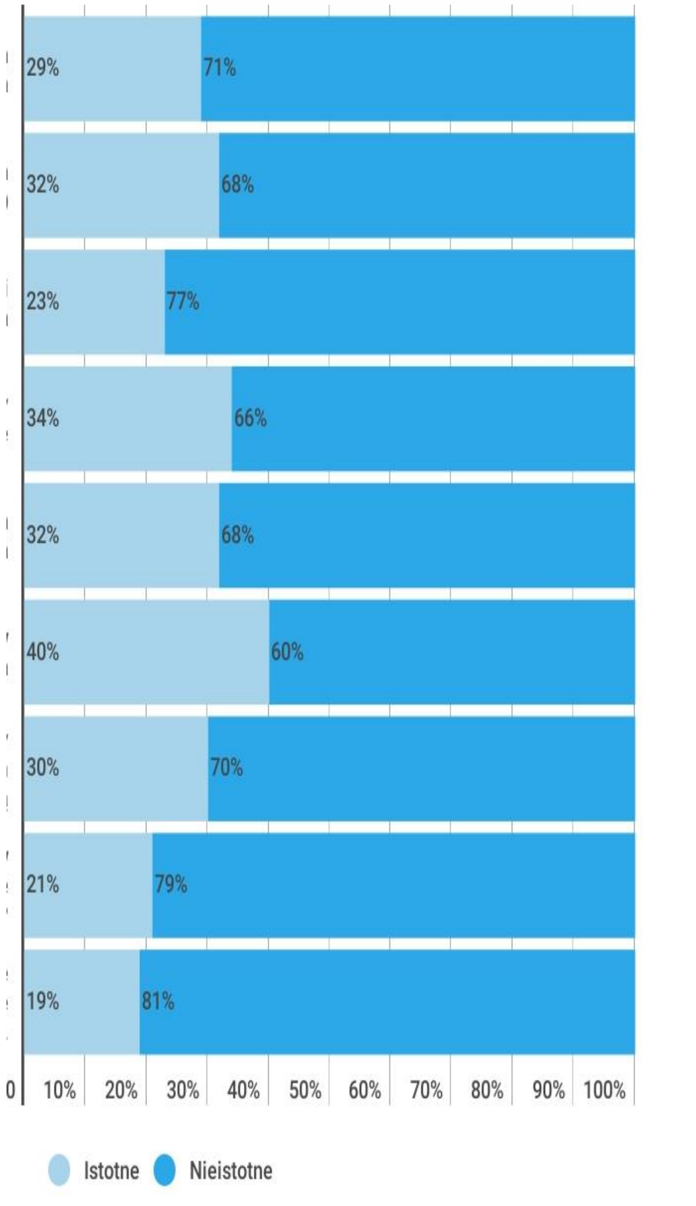
Offer publishing in media, the Internet included

Developing website in foreign languages

Individual enterprise offer presentations to potential clients abroad

Visits of potential clients in the RP enterprise's premises

Enterprise offer included into joint promotional action of council/region/state or group..



Relevant Irrelevant

Source: own study based on CATI results *(n=110)*