

## Article

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### **How much does country matter? An analysis of firms' growth options**

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#### **Abstract**

Recent international strategy research emphasizes the importance of understanding the effects of geographic location on firms' strategies and performance outcomes. We contribute to this research by providing empirical evidence that the interplay of country and industry effects matters substantially in explaining the variation in the value of growth options of firms based in different countries. Our results show that country–industry effects are the second largest source of variation, following firm effects, while industry and country effects are relatively small when considered in their own right. That valuable growth options are tied to country and industry interactions has important implications for international strategy research and practice.

#### **Keywords:**

countries and locations, growth options, international strategy, valuable growth opportunities

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