

## **WEB APPENDIX**

### **Determinants of Wholly Owned Foreign Direct Investments in E-Commerce Firms: A Hierarchical Country- and Firm-Level Analysis**

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## Web Appendix A. Split-Half Test

We calculated a split-half test to ensure the robustness of our results. The sample was randomly split into two equally sized groups (e.g., Sui and Baum 2014). We tested correlations and variance inflation factors (e.g., O'Brien 2007). Multicollinearity did not seem to be a problem.

Results for the firm- and country-level antecedents remained all stable (see for example Table A with the group of 863 decisions).

**Table A.** Results of Split Sample

|                                                     | Model 1             | Model 2             | Model 3             | Model 4             | Model 5             | Model 6             | Model 7             | Model 8             | Model 9             | Model 10            |
|-----------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                     | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  |
| Intercept                                           | -2.081***<br>(.173) | -2.103***<br>(.285) | -1.542***<br>(.272) | -2.130***<br>(.276) | -1.460***<br>(.282) | -2.690***<br>(.216) | -2.367***<br>(.176) | -2.442***<br>(.201) | -2.491***<br>(.360) | -2.441***<br>(.353) |
| <b>Firm Level</b>                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| International → Wholly owned                        |                     | .737***<br>(.122)   |                     |                     | .358*<br>(.155)     |                     |                     | .408*<br>(.160)     | 1.504               | .402*<br>(.158)     |
| Online Experience FDI (1/0)                         |                     |                     |                     |                     |                     |                     |                     |                     | 3.565***<br>(.960)  | 3.714***<br>(.966)  |
| Host Country → Wholly owned                         |                     |                     | 4.486***<br>(1.050) |                     | 4.394***<br>(1.019) |                     |                     |                     |                     |                     |
| Online Experience FDI (1/0)                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| FDI Online Experience → Wholly owned                |                     |                     |                     | .520*<br>(.243)     | .192ns<br>(.125)    |                     |                     |                     | 1.208               | .176ns<br>(.128)    |
| <b>Country Level</b>                                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Logistics Performance → Wholly owned                |                     |                     |                     |                     |                     | .681***<br>(.145)   |                     |                     |                     | .556***<br>(.156)   |
| Internet User Population (log.) → Wholly owned      |                     |                     |                     |                     |                     |                     | .578***<br>(.124)   |                     | .553***<br>(.143)   | 1.738               |
| Rule of Law → Wholly owned                          |                     |                     |                     |                     |                     |                     |                     | .466**<br>(.134)    | .513***<br>(.140)   | 1.670               |
| <b>Controls (Firm Level)</b>                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Firm Size (log.) → Wholly owned                     | .645***<br>(.175)   | .490**<br>(.162)    | .502**<br>(.184)    | .459**<br>(.171)    | .354*<br>(.152)     | .626***<br>(.171)   | .688***<br>(.174)   | .620***<br>(.173)   | .391*<br>(.158)     | 1.479               |
| Marketplace (1/0) → Wholly owned                    | -.155ns<br>(.117)   | -.096ns<br>(.113)   | -.225*<br>(.095)    | -.155ns<br>(.133)   | -.235*<br>(.092)    | -.102ns<br>(.111)   | -.172ns<br>(.123)   | -.093ns<br>(.112)   | -.202*<br>(.100)    | .817                |
| Multichannel (1/0) → Wholly owned                   | -.471**<br>(.168)   | -.170ns<br>(.204)   | -.412*<br>(.183)    | -.381†<br>(.204)    | -.263ns<br>(.196)   | -.367*<br>(.168)    | -.421*<br>(.174)    | -.389*<br>(.169)    | -.186ns<br>(.205)   | .830                |
| Home Market Size (log.) → Wholly owned              | .428**<br>(.164)    | .323*<br>(.142)     | .363*<br>(.144)     | .366**<br>(.116)    | .274*<br>(.137)     | .392*<br>(.153)     | .436**<br>(.156)    | .395*<br>(.159)     | .255†<br>(.132)     | 1.290               |
| Firm Online Age → Wholly owned                      | -.175ns<br>(.126)   | -.552**<br>(.163)   | -.204†<br>(.121)    | -.325*<br>(.146)    | -.427**<br>(.156)   | -.167ns<br>(.130)   | -.197ns<br>(.132)   | -.171ns<br>(.125)   | -.451**<br>(.168)   | .637                |
| Prior Host Country → Wholly owned                   | .335***<br>(.084)   | .378***<br>(.095)   | .407***<br>(.103)   | .395***<br>(.090)   | .446***<br>(.108)   | .276**<br>(.086)    | .283***<br>(.078)   | .308***<br>(.085)   | .356***<br>(.101)   | 1.427               |
| Experience (1/0) → Wholly owned                     | .057ns<br>(.179)    | -.284ns<br>(.411)   | -.116ns<br>(.378)   | -.006ns<br>(.407)   | -.361ns<br>(.409)   | .078ns<br>(.183)    | .075ns<br>(.183)    | .062ns<br>(.182)    | -.119ns<br>(.429)   | .888                |
| Prior International Experience (1/0) → Wholly owned |                     |                     |                     |                     |                     |                     |                     |                     |                     | .863                |
| <b>Controls (Country Level)</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Population Density → Wholly owned                   | .184***<br>(.027)   | .185***<br>(.034)   | .177**<br>(.057)    | .205***<br>(.033)   | .183***<br>(.042)   | .098**<br>(.029)    | .221***<br>(.024)   | .128***<br>(.029)   | .162***<br>(.042)   | 1.176               |
| -2 Log likelihood                                   | 650.442             | 608.776             | 520.140             | 628.912             | 504.512             | 629.540             | 630.638             | 637.536             | 485.256             | 486.580             |
| AIC                                                 | 670.441             | 632.777             | 544.141             | 652.912             | 532.513             | 651.540             | 652.638             | 659.535             | 517.256             | 518.580             |
| BIC (Adjusted)                                      | 686.288             | 651.793             | 563.157             | 671.928             | 554.698             | 668.972             | 670.069             | 676.967             | 542.611             | 543.935             |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

## Web Appendix B. Alternative Measures for Independent Variables

We measure differences in countries' *rule of law* referring to the broader and often used regulative indices of the institutional dimension of the Global Competitiveness Report (GCR, Kostova et al. 2020). Due to missing data on the *GCR* over time for 16 countries (e.g., Belarus, Liberia, Maldives, Uzbekistan), we excluded 34 decisions and observe 1,692 decisions. Similar to the main model, we suggest that a higher regulatory quality will provide ECFs with a favorable legal environment for FDI including, for example, high political stability, government effectiveness, or control of corruption (e.g., Bailey 2018; Luo et al. 2005).

First, we tested a broad index of GCR items relating to institutions (World Economic Forum 2019). The results are consistent with our main model but show a weaker effect of rule of law. This supports our rationale that rule of law is specifically relevant for ECFs rather than a broad set of institutions (Oxley and Yeung 2001, see Table B.1).

**Table B.1** Results for GCR as Alternative Measure for Rule of Law

|                              |                | Model 1   | Model 2   | Model 3   | Model 4   | Model 5   | Model 6   | Model 7   | Model 8   | Model 9   | Model 10  |
|------------------------------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                              |                | bp        | bp        | bp        | bp        | bp        | bp        | bp        | bp        | Exp(B)    | bp        |
|                              |                | (.144)    | (.160)    | (.163)    | (.203)    | (.177)    | (.195)    | (.195)    | (.146)    | (.203)    | (.208)    |
| Intercept                    |                | -2.070*** | -2.244*** | -1.700*** | -2.266*** | -1.643*** | -2.750*** | -2.439*** | -2.215*** | -2.304*** | -2.533*** |
| <b>Firm Level</b>            |                |           |           |           |           |           |           |           |           |           |           |
| International                | → Wholly owned |           | .684***   |           |           | .390**    |           |           |           | .409***   | 1.505     |
| Online Experience            | FDI (1/0)      |           | (.086)    |           |           | (.112)    |           |           |           | (.112)    | .432***   |
| Host Country                 | → Wholly owned |           |           | 4.288***  |           | 4.157***  |           |           |           | 3.473***  | 32.233    |
| Online Experience            | FDI (1/0)      |           |           | (.770)    |           | (.779)    |           |           |           | (.668)    | 3.332***  |
| FDI Online Ex-               | → Wholly owned |           |           |           | .432***   | .124ns    |           |           |           | .120ns    | 1.127     |
| perience                     | FDI (1/0)      |           |           |           | (.075)    | (.088)    |           |           |           | (.084)    | .116ns    |
| <b>Country Level</b>         |                |           |           |           |           |           |           |           |           |           |           |
| Logistics Perform-           | → Wholly owned |           |           |           |           |           | .611***   |           |           |           | .521***   |
| mance                        | FDI (1/0)      |           |           |           |           |           | (.098)    |           |           |           | (.103)    |
| Internet User                | → Wholly owned |           |           |           |           |           |           | .459***   |           | .503***   | 1.654     |
| Population (log.)            | FDI (1/0)      |           |           |           |           |           |           | (.096)    |           | (.103)    | .353***   |
| Rule of Law                  | → Wholly owned |           |           |           |           |           |           |           | .254***   | .335***   | 1.398     |
|                              | FDI (1/0)      |           |           |           |           |           |           |           | (.089)    | (.085)    |           |
| <b>Controls (Firm Level)</b> |                |           |           |           |           |           |           |           |           |           |           |
| Firm Size (log.)             | → Wholly owned | .639***   | .526***   | .404**    | .469***   | .316**    | .631***   | .652***   | .631***   | .339**    | 1.403     |
|                              | FDI (1/0)      | (.140)    | (.131)    | (.134)    | (.125)    | (.114)    | (.134)    | (.140)    | (.137)    | (.116)    | .338**    |
| Marketplace                  | → Wholly owned | -.187*    | -.175*    | -.143†    | -.239**   | -.167*    | -.132†    | -.199*    | -.161*    | -.158*    | .854      |
| (1/0)                        | FDI (1/0)      | (.076)    | (.069)    | (.079)    | (.081)    | (.077)    | (.074)    | (.080)    | (.074)    | (.079)    | -.153†    |
| Multichannel                 | → Wholly owned | -.501***  | -.275*    | -.388**   | -.448***  | -.261*    | -.399***  | -.465***  | -.460***  | -.197†    | .822      |
| (1/0)                        | FDI (1/0)      | (.102)    | (.119)    | (.118)    | (.109)    | (.127)    | (.098)    | (.100)    | (.100)    | (.118)    | -.175ns   |
| Home Market                  | → Wholly owned | .224*     | .144†     | .167ns    | .149†     | .108ns    | .195*     | .230***   | .213*     | .097ns    | 1.102     |
| Size (log.)                  | FDI (1/0)      | (.099)    | (.095)    | (.111)    | (.095)    | (.105)    | (.097)    | (.099)    | (.099)    | (.102)    | .085ns    |
| Firm Online Age              | → Wholly owned | -.099ns   | -.441***  | -.107ns   | -.226*    | -.325**   | -.090ns   | -.112ns   | -.096ns   | -.340**   | .712      |
|                              | FDI (1/0)      | (.097)    | (.121)    | (.093)    | (.105)    | (.119)    | (.103)    | (.100)    | (.098)    | (.125)    | -.349**   |
| Prior Host Country           | → Wholly owned | .338***   | .347***   | .391***   | .354***   | .393***   | .309***   | .304***   | .325***   | .325***   | 1.383     |
| Experience (1/0)             | FDI (1/0)      | (.060)    | (.064)    | (.070)    | (.063)    | (.075)    | (.060)    | (.059)    | (.060)    | (.070)    | .329***   |
| Prior International          | → Wholly owned | .153ns    | -.009ns   | .147ns    | .236ns    | -.064ns   | .289ns    | .340ns    | .148ns    | .050ns    | 1.052     |
| Experience (1/0)             | FDI (1/0)      | (.123)    | (.137)    | (.265)    | (.262)    | (.283)    | (.257)    | (.249)    | (.124)    | (.283)    | .044ns    |

—Table B.1 to be continued—

—Table B.1 continued—

| Controls (Country Level) |                             |                   |                   |                   |                   |                   |                 |                   |                   |                   |       |                   |       |
|--------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|-------|-------------------|-------|
| Population Den-<br>sity  | → Wholly owned<br>FDI (1/0) | .140***<br>(.023) | .141***<br>(.025) | .166***<br>(.029) | .142***<br>(.023) | .159***<br>(.030) | .053*<br>(.023) | .167***<br>(.021) | .092***<br>(.028) | .134***<br>(.032) | 1.143 | .117***<br>(.032) | 1.124 |
| -2 Log likelihood        |                             | 1,291.412         | 1,214.794         | 1,040.930         | 1,248.658         | 1,012.496         | 1,256.876       | 1,262.892         | 1,289.280         | 993.522           |       | 980.272           |       |
| AIC                      |                             | 1,311.412         | 1,238.794         | 1,065.930         | 1,270.657         | 1,041.496         | 1,278.875       | 1,286.893         | 1,311.279         | 1,025.523         |       | 1,012.271         |       |
| BIC (Adjusted)           |                             | 1,333.956         | 1,265.847         | 1,092.983         | 1,295.456         | 1,073.058         | 1,303.674       | 1,311.692         | 1,336.104         | 1,061.632         |       | 1,048.342         |       |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

Second, we selected *items related to the rule of law from the GCR*, i.e., business costs of crime and violence, organized crime, independence of courts, efficiency of legal framework, intellectual property protection, property rights and informal sector (World Economic Forum 2019). Again, since we rely on available GCR data, we observe 1,692 decisions. As these indicators cover very similar aspects to the rule of law indicator of the World Governance Indicators (WGIs), we believe the same theoretical rationale for their effects holds. However, the rule of law indicator of the World Bank uses a wider range of items, covers more countries, and captures the quality of contract enforcement which is important for FDI (e.g., Contractor et al. 2020).

The results are consistent with those of the broader index of the GCR (see Table B.2).

**Table B.2** Results for Rule of Law Items of the GCR as Alternative Measure for Rule of Law

|                              |                | Model 1             | Model 2             | Model 3             | Model 4             | Model 5             | Model 6             | Model 7             | Model 8             | Model 9             | Model 10           |                     |        |
|------------------------------|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|--------|
|                              |                | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | Exp(B)             | bp                  | Exp(B) |
| Intercept                    |                | -2.070***<br>(.144) | -2.244***<br>(.160) | -1.700***<br>(.163) | -2.266***<br>(.203) | -1.643***<br>(.177) | -2.750***<br>(.195) | -2.439***<br>(.195) | -2.209***<br>(.144) | -2.287***<br>(.199) |                    | -2.533***<br>(.208) |        |
| <b>Firm Level</b>            |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| International                | → Wholly owned |                     | .684***<br>(.086)   |                     |                     | .390**<br>(.112)    |                     |                     | .408***<br>(.112)   | 1.504               | .432***<br>(.114)  | 1.540               |        |
| Online Experience            | FDI (1/0)      |                     |                     | 4.288***<br>(.770)  |                     | 4.157***<br>(.779)  |                     |                     | 3.453***<br>(.665)  | 31.595              | 3.332***<br>(.635) | 27.994              |        |
| Host Country                 | → Wholly owned |                     |                     |                     | .432***<br>(.075)   | .124ns<br>(.088)    |                     |                     | .121ns<br>(.084)    | 1.129               | .116ns<br>(.086)   | 1.123               |        |
| Online Experience            | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| FDI Online Ex-<br>perience   | → Wholly owned |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
|                              | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| <b>Country Level</b>         |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| Logistics Perform-<br>ance   | → Wholly owned |                     |                     |                     |                     |                     | .611***<br>(.098)   |                     |                     |                     | .521***<br>(.103)  | 1.684               |        |
| Internet User                | → Wholly owned |                     |                     |                     |                     |                     |                     | .459***<br>(.096)   |                     | .488***<br>(.100)   | 1.629              | .353***<br>(.111)   | 1.423  |
| Population (log.)            | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     | .267**<br>(.089)    | .326***<br>(.087)   | 1.385              |                     |        |
| Rule of Law                  | → Wholly owned |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
|                              | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| <b>Controls (Firm Level)</b> |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| Firm Size (log.)             | → Wholly owned | .639***<br>(.140)   | .526***<br>(.131)   | .404**<br>(.134)    | .469***<br>(.125)   | .316**<br>(.114)    | .631***<br>(.134)   | .652***<br>(.140)   | .632***<br>(.137)   | .341<br>(.116)      | 1.406              | .338**<br>(.112)    | 1.402  |
| Marketplace                  | → Wholly owned | -.187*<br>(.076)    | -.175*<br>(.069)    | -.143†<br>(.079)    | -.239**<br>(.081)   | -.167*<br>(.077)    | -.132†<br>(.074)    | -.199*<br>(.080)    | -.159*<br>(.074)    | .854<br>(.080)      |                    | -.153†<br>(.079)    | .858   |
| (1/0)                        |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| Multichannel                 | → Wholly owned | -.501***<br>(.119)  | -.275*<br>(.119)    | -.388**<br>(.118)   | -.448***<br>(.109)  | -.261*<br>(.127)    | -.399***<br>(.098)  | -.465***<br>(.100)  | -.460***<br>(.099)  | -.200†<br>(.119)    | .819               | -.175ns<br>(.120)   | .839   |
| (1/0)                        |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| Home Market                  | → Wholly owned | .224*<br>(.099)     | .144†<br>(.095)     | .167ns<br>(.111)    | .149†<br>(.095)     | .108ns<br>(.105)    | .195*<br>(.097)     | .230***<br>(.099)   | .211*<br>(.099)     | .096ns<br>(.102)    | 1.101              | .085ns<br>(.103)    | 1.089  |
| Size (log.)                  | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| Firm Online Age              | → Wholly owned | -.099ns<br>(.097)   | -.441***<br>(.121)  | -.107ns<br>(.093)   | -.226*<br>(.105)    | -.325**<br>(.119)   | -.090ns<br>(.103)   | -.112ns<br>(.100)   | -.096ns<br>(.098)   | -.340**<br>(.125)   | .712               | -.349**<br>(.127)   | .712   |
| (1/0)                        |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |
| Prior Host Country           | → Wholly owned | .338***<br>(.060)   | .347***<br>(.064)   | .391***<br>(.070)   | .354***<br>(.063)   | .393***<br>(.075)   | .309***<br>(.060)   | .304***<br>(.059)   | .324***<br>(.060)   | .326***<br>(.070)   | 1.385              | .329***<br>(.071)   | 1.390  |
| Experience (1/0)             | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                     |        |

—Table B.2 to be continued—

—Table B.2 continued—

|                                      |                          |                   |                   |                   |                   |                   |                  |                   |                   |                   |       |                   |       |
|--------------------------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------|-------------------|-------|
| Prior International Experience (1/0) | → Wholly owned FDI (1/0) | .153ns<br>(.123)  | -.009ns<br>(.137) | .147ns<br>(.265)  | .236ns<br>(.262)  | -.064ns<br>(.283) | .289ns<br>(.257) | .340ns<br>(.249)  | .149ns<br>(.124)  | .055ns<br>(.283)  | 1.056 | .044ns<br>(.287)  | 1.045 |
| <b>Controls (Country Level)</b>      |                          |                   |                   |                   |                   |                   |                  |                   |                   |                   |       |                   |       |
| Population Density                   | → Wholly owned FDI (1/0) | .140***<br>(.023) | .141***<br>(.025) | .166***<br>(.029) | .142***<br>(.023) | .159***<br>(.030) | .053*<br>(.023)  | .167***<br>(.021) | .093***<br>(.026) | .141***<br>(.032) | 1.151 | .117***<br>(.032) | 1.124 |
| -2 Log likelihood                    |                          | 1,291.412         | 1,214.794         | 1,040.930         | 1,248.658         | 1,012.496         | 1,256.876        | 1,262.892         | 1,288.258         | 993.918           |       | 980.272           |       |
| AIC                                  |                          | 1,311.412         | 1,238.794         | 1,065.930         | 1,270.657         | 1,041.496         | 1,278.875        | 1,286.893         | 1,310.257         | 1,025.918         |       | 1,012.271         |       |
| BIC (Adjusted)                       |                          | 1,333.956         | 1,265.847         | 1,092.983         | 1,295.456         | 1,073.058         | 1,303.674        | 1,311.692         | 1,335.082         | 1,062.027         |       | 1,048.342         |       |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

We tested rule of law referring to the often captured index of all six *WGs* (Kostova et al. 2020; Cannizzaro and Weiner 2018). The *WGs* reflects ECFs' overall regulative environment, i.e., voice and accountability, political stability and absence of violence, government efficiency, regulatory quality, rule of law, and control of corruption. As risk-related dimensions have been found to be relevant in an e-commerce context (e.g., corruption, Berthon et al. 2008; overall regulative environment, Martinez and Williams 2010; Zhu and Thatcher 2010), they are assumed to affect ECFs' FDI choice and internalization costs as well. The size of the observed decisions is unchanged.

The index is significant and equally relevant for FDI decisions (see Table B.3).

**Table B.3** Results for *WGs* as Alternative Measure for Rule of Law

|                                 |                | Model 1             | Model 2             | Model 3             | Model 4             | Model 5             | Model 6             | Model 7             | Model 8             | Model 9             | Model 10           |                       |
|---------------------------------|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|-----------------------|
|                                 |                | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | Exp(B)             | b <sub>p</sub> Exp(B) |
| Intercept                       |                | -2.109***<br>(.146) | -2.290***<br>(.219) | -1.760***<br>(.164) | -2.323***<br>(.207) | -1.688***<br>(.178) | -2.692***<br>(.156) | -2.344***<br>(.136) | -2.451***<br>(.151) | -2.745***<br>(.212) |                    | -2.665***<br>(.216)   |
| <b>Firm Level</b>               |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                       |
| International                   | → Wholly owned |                     | .675***<br>(.085)   |                     |                     | .381**<br>(.111)    |                     |                     | .423***<br>(.114)   | 1.527               | .420***<br>(.113)  | 1.521                 |
| Online Experience               | FDI (1/0)      |                     |                     |                     |                     | 4.256***<br>(.808)  |                     |                     | 3.182***<br>(.630)  | 24.095              | 3.305***<br>(.634) | 27.250                |
| Host Country                    | → Wholly owned |                     |                     | 4.274***<br>(.770)  |                     |                     |                     |                     |                     |                     |                    |                       |
| Online Experience               | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                       |
| FDI Online Experience           | → Wholly owned |                     |                     |                     | .439***<br>(.081)   | .120ns<br>(.088)    |                     |                     | .124ns<br>(.086)    | 1.132               | .114ns<br>(.086)   | 1.121                 |
| <b>Country Level</b>            |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                       |
| Logistics Performance           | → Wholly owned |                     |                     |                     |                     |                     | .633***<br>(.098)   |                     |                     |                     | .526***<br>(.103)  | 1.692                 |
| Internet User Population (log.) | → Wholly owned |                     |                     |                     |                     |                     |                     | .505***<br>(.101)   |                     | .582***<br>(.103)   | 1.790              | .379***<br>(.117)     |
| Rule of Law                     | → Wholly owned |                     |                     |                     |                     |                     |                     |                     | .438***<br>(.091)   | .514***<br>(.092)   | 1.672              |                       |
| <b>Controls (Firm Level)</b>    |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                    |                       |
| Firm Size (log.)                | → Wholly owned | .641***<br>(.139)   | .524***<br>(.129)   | .405**<br>(.134)    | .466***<br>(.126)   | .318**<br>(.113)    | .627***<br>(.133)   | .651***<br>(.138)   | .632***<br>(.135)   | .346**<br>(.115)    | 1.413              | .336**<br>(.110)      |
| Marketplace (1/0)               | → Wholly owned | -.187*<br>(.076)    | -.172*<br>(.069)    | -.144†<br>(.079)    | -.233**<br>(.081)   | -.165*<br>(.077)    | -.131†<br>(.074)    | -.199*<br>(.080)    | -.137†<br>(.073)    | -.144ns<br>(.078)   | .866               | -.151†<br>(.079)      |
| Multichannel (1/0)              | → Wholly owned | -.519***<br>(.101)  | -.290*<br>(.118)    | -.409**<br>(.118)   | -.464***<br>(.109)  | -.280*<br>(.126)    | -.404***<br>(.098)  | -.474***<br>(.100)  | -.444***<br>(.098)  | -.180ns<br>(.121)   | .836               | -.181ns<br>(.119)     |
| Home Market Size (log.)         | → Wholly owned | .236*<br>(.100)     | .159†<br>(.095)     | .180ns<br>(.112)    | .166†<br>(.091)     | .123ns<br>(.106)    | .202*<br>(.098)     | .241***<br>(.099)   | .208*<br>(.098)     | .091ns<br>(.101)    | 1.096              | .095ns<br>(.103)      |
| Firm Online Age                 | → Wholly owned | -.098ns<br>(.096)   | -.435***<br>(.120)  | -.105ns<br>(.092)   | -.228*<br>(.105)    | -.317**<br>(.118)   | -.089ns<br>(.103)   | -.112ns<br>(.099)   | -.090ns<br>(.098)   | -.342**<br>(.126)   | .711               | -.339**<br>(.125)     |

—Table B.3 to be continued—

—Table B.3 continued—

|                                    |           |           |           |           |           |           |           |           |           |       |           |       |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|-----------|-------|
| Prior Host Country → Wholly owned  | .335***   | .344***   | .387***   | .355***   | .389***   | .304***   | .300***   | .326***   | .321***   | 1.379 | .322***   | 1.380 |
| Experience (1/0) FDI (1/0)         | (.060)    | (.064)    | (.069)    | (.063)    | (.074)    | (.060)    | (.058)    | (.060)    | (.069)    |       | (.070)    |       |
| Prior International → Wholly owned | .176ns    | .016ns    | .195ns    | .271ns    | -.020ns   | .155ns    | .183ns    | .152ns    | .080ns    | 1.083 | .067ns    | 1.069 |
| Experience (1/0) FDI (1/0)         | (.123)    | (.274)    | (.264)    | (.262)    | (.282)    | (.127)    | (.123)    | (.125)    | (.285)    |       | (.285)    |       |
| <b>Controls (Country Level)</b>    |           |           |           |           |           |           |           |           |           |       |           |       |
| Population Density → Wholly owned  | .135***   | .136***   | .158***   | .139***   | .153***   | .049*     | .161***   | .082***   | .135***   | 1.145 | .111***   | 1.117 |
| FDI (1/0)                          | (.022)    | (.024)    | (.027)    | (.022)    | (.029)    | (.021)    | (.020)    | (.022)    | (.028)    |       | (.030)    |       |
| -2 Log likelihood                  | 1,302.166 | 1,226.798 | 1,050.880 | 1,260.122 | 1,024.316 | 1,265.178 | 1,273.650 | 1,281.392 | 985.934   |       | 989.492   |       |
| AIC                                | 1,322.166 | 1,250.798 | 1,075.880 | 1,284.122 | 1,052.316 | 1,287.178 | 1,295.650 | 1,303.392 | 1,017.933 |       | 1,021.492 |       |
| BIC (Adjusted)                     | 1,344.933 | 1,278.118 | 1,103.200 | 1,311.442 | 1,084.189 | 1,312.222 | 1,320.693 | 1,328.435 | 1,054.360 |       | 1,057.919 |       |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

We tested internet penetration as a common alternative measure of a country's internet use (e.g., Batsakis et al. 2022). *Internet penetration* measures the percentage of a population using the internet (World Bank 2022). Similar to the main model, we assume internet penetration to affect the likelihood of FDI reflecting a population's confidence and experience in using internet communication technology and demand for online services (Paniagua et al. 2017). Internet penetration has been found to affect ECFs' internationalization speed positively (Luo et al., 2005) and market selection or market share in emerging markets negatively (Kardes et al. 2020; Schu and Morschett 2017). Due to high correlations with rule of law and logistics performance, we tested internet penetration separately showing a stable positive effect. **Models 9 and 10, however, cannot be interpreted due to collinearity but are also shown (see Table B.4).**

**Table B.4** Results for Internet Penetration as Alternative Measure for Internet Use

|                                                | Model 1   | Model 2   | Model 3   | Model 4   | Model 5   | Model 6   | Model 7   | Model 8   | Model 9   | Model 10  |
|------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                | bp        | bp        | bp        | bp        | bp        | bp        | bp        | bp        | bp        | bp        |
| Intercept                                      | -2.109*** | -2.290*** | -1.760*** | -2.323*** | -1.688*** | -2.692*** | -2.478*** | -2.451*** | -2.183*** | -2.429*** |
|                                                | (.146)    | (.219)    | (.164)    | (.207)    | (.178)    | (.156)    | (.183)    | (.151)    | (.222)    | (.217)    |
| <b>Firm Level</b>                              |           |           |           |           |           |           |           |           |           |           |
| International → Wholly owned                   |           | .675***   |           |           | .381**    |           |           |           | .391***   | 1.478     |
| Online Experience FDI (1/0)                    |           | (.085)    |           |           | (.111)    |           |           |           | (.115)    | .405***   |
| Host Country → Wholly owned                    |           |           | 4.274***  |           | 4.256***  |           |           |           | 3.821***  | 45.650    |
| Online Experience FDI (1/0)                    |           |           | (.770)    |           | (.808)    |           |           |           | (.775)    | 3.567***  |
| FDI Online Experience → Wholly owned           |           |           |           | .439***   | .120ns    |           |           |           | .124ns    | 1.132     |
| FDI (1/0)                                      |           |           |           | (.081)    | (.088)    |           |           |           | (.088)    | .131ns    |
| <b>Country Level</b>                           |           |           |           |           |           |           |           |           |           |           |
| Logistics Performance → Wholly owned           |           |           |           |           |           | .633***   |           |           |           | .636***   |
| FDI (1/0)                                      |           |           |           |           |           | (.098)    |           |           |           | (.149)    |
| Internet User Population (log.) → Wholly owned |           |           |           |           |           |           | .510***   |           | .060ns    | 1.061     |
| FDI (1/0)                                      |           |           |           |           |           |           | (.160)    |           | (.277)    | -.043ns   |
| Rule of Law → Wholly owned                     |           |           |           |           |           |           |           | .438***   | .409***   | 1.505     |
| FDI (1/0)                                      |           |           |           |           |           |           |           | (.091)    | (.202)    |           |
| <b>Controls (Firm Level)</b>                   |           |           |           |           |           |           |           |           |           |           |
| Firm Size (log.) → Wholly owned                | .641***   | .524***   | .405**    | .466***   | .318**    | .627***   | .624***   | .632***   | .316**    | 1.372     |
| FDI (1/0)                                      | (.139)    | (.129)    | (.134)    | (.126)    | (.113)    | (.133)    | (.136)    | (.135)    | (.110)    | .318**    |
| Marketplace (1/0) → Wholly owned               | -.187*    | -.172*    | -.144†    | -.233**   | -.165*    | -.131†    | -.148*    | -.137†    | -.123ns   | .884      |
| FDI (1/0)                                      | (.076)    | (.069)    | (.079)    | (.081)    | (.077)    | (.074)    | (.073)    | (.073)    | (.075)    | -.131†    |
| Multichannel (1/0) → Wholly owned              | -.519***  | -.290*    | -.409**   | -.464***  | -.280*    | -.404***  | -.446***  | -.444***  | -.205†    | .815      |
| FDI (1/0)                                      | (.101)    | (.118)    | (.118)    | (.109)    | (.126)    | (.098)    | (.097)    | (.098)    | (.120)    | -.180ns   |
| Home Market Size (log.) → Wholly owned         | .236*     | .159†     | .180ns    | .166†     | .123ns    | .202*     | .223*     | .208*     | .095ns    | 1.100     |
| FDI (1/0)                                      | (.100)    | (.095)    | (.112)    | (.091)    | (.106)    | (.098)    | (.099)    | (.098)    | (.104)    | .091ns    |

—Table B.4 to be continued—

—Table B.4 continued—

|                                              |                   |                    |                   |                   |                   |                   |                   |                   |                   |                 |                   |       |
|----------------------------------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|-------------------|-------|
| Firm Online Age → Wholly owned FDI (1/0)     | -.098ns<br>(.096) | -.435***<br>(.120) | -.105ns<br>(.092) | -.228*<br>(.105)  | -.317**<br>(.118) | -.089ns<br>(.103) | -.090ns<br>(.098) | -.102ns<br>(.097) | -.326**<br>(.120) | .722<br>(.123)  | -.331**<br>(.123) | .718  |
| Prior Host Country → Wholly owned FDI (1/0)  | .335***<br>(.060) | .344***<br>(.064)  | .387***<br>(.069) | .355***<br>(.063) | .389***<br>(.074) | .304***<br>(.060) | .326***<br>(.060) | .324***<br>(.060) | .366***<br>(.072) | 1.441<br>(.072) | .345***<br>(.072) | 1.412 |
| Prior International → Wholly owned FDI (1/0) | .176ns<br>(.123)  | .016ns<br>(.274)   | .195ns<br>(.264)  | .271ns<br>(.262)  | -.020ns<br>(.282) | .155ns<br>(.127)  | .152ns<br>(.125)  | .137ns<br>(.123)  | -.013ns<br>(.278) | .987<br>(.283)  | .015ns<br>(.283)  | 1.015 |
| <b>Controls (Country Level)</b>              |                   |                    |                   |                   |                   |                   |                   |                   |                   |                 |                   |       |
| Population Density → Wholly owned FDI (1/0)  | .135***<br>(.022) | .136***<br>(.024)  | .158***<br>(.027) | .139***<br>(.022) | .153***<br>(.029) | .049*<br>(.021)   | .107***<br>(.022) | .082***<br>(.022) | .102***<br>(.030) | 1.107<br>(.029) | .073*<br>(.029)   | 1.076 |
| -2 Log likelihood                            | 1,302.166         | 1,226.798          | 1,050.880         | 1,260.122         | 1,024.316         | 1,265.178         | 1,287.518         | 1,281.392         | 1,007.788         |                 | 989.492           |       |
| AIC                                          | 1,322.166         | 1,250.798          | 1,075.880         | 1,284.122         | 1,052.316         | 1,287.178         | 1,309.518         | 1,303.392         | 1,039.789         |                 | 1,021.492         |       |
| BIC (Adjusted)                               | 1,344.933         | 1,278.118          | 1,103.200         | 1,311.442         | 1,084.189         | 1,312.222         | 1,334.562         | 1,328.435         | 1,076.215         |                 | 1,057.919         |       |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

We tested common alternative measures for market attractiveness (population density in our main model) offering further location advantages, however only in single models as most of the variables cause multicollinearity with the existing environmental variables and among each other.

We refer first of all to the *gross domestic product (GDP) per capita*, *gross national income (GNI) per capita* or the *GDP per capita growth* (e.g., Berry et al. 2010; Moalla and Mayrhofer 2020). GNI captures economic stability and market potential like GDP but covers the total value of everything produced by a country's residents abroad. The results are stable, and the effects of GDP and GNI per capita even slightly stronger (see Table B.5). Thus, GDP and GNI can be used as an alternative measure representing attractiveness of host countries with almost statistically identical results and high correlations among them. GDP per capita growth is in general considered a dynamic factor, different from static measures mentioned; high market growth is argued to hold business opportunities for firms that enter markets quickly and focus on rapid external learning rather than slow internal learning through FDI (e.g., Morschett et al. 2010). However, the results for GDP per capita growth are insignificant (see Table B.5). ECFs rely on static economic factors as possible indicators of market attractiveness as they reflect the potential customer base, economic stability, and may be more reliable location factors than market growth, which can fluctuate more (e.g., Dikova and Van Witteloostuijn 2007).

We further tested less common alternative measures, which could also reflect a market's attractiveness for location advantages like the population, the percentage of urban population, or country development. The population measures all residents of a country indicating the total potential customers in a market (Basu et al. 2023; World Bank 2022). Likewise, urban population measures the percentage of people living in urban areas, which is an important attractiveness indicator in international retailing (e.g., Gripsrud and Benito 2005; World Bank 2022). Country development was measured using the human development index, which reflects the overall living standards of a country and is more attractive for ECFs' FDI, for example (e.g., Benmamoun et al. 2019; United Nations Development Programme 2019). While the effect of population is non-significant, urban population and country development both show positive effects as in our main model. These represent further interesting variables in the novel research field of ECFs' mode choices.

**Table B.5** Alternative Measures of Market Attractiveness

|                                      |                    | GDP per capita (log.) | GNI per capita (log.) | GDP per capita growth | Population (log.)   | Urban Population (%) | Country Development |
|--------------------------------------|--------------------|-----------------------|-----------------------|-----------------------|---------------------|----------------------|---------------------|
|                                      |                    | bp                    | bp                    | bp                    | bp                  | bp                   | bp                  |
| Intercept                            |                    | -2.231***<br>(.236)   | -2.251***<br>(.237)   | -1.676***<br>(.177)   | -1.702***<br>(.176) | -2.067***<br>(.209)  | -2.385***<br>(.292) |
| <b>Firm Level</b>                    |                    |                       |                       |                       |                     |                      |                     |
| International                        | → Wholly owned FDI | .397**<br>(.115)      | .399**<br>(.115)      | .384***<br>(.109)     | .379***<br>(.106)   | .407***<br>(.113)    | .392**<br>(.114)    |
| Online Experience                    | (1/0)              |                       |                       |                       |                     |                      |                     |
| Host Country                         | → Wholly owned FDI | 3.865***<br>(.776)    | 3.867***<br>(.779)    | 4.378***<br>(.858)    | 4.289***<br>(.823)  | 3.806***<br>(.740)   | 3.676***<br>(.718)  |
| Online Experience                    | (1/0)              |                       |                       |                       |                     |                      |                     |
| FDI Online Experience                | → Wholly owned FDI | .134ns<br>(.089)      | .134ns<br>(.089)      | .124ns<br>(.087)      | .126ns<br>(.085)    | .113ns<br>(.088)     | .135ns<br>(.090)    |
| FDI Online Experience                | (1/0)              |                       |                       |                       |                     |                      |                     |
| <b>Country Level</b>                 |                    |                       |                       |                       |                     |                      |                     |
| Market Attractiveness                | → Wholly owned FDI | .574***<br>(.150)     | .587***<br>(.146)     | -.062ns<br>(.111)     | .089ns<br>(.066)    | .574***<br>(.131)    | .800***<br>(.220)   |
| Market Attractiveness                | (1/0)              |                       |                       |                       |                     |                      |                     |
| <b>Controls (Firm Level)</b>         |                    |                       |                       |                       |                     |                      |                     |
| Firm Size (log.)                     | → Wholly owned FDI | .307**<br>(.104)      | .307**<br>(.103)      | .318**<br>(.112)      | .322**<br>(.113)    | .310**<br>(.106)     | .305**<br>(.103)    |
| Marketplace (1/0)                    | → Wholly owned FDI | -.124†<br>(.074)      | -.123†<br>(.074)      | -.152*<br>(.077)      | -.157*<br>(.078)    | -.139†<br>(.074)     | -.116ns<br>(.074)   |
| Multichannel (1/0)                   | → Wholly owned FDI | -.196ns<br>(.123)     | -.194ns<br>(.123)     | -.282*<br>(.126)      | -.289*<br>(.126)    | -.207†<br>(.118)     | -.184ns<br>(.122)   |
| Home Market Size (log.)              | → Wholly owned FDI | .093ns<br>(.104)      | .092ns<br>(.104)      | .119ns<br>(.105)      | .123ns<br>(.105)    | .100ns<br>(.104)     | .098ns<br>(.104)    |
| Firm Online Age                      | → Wholly owned FDI | -.320**<br>(.118)     | -.319**<br>(.118)     | -.302*<br>(.117)      | -.307**<br>(.117)   | -.334**<br>(.116)    | -.316**<br>(.117)   |
| Prior Host Country Experience (1/0)  | → Wholly owned FDI | .364***<br>(.071)     | .362***<br>(.071)     | .392***<br>(.074)     | .390***<br>(.073)   | .379***<br>(.071)    | .368***<br>(.072)   |
| Prior International Experience (1/0) | → Wholly owned FDI | -.024ns<br>(.288)     | -.021ns<br>(.289)     | .003ns<br>(.284)      | .018ns<br>(.284)    | -.072ns<br>(.278)    | -.037ns<br>(.286)   |
| -2 Log likelihood                    |                    | 1,012.978             | 1,012.335             | 1,028.980             | 1,026.862           | 1,010.987            | 1,008.327           |
| AIC                                  |                    | 1,040.978             | 1,040.335             | 1,056.981             | 1,055.862           | 1,039.987            | 1,036.327           |
| BIC (Adjusted)                       |                    | 1,072.843             | 1,072.201             | 1,088.846             | 1,087.735           | 1,071.860            | 1,067.988           |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

As an alternative measurement for international online experience we capture *geographic scope* (i.e., number of countries; e.g., Putzhammer et al. 2018). Geographic scope is argued to reflect firms' diversity of knowledge and with possible ownership advantages regarding foreign operations in multiple different markets. The more experience ECFs have gained in a variety of country settings, the better they can apply this knowledge to FDI in selected markets (e.g., Clarke et al. 2013). The size of the observed decisions is unchanged.

The results are in line with the main model (see Table B.6). ECFs rely on both international knowledge accrued over time as well as the diversity of foreign markets they have entered (e.g., Erramilli 1991). However, surprisingly, FDI online experience is significant in all models, suggesting that ECFs with a high diversity of experience in foreign markets also rely on FDI experience (unlike ECFs that fully rely on their experience gained over time). Future research might look deeper in this surprising phenomenon.

**Table B.6** Results for Geographic Scope as Alternative Measure for International Online Experience

|                                 |                | Model 1             | Model 2             | Model 3             | Model 4             | Model 5             | Model 6             | Model 7             | Model 8             | Model 9             | Model 10 |                     |        |
|---------------------------------|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------|---------------------|--------|
|                                 |                | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | Exp(B)   | bp                  | Exp(B) |
| Intercept                       |                | -2.109***<br>(.146) | -2.210***<br>(.214) | -1.760***<br>(.164) | -2.323***<br>(.207) | -1.683***<br>(.178) | -2.692***<br>(.156) | -2.344***<br>(.136) | -2.473***<br>(.153) | -2.746***<br>(.205) |          | -2.675***<br>(.211) |        |
| <b>Firm Level</b>               |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| International                   | → Wholly owned |                     | .770***<br>(.120)   |                     |                     | .333***<br>(.091)   |                     |                     |                     | .416***<br>(.095)   | 1.516    | .410***<br>(.098)   | 1.507  |
| Online Experience               | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| Host Country                    | → Wholly owned |                     |                     | 4.274***<br>(.770)  |                     | 4.122***<br>(.827)  |                     |                     |                     | 3.137***<br>(.673)  | 23.035   | 3.232***<br>(.670)  | 25.330 |
| Online Experience               | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| FDI Online Experience           | → Wholly owned |                     |                     |                     | .439***<br>(.081)   | .120***<br>(.088)   |                     |                     |                     | .227***<br>(.074)   | 1.319    | .216***<br>(.074)   | 1.241  |
| FDI (1/0)                       | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| <b>Country Level</b>            |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| Logistics Performance           | → Wholly owned |                     |                     |                     |                     |                     | .633***<br>(.098)   |                     |                     |                     |          | .549***<br>(.104)   | 1.732  |
| Internet User Population (log.) | → Wholly owned |                     |                     |                     |                     |                     |                     | .505***<br>(.101)   |                     | .582***<br>(.100)   | 1.790    | .400***<br>(.116)   | 1.492  |
| Rule of Law                     | → Wholly owned |                     |                     |                     |                     |                     |                     |                     | .466***<br>(.091)   | .536***<br>(.092)   | 1.709    |                     |        |
| FDI (1/0)                       | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| <b>Controls (Firm Level)</b>    |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| Firm Size (log.)                | → Wholly owned | .641***<br>(.139)   | .383***<br>(.129)   | .405**<br>(.134)    | .466***<br>(.126)   | .266**<br>(.102)    | .627***<br>(.133)   | .651***<br>(.138)   | .630***<br>(.135)   | .277**<br>(.100)    | 1.319    | .269**<br>(.096)    | 1.309  |
| FDI (1/0)                       | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| Marketplace (1/0)               | → Wholly owned | -.187*<br>(.076)    | -.123†<br>(.072)    | -.144†<br>(.079)    | -.233**<br>(.081)   | -.156*<br>(.079)    | -.131†<br>(.074)    | -.199*<br>(.080)    | -.132†<br>(.073)    | -.115ns<br>(.081)   | .891     | -.125†<br>(.081)    | .883   |
| FDI (1/0)                       | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| Multichannel (1/0)              | → Wholly owned | -.519***<br>(.101)  | -.412***<br>(.109)  | -.409**<br>(.118)   | -.464***<br>(.109)  | -.351**<br>(.124)   | -.404***<br>(.098)  | -.474***<br>(.100)  | -.439***<br>(.097)  | -.239*<br>(.119)    | .788     | -.239*<br>(.118)    | .788   |
| Home Market                     | → Wholly owned | .236*<br>(.100)     | .208*<br>(.102)     | .180ns<br>(.112)    | .166†<br>(.091)     | .130ns<br>(.105)    | .202*<br>(.098)     | .241***<br>(.099)   | .206*<br>(.098)     | .099ns<br>(.100)    | 1.104    | .102ns<br>(.102)    | 1.108  |
| Size (log.)                     | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| Firm Online Age                 | → Wholly owned | -.098ns<br>(.096)   | -.236*<br>(.103)    | -.105ns<br>(.092)   | -.228*<br>(.105)    | -.236*<br>(.105)    | -.089ns<br>(.103)   | -.112ns<br>(.099)   | -.091ns<br>(.098)   | -.254*<br>(.113)    | .776     | -.249*<br>(.111)    | .780   |
| FDI (1/0)                       | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| Prior Host Country              | → Wholly owned | .335***<br>(.060)   | .421***<br>(.062)   | .387***<br>(.069)   | .355***<br>(.063)   | .416***<br>(.072)   | .304***<br>(.060)   | .300***<br>(.058)   | .322***<br>(.059)   | .345***<br>(.069)   | 1.412    | .348***<br>(.070)   | 1.417  |
| Experience (1/0)                | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| Prior International             | → Wholly owned | .176ns<br>(.123)    | -.156ns<br>(.279)   | .195ns<br>(.264)    | .271ns<br>(.262)    | -.057ns<br>(.285)   | .155ns<br>(.127)    | .183ns<br>(.123)    | .151ns<br>(.125)    | .023ns<br>(.288)    | 1.023    | .007ns<br>(.286)    | 1.007  |
| Experience (1/0)                | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| <b>Controls (Country Level)</b> |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| Population Density              | → Wholly owned | .135***<br>(.022)   | .146***<br>(.028)   | .158***<br>(.027)   | .139***<br>(.022)   | .149***<br>(.027)   | .049*<br>(.021)     | .161***<br>(.020)   | .075***<br>(.021)   | .124***<br>(.026)   | 1.132    | .103***<br>(.028)   | 1.108  |
| FDI (1/0)                       | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |          |                     |        |
| -2 Log likelihood               |                | 1,302.166           | 1,012.547           | 1,050.880           | 1,260.122           | 1,022.708           | 1,265.178           | 1,273.650           | 1,277.798           | 981.386             |          | 985.588             |        |
| AIC                             |                | 1,322.166           | 1,236.547           | 1,075.880           | 1,284.122           | 1,050.708           | 1,287.178           | 1,295.650           | 1,299.797           | 1,013.387           |          | 1,017.587           |        |
| BIC (Adjusted)                  |                | 1,344.933           | 1,263.867           | 1,103.200           | 1,311.442           | 1,082.581           | 1,312.222           | 1,320.693           | 1,324.840           | 1,049.814           |          | 1,054.014           |        |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

## Web Appendix C. Models with Different Timing

We tested our model with independent variables measured the same year a mode choice was observed because it could be argued for retail firms in general and for ECFs in particular that cash flows immediately emerge, after FDI in this context. The sample increases because of additional firm- and country-level data available for 2010 (instead of missing data at  $t_{-1}$  in 2009) and consist of 1,975 decisions of 250 ECFs in 148 countries. Our methodological approach and tests (e.g., Hox et al. 2018, Kaufman 1996) remain the same as is our theoretical rationale for the firm- and country-level variables.

The results largely support our model (see Table C.1). Only the FDI experience variable seems to be marginally significant but weak in strength, while the strength of host country experience increases due to a more skewed distribution of the variable. However, we see strong general support for our results.

**Table C.1** Results of the Non-Time Lagged Model

|                                                | Model 1             | Model 2             | Model 3             | Model 4             | Model 5             | Model 6             | Model 7             | Model 8             | Model 9             | Model 10                  |
|------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------------|
|                                                | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | Exp(B)              | b <sub>p</sub> Exp(B)     |
| Intercept                                      | -2.308***<br>(.145) | -2.456***<br>(.153) | -1.805***<br>(.168) | -2.508***<br>(.191) | -1.788***<br>(.190) | -2.877***<br>(.149) | -2.502***<br>(.131) | -2.674***<br>(.153) | -2.795***<br>(.212) | -2.775***<br>(.220)       |
| <b>Firm Level</b>                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| International → Wholly owned                   |                     | .703***<br>(.084)   |                     |                     | .387**<br>(.117)    |                     |                     |                     | .407**<br>(.121)    | 1.502 .405**<br>(.121)    |
| Online Experience FDI (1/0)                    |                     |                     | 4.155***<br>(.665)  |                     | 3.972***<br>(.648)  |                     |                     |                     | 4.002***<br>(.701)  | 54.710 4.084***<br>(.705) |
| Host Country → Wholly owned                    |                     |                     |                     | .452***<br>(.077)   | .134†<br>(.074)     |                     |                     |                     | .152*<br>(.074)     | 1.164 .145†<br>(.074)     |
| Online Experience FDI (1/0)                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| FDI Online Experience → Wholly owned           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| FDI (1/0)                                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| <b>Country Level</b>                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| Logistics Performance → Wholly owned           |                     |                     |                     |                     |                     | .704***<br>(.086)   |                     |                     |                     | .566***<br>(.111)         |
| Internet User Population (log.) → Wholly owned |                     |                     |                     |                     |                     |                     | .546***<br>(.095)   |                     | .550***<br>(.108)   | 1.733 .370**<br>(.119)    |
| Rule of Law → Wholly owned                     |                     |                     |                     |                     |                     |                     |                     | .535***<br>(.089)   | .529***<br>(.100)   | 1.697                     |
| <b>Controls (Firm Level)</b>                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| Firm Size (log.) → Wholly owned                | .770***<br>(.122)   | .638***<br>(.109)   | .489***<br>(.129)   | .587***<br>(.116)   | .383***<br>(.102)   | .746***<br>(.119)   | .776***<br>(.123)   | .755***<br>(.120)   | .405***<br>(.104)   | 1.500 .396***<br>(.101)   |
| Marketplace (1/0) → Wholly owned               | -.156*<br>(.066)    | -.148*<br>(.063)    | -.146†<br>(.075)    | -.198**<br>(.071)   | -.166*<br>(.077)    | -.134*<br>(.063)    | -.185**<br>(.067)   | -.127*<br>(.064)    | -.189*<br>(.075)    | .828 -.196*<br>(.076)     |
| FDI (1/0)                                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| Multichannel → Wholly owned                    | -.406***<br>(.098)  | -.199†<br>(.118)    | -.405**<br>(.117)   | -.347**<br>(.110)   | -.277*<br>(.119)    | -.326**<br>(.097)   | -.378***<br>(.099)  | -.351***<br>(.096)  | -.216†<br>(.120)    | .806 -.218†<br>(.120)     |
| FDI (1/0)                                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| Home Market → Wholly owned                     | .179*<br>(.086)     | .118ns<br>(.085)    | .153ns<br>(.115)    | .113ns<br>(.080)    | .100ns<br>(.109)    | .161†<br>(.084)     | .185*<br>(.083)     | .165†<br>(.084)     | .082ns<br>(.105)    | 1.085 .084ns<br>(.107)    |
| Size (log.) FDI (1/0)                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| Firm Online Age → Wholly owned                 | -.003ns<br>(.092)   | -.367**<br>(.118)   | -.016ns<br>(.105)   | -.136ns<br>(.102)   | -.248†<br>(.132)    | -.029ns<br>(.096)   | -.031ns<br>(.094)   | -.021ns<br>(.093)   | -.316*<br>(.140)    | .729 -.313*<br>(.138)     |
| FDI (1/0)                                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| Prior Host Country → Wholly owned              | .347***<br>(.058)   | .358***<br>(.060)   | .382***<br>(.070)   | .367***<br>(.060)   | .317***<br>(.074)   | .320***<br>(.057)   | .317***<br>(.057)   | .336***<br>(.057)   | .318***<br>(.072)   | 1.374 .322***<br>(.072)   |
| Experience (1/0) FDI (1/0)                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| Prior International → Wholly owned             | .160ns<br>(.114)    | -.001ns<br>(.128)   | .240***<br>(.282)   | .257ns<br>(.241)    | .042ns<br>(.289)    | .121ns<br>(.118)    | .152ns<br>(.114)    | .124ns<br>(.116)    | .115ns<br>(.291)    | 1.122 .108ns<br>(.292)    |
| Experience (1/0) FDI (1/0)                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| <b>Controls (Country Level)</b>                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| Population Density → Wholly owned              | .128***<br>(.021)   | .129***<br>(.022)   | .162***<br>(.031)   | .134***<br>(.021)   | .156***<br>(.031)   | .029†<br>(.018)     | .155***<br>(.019)   | .057**<br>(.019)    | .135***<br>(.031)   | 1.145 .113***<br>(.033)   |
| FDI (1/0)                                      |                     |                     |                     |                     |                     |                     |                     |                     |                     |                           |
| -2 Log likelihood                              | 1,422.420           | 1,334.096           | 1,043.562           | 1,043.562           | 1,015.728           | 1,373.864           | 1,389.838           | 1,391.958           | 977.336             | 979.424                   |
| AIC                                            | 1,442.420           | 1,356.097           | 1,067.562           | 1,067.562           | 1,043.727           | 1,395.865           | 1,411.839           | 1,413.958           | 1,009.336           | 1,011.424                 |
| BIC (Adjusted)                                 | 1,466.533           | 1,382.621           | 1,096.498           | 1,096.498           | 1,077.485           | 1,422.389           | 1,438.363           | 1,440.482           | 1,047.917           | 1,050.005                 |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

We tested our model additionally with independent variables measured two years prior to mode implementation, as some decisions could take longer than one year. However, the sample size is reduced considerably due to missing firm- and country-level data at  $t_2$  in 2008 and consists of 1,631 decisions of 237 ECFs in 140 countries. Again, our methodological approach and tests (e.g., Hox et al. 2018, Kaufman 1996) remain the same, as do our theoretical rationales for the firm- and country-level variables. Despite a smaller sample size, the results support our main model (see Table C.2).

**Table C.2** Results of the 2-Year Lagged Model

|                                                     | Model 1             | Model 2             | Model 3             | Model 4             | Model 5             | Model 6             | Model 7             | Model 8             | Model 9             | Model 10            |
|-----------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                     | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  |
| Intercept                                           | -1.603***<br>(.111) | -1.900***<br>(.208) | -1.529***<br>(.155) | -1.971***<br>(.201) | -1.463***<br>(.163) | -2.280***<br>(.215) | -1.902***<br>(.093) | -1.919***<br>(.169) | -2.536***<br>(.222) | -2.267***<br>(.203) |
| <b>Firm Level</b>                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| International → Wholly owned                        |                     | .581***<br>(.068)   |                     |                     | .424***<br>(.084)   |                     |                     |                     | .432***<br>(.085)   | 1.540<br>(.083)     |
| Online Experience FDI (1/0)                         |                     |                     | 3.593***<br>(.933)  |                     | 3.451***<br>(.945)  |                     |                     |                     | 2.230***<br>(.496)  | 9.300<br>(.547)     |
| Host Country → Wholly owned                         |                     |                     |                     | .365***<br>(.089)   | .047ns<br>(.081)    |                     |                     |                     | 1.059<br>(.079)     | 2.405***<br>(.079)  |
| Online Experience FDI (1/0)                         |                     |                     |                     |                     |                     |                     |                     |                     |                     | 1.043               |
| <b>Country Level</b>                                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Logistics Performance → Wholly owned                |                     |                     |                     |                     |                     | .745***<br>(.193)   |                     |                     |                     | .324***<br>(.165)   |
| Internet User Population (log.) → Wholly owned      |                     |                     |                     |                     |                     |                     | .532***<br>(.087)   |                     | .582***<br>(.086)   | 1.790<br>(.089)     |
| Rule of Law → Wholly owned                          |                     |                     |                     |                     |                     |                     |                     | .402*<br>(.170)     | .551***<br>(.153)   | 1.735               |
| <b>Controls (Firm Level)</b>                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Firm Size (log.) → Wholly owned                     | .376***<br>(.075)   | .324***<br>(.075)   | .321***<br>(.079)   | .307***<br>(.077)   | .282***<br>(.079)   | .375***<br>(.075)   | .391***<br>(.073)   | .377***<br>(.071)   | .296***<br>(.082)   | 1.344<br>(.081)     |
| Marketplace (1/0) → Wholly owned                    | .027ns<br>(.070)    | -.006ns<br>(.069)   | .085ns<br>(.073)    | -.020ns<br>(.076)   | .040ns<br>(.078)    | .023ns<br>(.069)    | -.005ns<br>(.071)   | .036ns<br>(.072)    | .008ns<br>(.078)    | 1.008<br>(.078)     |
| Multichannel (1/0) → Wholly owned                   | -.199*<br>(.088)    | -.024ns<br>(.083)   | -.059ns<br>(.099)   | -.151†<br>(.085)    | .059ns<br>(.094)    | -.182*<br>(.085)    | -.150†<br>(.086)    | -.205†<br>(.117)    | .084ns<br>(.091)    | 1.088<br>(.091)     |
| Home Market Size (log.) → Wholly owned              | .293***<br>(.104)   | .328**<br>(.110)    | .240†<br>(.128)     | .322**<br>(.109)    | .274*<br>(.126)     | -.299ns<br>(.194)   | .298**<br>(.099)    | -.059ns<br>(.165)   | -.183ns<br>(.168)   | .833<br>(.185)      |
| Firm Online Age → Wholly owned                      | -.192*<br>(.080)    | -.485***<br>(.093)  | -.240**<br>(.080)   | -.299**<br>(.086)   | -.451***<br>(.091)  | -.194*<br>(.082)    | -.210**<br>(.080)   | -.189*<br>(.073)    | -.481***<br>(.094)  | .618<br>(.093)      |
| Prior Host Country Experience (1/0) → Wholly owned  | .218***<br>(.060)   | .213**<br>(.064)    | .235***<br>(.065)   | .220***<br>(.063)   | .226**<br>(.067)    | .208**<br>(.061)    | .176**<br>(.058)    | .221***<br>(.054)   | .180**<br>(.068)    | 1.197<br>(.067)     |
| Prior International Experience (1/0) → Wholly owned | .296**<br>(.109)    | .332ns<br>(.235)    | .512*<br>(.222)     | .551*<br>(.230)     | .300***<br>(.231)   | .314**<br>(.108)    | .321**<br>(.107)    | .303**<br>(.115)    | .439†<br>(.228)     | 1.551<br>(.227)     |
| <b>Controls (Country Level)</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Population Density → Wholly owned                   | .110***<br>(.025)   | .105***<br>(.024)   | .137***<br>(.023)   | .110***<br>(.026)   | .127***<br>(.023)   | .060**<br>(.018)    | .142***<br>(.020)   | .095†<br>(.053)     | .141***<br>(.015)   | 1.151<br>(.021)     |
| -2 Log likelihood                                   | 1,508.060           | 1,443.664           | 1,371.148           | 1,476.580           | 1,337.170           | 1,485.182           | 1,465.406           | 1,502.476           | 1,292.288           | 1,299.446           |
| AIC                                                 | 1,528.060           | 1,467.664           | 1,395.148           | 1,500.580           | 1,365.170           | 1,507.183           | 1,487.406           | 1,524.476           | 1,324.288           | 1,331.447           |
| BIC (Adjusted)                                      | 1,550.262           | 1,494.305           | 1,421.790           | 1,527.221           | 1,396.252           | 1,531.604           | 1,511.827           | 1,548.898           | 1,359.810           | 1,366.968           |

Note: \*\*\*  $p < .001$ ; \*\*  $p < .01$ ; \*  $p < .05$ ; †  $p < .10$ ; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

## Web Appendix D. Early vs Late FDI Models

We calculated possible differences between time periods of early vs. late FDI (e.g., Batsakis and Singh 2019). We created two samples using obvious time periods and to obtain relatively equal sample sizes (743 mode decisions in the period from 2010–2015; 991 in 2016–2020). Theoretically, ECFs have evolved considerably over the past decade, possibly shifting the importance of infrastructural factors and experience for mode choice as well (e.g., Hånell et al. 2020).

The results for the first period show that at the firm level, the results support the effects in our main model, while the effect of host country online experience becomes even stronger, likely resulting from a more skewed distribution of the variable in this period. At the country level, internet user population seems to be the (slightly) dominant driver of ECFs' FDI. (see Table D.1).

**Table D.1** Results of the Early FDI Model (2010–2015)

|                                                     | Model 1             | Model 2             | Model 3             | Model 4             | Model 5             | Model 6             | Model 7             | Model 8             | Model 9             | Model 10            |
|-----------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                     | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | Exp(B)              |
| Intercept                                           | -1.848***<br>(.152) | -1.842***<br>(.200) | -1.274***<br>(.250) | -1.753***<br>(.198) | -1.293***<br>(.262) | -2.231***<br>(.179) | -2.122***<br>(.149) | -2.084***<br>(.156) | -2.072***<br>(.323) | -1.986***<br>(.317) |
| <b>Firm Level</b>                                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| International → Wholly owned                        |                     | .705***<br>(.097)   |                     |                     | .539***<br>(.150)   |                     |                     | .570***<br>(.157)   | 1.768               | .576***<br>(.157)   |
| Online Experience FDI (1/0)                         |                     |                     | 4.702***<br>(.957)  |                     | 4.739***<br>(1.041) |                     |                     | 3.661***<br>(.966)  | 38.900              | 3.785***<br>(.973)  |
| Host Country → Wholly owned                         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Online Experience FDI (1/0)                         |                     |                     |                     | .257*<br>(.107)     | -.086ns<br>(.149)   |                     |                     | -.101ns<br>(.145)   | 1.106               | -.108ns<br>(.148)   |
| FDI Online Experience → Wholly owned                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| FDI Online Experience FDI (1/0)                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Country Level</b>                                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Logistics Performance → Wholly owned                |                     |                     |                     |                     |                     | .439**<br>(.127)    |                     |                     |                     | .272*<br>(.135)     |
| Internet User Population (log.) → Wholly owned      |                     |                     |                     |                     |                     |                     | .502**<br>(.159)    | .474**<br>(.151)    | 1.606               | .365*<br>(.150)     |
| Rule of Law → Wholly owned                          |                     |                     |                     |                     |                     |                     |                     | .356**<br>(.116)    | 1.376               |                     |
| <b>Controls (Firm Level)</b>                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Firm Size (log.) → Wholly owned                     | .954**<br>(.286)    | .730**<br>(.253)    | .562**<br>(.175)    | .740**<br>(.252)    | .508**<br>(.166)    | 1.043***<br>(.284)  | 1.013***<br>(.291)  | 1.002***<br>(.281)  | .597**<br>(.205)    | 1.816               |
| Marketplace (1/0) → Wholly owned                    | -.399**<br>(.143)   | -.255†<br>(.138)    | -.293*<br>(.138)    | -.402*<br>(.155)    | -.212†<br>(.132)    | -.350*<br>(.147)    | -.394**<br>(.151)   | -.350*<br>(.147)    | -.192ns<br>(.138)   | .825                |
| FDI (1/0)                                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Multichannel (1/0) → Wholly owned                   | -.162ns<br>(.174)   | -.050ns<br>(.190)   | -.121ns<br>(.191)   | -.174ns<br>(.178)   | -.039ns<br>(.198)   | -.184ns<br>(.168)   | -.204ns<br>(.177)   | -.171ns<br>(.172)   | -.079ns<br>(.184)   | .925                |
| Home Market → Wholly owned                          | .203†<br>(.104)     | .073ns<br>(.101)    | .182ns<br>(.141)    | .175†<br>(.106)     | .100ns<br>(.131)    | .163ns<br>(.100)    | .195†<br>(.101)     | .170†<br>(.100)     | .078ns<br>(.122)    | 1.081               |
| Size (log.) → Wholly owned                          |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Firm Online Age → Wholly owned                      | -.163ns<br>(.123)   | -.549***<br>(.145)  | -.173ns<br>(.112)   | -.268*<br>(.122)    | -.420**<br>(.149)   | -.125ns<br>(.125)   | -.195ns<br>(.136)   | -.125ns<br>(.123)   | -.424**<br>(.163)   | .654                |
| FDI (1/0)                                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Prior Host Country → Wholly owned                   | .489***<br>(.090)   | .479***<br>(.098)   | .519***<br>(.107)   | .494***<br>(.098)   | .516***<br>(.114)   | .467***<br>(.093)   | .433***<br>(.090)   | .481***<br>(.091)   | .444***<br>(.104)   | 1.559               |
| Experience (1/0) → Wholly owned                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Prior International Experience (1/0) → Wholly owned | -.130ns<br>(.188)   | -.293ns<br>(.383)   | -.149ns<br>(.412)   | -.231ns<br>(.376)   | -.196ns<br>(.410)   | -.036ns<br>(.193)   | -.020ns<br>(.194)   | -.080ns<br>(.192)   | .061ns<br>(.408)    | 1.063               |
| <b>Controls (Country Level)</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Population Density → Wholly owned                   | .001ns<br>(.116)    | -.032ns<br>(.164)   | .033ns<br>(.128)    | .009ns<br>(.135)    | .017ns<br>(.164)    | -.081ns<br>(.130)   | .046ns<br>(.115)    | -.046ns<br>(.118)   | .009ns<br>(.164)    | 1.009               |
| FDI (1/0)                                           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| -2 Log likelihood                                   | 612.180             | 579.240             | 488.972             | 605.402             | 476.970             | 601.034             | 597.592             | 604.424             | 467.308             | 468.092             |
| AIC                                                 | 632.180             | 603.241             | 512.971             | 629.403             | 504.970             | 623.034             | 619.592             | 627.424             | 499.307             | 500.093             |
| BIC (Adjusted)                                      | 646.534             | 620.465             | 530.195             | 646.627             | 525.064             | 638.823             | 635.380             | 643.213             | 522.272             | 523.058             |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

Theoretically, the quality of internet infrastructure for ECFs has improved in many markets over the past years to facilitate FDI. Therefore, ECFs may rely on further supportive infrastructure in the last years as also (slightly) indicated by Table D.2. The major role of host country experience is unchanged, while FDI online experience becomes marginally significant, which might be due to an increasing importance of such knowledge as ECFs internationalize further. Rule of law and logistics performance increase in meaning, while internet use still remains an important driver of FDI in a country. However, a multigroup analysis indicates no significant difference to the early period, while logistics performance and, to some degree, rule of law become significantly stronger and dominant at the country level.

**Table D.2** Results of the Late FDI Model (2016–2020)

|                                      |                | Model 1             | Model 2             | Model 3             | Model 4             | Model 5             | Model 6             | Model 7             | Model 8             | Model 9             | Difference | Model 10            | Difference |
|--------------------------------------|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------|---------------------|------------|
|                                      |                | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | bp                  | Exp(B)     | bp                  | Exp(B)     |
|                                      |                | b <sub>Diff</sub>   | b <sub>Diff</sub>   | b <sub>Diff</sub>   | b <sub>Diff</sub>   | b <sub>Diff</sub>   | b <sub>Diff</sub>   | b <sub>Diff</sub>   | b <sub>Diff</sub>   | b <sub>Diff</sub>   | p          | b <sub>Diff</sub>   | p          |
| Intercept                            |                | -2.284***<br>(.168) | -2.738***<br>(.324) | -2.393***<br>(.286) | -2.877***<br>(.310) | -2.298***<br>(.321) | -2.917***<br>(.214) | -2.492***<br>(.192) | -2.690***<br>(.206) | -3.088***<br>(.376) |            | -3.017***<br>(.373) |            |
| <b>Firm Level</b>                    |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |            |                     |            |
| International                        | → Wholly owned |                     | .671***<br>(.117)   |                     |                     | .293†<br>(.162)     |                     |                     |                     | .346*<br>(.162)     | 1.413      | .334*<br>(.160)     | 1.397      |
| Online Experience                    | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |            |                     |            |
| Host Country                         | → Wholly owned |                     |                     | 3.440***<br>(.779)  |                     | 3.427***<br>(.805)  |                     |                     |                     | 3.066***<br>(.775)  | 21.456     | 3.391***<br>(.838)  | 29.696     |
| Online Experience                    | FDI (1/0)      |                     |                     |                     |                     |                     |                     |                     |                     |                     |            |                     |            |
| FDI Online Experience                | → Wholly owned |                     |                     |                     | .512***<br>(.116)   | .214†<br>(.119)     |                     |                     |                     | .257*<br>(.122)     | 1.293      | .246*<br>(.120)     | 1.279      |
| <b>Country Level</b>                 |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |            |                     |            |
| Logistics Performance                | → Wholly owned |                     |                     |                     |                     |                     | .689***<br>(.144)   |                     |                     |                     |            | .641***<br>(.165)   | 1.898      |
| Internet User Population (log.)      | → Wholly owned |                     |                     |                     |                     |                     |                     | .423**<br>(.132)    |                     | .534**<br>(.155)    | 1.706      | .328*<br>(.161)     | 1.388      |
| Rule of Law                          | → Wholly owned |                     |                     |                     |                     |                     |                     |                     | .505***<br>(.132)   | .612***<br>(.139)   | 1.844      |                     |            |
| <b>Controls (Firm Level)</b>         |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |            |                     |            |
| Firm Size (log.)                     | → Wholly owned | .340**<br>(.099)    | .282**<br>(.102)    | .191ns<br>(.129)    | .213*<br>(.104)     | .114ns<br>(.124)    | .317**<br>(.097)    | .350***<br>(.099)   | .324**<br>(.098)    | .107ns<br>(.131)    | 1.113      | .096ns<br>(.128)    | 1.100      |
| Marketplace (1/0)                    | → Wholly owned | .033ns<br>(.103)    | -.072ns<br>(.106)   | .034ns<br>(.114)    | -.076ns<br>(.122)   | -.087ns<br>(.126)   | .080ns<br>(.102)    | .014ns<br>(.105)    | .091ns<br>(.101)    | -.071ns<br>(.126)   | .931       | -.087ns<br>(.128)   | .917       |
| Multichannel (1/0)                   | → Wholly owned | -.694***<br>(.145)  | -.497**<br>(.145)   | -.587***<br>(.162)  | -.628***<br>(.145)  | -.485**<br>(.163)   | -.518**<br>(.150)   | -.624***<br>(.141)  | -.568***<br>(.148)  | -.274†<br>(.166)    | .761       | -.286†<br>(.164)    | .751       |
| Home Market Size (log.)              | → Wholly owned | .214ns<br>(.136)    | .158ns<br>(.128)    | .104ns<br>(.131)    | .117ns<br>(.116)    | .034ns<br>(.120)    | .212ns<br>(.135)    | .232†<br>(.139)     | .208ns<br>(.136)    | .025ns<br>(.118)    | 1.026      | -.023ns<br>(.119)   | 1.024      |
| Firm Online Age                      | → Wholly owned | .114ns<br>(.107)    | -.227ns<br>(.146)   | .133ns<br>(.126)    | -.007ns<br>(.114)   | -.048ns<br>(.162)   | .057ns<br>(.113)    | .089ns<br>(.107)    | .075ns<br>(.115)    | -.148ns<br>(.163)   | .862       | -.140ns<br>(.160)   | .869       |
| Prior Host Country Experience (1/0)  | → Wholly owned | .203**<br>(.077)    | .226**<br>(.081)    | .256**<br>(.085)    | .246**<br>(.077)    | .275**<br>(.088)    | .164*<br>(.078)     | .180***<br>(.079)   | .179*<br>(.077)     | .215*<br>(.085)     | 1.240      | .219*<br>(.087)     | 1.245      |
| Prior International Experience (1/0) | → Wholly owned | .401*<br>(.167)     | .404ns<br>(.386)    | .656†<br>(.398)     | .765*<br>(.382)     | .443ns<br>(.457)    | .329†<br>(.168)     | .378*<br>(.162)     | .341*<br>(.168)     | .307ns<br>(.471)    | 1.359      | .314ns<br>(.470)    | 1.368      |
| <b>Controls (Country Level)</b>      |                |                     |                     |                     |                     |                     |                     |                     |                     |                     |            |                     |            |
| Population Density                   | → Wholly owned | .201***<br>(.038)   | .221***<br>(.058)   | .217***<br>(.066)   | .222***<br>(.052)   | .220**<br>(.083)    | .122**<br>(.040)    | .229***<br>(.041)   | .142***<br>(.039)   | .189*<br>(.089)     | 1.208      | .172†<br>(.091)     | 1.188      |
| -2 Log likelihood                    |                | 666.948             | 629.296             | 535.350             | 637.054             | 520.924             | 646.004             | 657.162             | 652.118             | 498.092             |            | 500.708             |            |
| AIC                                  |                | 686.949             | 653.296             | 559.351             | 661.055             | 548.925             | 668.004             | 679.162             | 674.117             | 530.093             |            | 532.708             |            |
| BIC (Adjusted)                       |                | 704.175             | 673.968             | 580.023             | 681.727             | 573.042             | 686.953             | 698.111             | 693.067             | 557.656             |            | 560.270             |            |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

## Web Appendix E. Country-Level Variables as Moderators

To provide further insights, we test the country-level variables as interaction terms and thus possible moderating effects for the experience variables. All moderators were grand-mean centered. These models can be described with the following formula:

$$\text{Logit}(\text{FDI}_{ij}) = \gamma_{00} + \gamma_{01}(\text{CLV}_j) + \gamma_{10}(\text{IntOnExp}_{ij}) + \gamma_{11}(\text{CLV}_j)(\text{IntOnExp}_{ij}) + \gamma_{20}(\text{HoCoOnExp}_{ij}) + \gamma_{21}(\text{CLV}_j)(\text{HoCoOnExp}_{ij}) + \gamma_{\text{ILC}}\text{ILC}_{ij} + \gamma_{\text{CLC}}\text{CLC}_{ij} + \text{error}$$

Where  $\text{CLV}_j$  represents one of the three country-level variables. We calculated a separate model for each moderator for reasons of model complexity and convergence issues (e.g., Aguinis et al. 2013). As the direct effect of FDI online experience is not significant and model complexity drastically increases with each additional random slope to be computed, we could only test the two significant experience types. The size of the observed decisions is unchanged.

Theoretically, in a high-quality infrastructural environment, ECFs may rely less on general international experience while country-specific experience is still needed (e.g., Putzhammer et al. 2018). The results indicate that increasing logistics infrastructure, Internet User Population (log.), or rule of law do not affect ECFs' need for international or host country online experience. All country-level antecedents still affect FDI directly (see Table E).

**Table E.** Results of Logistics Performance, Rule of Law, and Internet User Population as Moderators

|                                 |                                   | Model 1             | Model 2             | Model 3             | Model 4 |                     | Model 5 |                     |
|---------------------------------|-----------------------------------|---------------------|---------------------|---------------------|---------|---------------------|---------|---------------------|
|                                 |                                   | b <sub>p</sub>      | b <sub>p</sub>      | b <sub>p</sub>      | Exp(B)  | b <sub>p</sub>      | Exp(B)  | b <sub>p</sub>      |
| Intercept                       |                                   | -2.304***<br>(.203) | -2.665***<br>(.216) | -2.470***<br>(.272) |         | -2.219***<br>(.249) |         | -2.167***<br>(.239) |
| <b>Firm Level</b>               |                                   |                     |                     |                     |         |                     |         |                     |
| International Online Experience | → Wholly owned FDI (1/0)          | .409***<br>(.112)   | .420***<br>(.113)   | .411*<br>(.163)     | 1.508   | .399**<br>(.129)    | 1.490   | .394*<br>(.158)     |
| Host Country Online Experience  | → Wholly owned FDI (1/0)          | 3.473***<br>(.668)  | 3.305***<br>(.634)  | 3.315*<br>(1.330)   | 27.522  | 2.783**<br>(.863)   | 16.167  | 3.837***<br>(1.068) |
| FDI Online Experience           | → Wholly owned FDI (1/0)          | .120ns<br>(.084)    | .114ns<br>(.086)    | .131ns<br>(.088)    | 1.140   | .102ns<br>(.085)    | 1.107   | .143ns<br>(.092)    |
| <b>Country Level</b>            |                                   |                     |                     |                     |         |                     |         |                     |
| Logistics Performance           | → Wholly owned FDI (1/0)          |                     | .526***<br>(.103)   | .637***<br>(.149)   | 1.891   |                     |         |                     |
|                                 | × International Online Experience |                     |                     | -.005ns<br>(.076)   | .995    |                     |         |                     |
|                                 | × Host Country Online Experience  |                     |                     | .219ns<br>(.797)    | 1.245   |                     |         |                     |
| Internet User Population (log.) | → Wholly owned FDI (1/0)          | .503***<br>(.103)   | .379***<br>(.117)   |                     |         | .611***<br>(.150)   | 1.842   |                     |
|                                 | × International Online Experience |                     |                     |                     |         | -.002ns<br>(.078)   | .998    |                     |
|                                 | × Host Country Online Experience  |                     |                     |                     |         | 1.053ns<br>(.763)   | 2.866   |                     |
| Rule of Law                     | → Wholly owned FDI (1/0)          | .335***<br>(.085)   |                     |                     |         |                     |         | .438**<br>(.135)    |
|                                 | × International Online Experience |                     |                     |                     |         |                     |         | -.003ns<br>(.077)   |
|                                 | × Host Country Online Experience  |                     |                     |                     |         |                     |         | -.077ns<br>(.591)   |

—Table E. to be continued—

—Table E. continued—

| <b>Controls (Firm Level)</b>         |                          |                   |                   |                   |       |                   |       |                   |       |
|--------------------------------------|--------------------------|-------------------|-------------------|-------------------|-------|-------------------|-------|-------------------|-------|
| Firm Size (log.)                     | → Wholly owned FDI (1/0) | .339**<br>(.116)  | .336**<br>(.110)  | .317**<br>(.106)  | 1.374 | .345**<br>(.119)  | 1.411 | .316**<br>(.109)  | 1.372 |
| Marketplace (1/0)                    | → Wholly owned FDI (1/0) | -.158*<br>(.079)  | -.151†<br>(.079)  | -.129†<br>(.075)  | .879  | -.189*<br>(.083)  | .828  | -.123†<br>(.074)  | .884  |
| Multichannel (1/0)                   | → Wholly owned FDI (1/0) | -.197†<br>(.118)  | -.181ns<br>(.119) | -.180ns<br>(.120) | .836  | -.253*<br>(.121)  | .776  | -.206†<br>(.123)  | .814  |
| Home Market Size (log.)              | → Wholly owned FDI (1/0) | .097ns<br>(.102)  | .095ns<br>(.103)  | .091ns<br>(.104)  | 1.096 | .122ns<br>(.104)  | 1.129 | .094ns<br>(.103)  | 1.099 |
| Firm Online Age                      | → Wholly owned FDI (1/0) | -.340**<br>(.125) | -.339**<br>(.125) | -.331**<br>(.122) | .718  | -.334**<br>(.121) | .716  | -.326**<br>(.120) | .722  |
| Prior Host Country Experience (1/0)  | → Wholly owned FDI (1/0) | .325***<br>(.070) | .322***<br>(.070) | .346***<br>(.072) | 1.413 | .350***<br>(.071) | 1.418 | .365***<br>(.072) | 1.441 |
| Prior International Experience (1/0) | → Wholly owned FDI (1/0) | .050ns<br>(.283)  | .067ns<br>(.285)  | .012ns<br>(.286)  | 1.012 | .039ns<br>(.281)  | 1.040 | -.010ns<br>(.287) | .990  |
| <b>Controls (Country Level)</b>      |                          |                   |                   |                   |       |                   |       |                   |       |
| Population Density                   | → Wholly owned FDI (1/0) | .134***<br>(.032) | .111***<br>(.030) | .075*<br>(.030)   | 1.078 | .182***<br>(.026) | 1.200 | .099**<br>(.020)  | 1.100 |
| -2 Log likelihood                    |                          | 993.522           | 989.492           | 999.460           |       | 1,004.978         |       | 1,007.680         |       |
| AIC                                  |                          | 1,025.523         | 1,021.492         | 1,033.459         |       | 1,038.977         |       | 1,041.680         |       |
| BIC (Adjusted)                       |                          | 1,061.632         | 1,057.919         | 1,072.163         |       | 1,077.680         |       | 1,080.383         |       |

Note: \*\*\* p < .001; \*\* p < .01; \* p < .05; † p < .10; ns = Not Significant; b = Coefficients of standardized variables. Standard errors are shown in brackets.

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