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Determinants Influencing the Early Internationalization of
Startups: A Case Study in the Context of Kazakhstan

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Abstract

Die folgende Arbeit bietet einen Überblick über die Determinanten, die Internationalisierungsentscheidungen Startups in Kasachstan beeinflussen, und bewertet den aktuellen Zustand der Startup-Ökosysteme. Diese Studie hat Schlüsselfaktoren, die zur Internationalisierung führen, wie die Ausbildung der Gründer, einschließlich früherer unternehmerischer Erfahrung, Technologieakzeptanz und internationale Vernetzungsmöglichkeiten auf der Grundlage einer Umfrage unter 170 Startup-Unternehmern identifiziert.

Die Studie bietet auch Einblicke in zusätzliche Hindernisse für Startups, international zu expandieren, wie etwa Angst vor dem Scheitern, begrenzte Erfahrung in der Führung eines globalen Unternehmens, finanzielle Einschränkungen und hohe internationale Konkurrenz.

Diese Arbeit enthält auch Empfehlungen für die Entwicklung des Ökosystems, darunter starke staatliche Unterstützung, Entwicklung von Beschleunigungsprogrammen, Initiativen in der Region mit Abneigung gegen unternehmerische Risiken und Verbesserung der finanziellen und Mentoring-Unterstützungssysteme. Die Ergebnisse tragen sowohl zum praktischen als auch zum theoretischen Verständnis der Internationalisierung von Startups auf dem Markt, zu Ideen für Unternehmer und zur internationalen Unterstützung für Ökosysteme bei. Diese Studie bietet eine Grundlage für künftige Forschungen zu den langfristigen Auswirkungen der Internationalisierung und eine vergleichende Analyse erfolgreicher Markttrends in unterschiedlichen nationalen Kontexten.

Table of Contents

1 Introduction	4
2 Literature overview	5
2.1 Defining startups	5
2.2 Startup characteristics	5
2.3. Distinct startup stages	9
2.4. Indicators of a startup	11
2.5 What affects startup internationalization?	14
3 Hypothesis, Research Questions	20
3.1 Research Hypothesis	20
3.2 Research Questions	21
4 Methodology: research method description and data collection	22
4.1 Survey	22
4.2 Statistical data analysis	23
4.3 Data collection and sampling parameters	24
5 Analysis of the internationalization of startups in Kazakhstan	26
5.1 Analysis of survey data	26
5.2 Evaluation of startups' internationalization in Kazakhstan based on statistical data	32
5.3 Recommendations for startup promotions in Kazakhstan	45
6. Conclusion	62
7. Bibliography	65
8 Appendix	71

1 Introduction

In today's business environment, a diverse range of organizations plays a vital role in generating economic resources. Among these, startups have gained immense popularity as a form of economic investment in recent years. These emerging economic players constitute a substantial portion of the global economy, making their significance unquestionable. As a result, the exploration of their characteristics and dynamics continues to be not only relevant but also well-founded.

The term "startup" is now widely recognized, with more people aspiring to embark on entrepreneurial journeys and establish their own businesses. Additionally, a range of stakeholders, such as investors, financial institutions, and governmental bodies, are keen to offer crucial support to these budding enterprises.

Globalization and internationalization have become common strategies for innovative technology companies. For every startup and young company, the question of readiness for international expansion and how to navigate it is of utmost importance. However, there is no one-size-fits-all answer available. Identifying and comprehending the key hurdles and challenges faced during internationalization is critical. This knowledge is the key to customizing a proposed solution for a specific economic sector.

Researchers have a keen interest in understanding the primary challenges of internationalization. For instance, a study in the Czech Republic involving over 135 companies from diverse sectors, including agriculture, recorded intriguing insights. The authors even used statistical methods to assess the correlation between these challenges and a company's success. Initially, language barriers and limited experience in foreign markets emerged as significant obstacles. Companies also found the cost of international marketing to be prohibitively high. Another hindrance was the lack of support and assistance from government agencies. Insufficient information about the target foreign market can pose a considerable challenge. Even if a company values language skills in the internationalization process, the connection between language skills and a company's success is relatively weak, just as with the presence or absence of government support. Hence, the chosen marketing strategy plays a pivotal role in effectively entering and operating within the market (Pavlák, 2018).

In a different study conducted in Bangladesh, researchers explored different assumptions regarding potential challenges in the process of internationalization. Initially, they examined their own country's situation and compared it to a similar scenario in another nation. Unlike prior research, issues such as

pervasive corruption, bureaucratic hurdles, and the adoption of new technologies were identified as potential obstacles. The study's model unveiled a clear correlation between these socio-economic factors and the level of complexity in entering foreign markets. In this context, language skills were found to be essential for effective intercultural communication and mutual understanding (Mozammel, 2013).

Hence, the insight regarding the financial aspect emerged as the most valuable finding. Startups frequently grapple with underfunding and frequently encounter challenges in obtaining loans from financial institutions, primarily due to their perceived high-risk profile and limited alternative sources of funding. As a result, this factor is regarded as the most significant obstacle in the internationalization process.

2 Literature overview

2.1 Defining startups

The term "startup" first emerged in the end of the World War I, during a period marked by the establishment of venture capital firms on Wall Street. Over time, startups, driven by technological advancements, have evolved considerably. In a nutshell, a startup can be described as an innovative company with immense growth potential. Often, it requires significant funding to kickstart its growth and sustain it for an extended duration (Sun, 2010).

To identify a startup, certain clear-cut characteristics come into play. Above all, a startup is rooted in the concept of innovation. It derives from a novel idea aimed at enhancing the quality of life or work within the community. Thus, innovation is the foremost feature. It is of highly importance that the company's approach to the market differs significantly from that of conventional businesses.

2.2 Startup characteristics

Neil Blumenthal, the co-founder and co-CEO of Warby Parker, once said: "A startup is a company working on a solution to a problem in which the solution is not obvious and success is not guaranteed" (Beckord, 2014). While this statement holds the truth to this day, it does not encompass the entire philosophy that underlies startup concepts.

Even though the nature of startups is versatile and constantly changing as has been discussed by Skala (2019) in the book “Digital Startups in Transition Economies: Challenges for Management, Entrepreneurship and Education”, it can be defined common characteristics of startups:

1. Innovations. Startups thrive on innovation. They use new technologies and create original solutions giving them a competitive edge. This innovation can come from developing unique software, utilizing artificial intelligence, blockchain, or inventing new manufacturing methods and technologies. They also prioritize delivering a user-friendly, attractive, and valuable experience to stand out. For instance, adopting platform economics, subscription-based models, or sharing economy approaches can change how they interact with customers and generate revenue. Innovations in marketing and strategy also play a significant role. This may involve using new promotional channels, devising unique marketing strategies, building a strong brand, or adopting novel pricing approaches.

2. Age. A startup is essentially a new company in the early stages of building its brand, establishing sales channels, and expanding its workforce. It's essential to note that classifying a company as a startup based solely on being in the market for less than three years often does not reflect the full picture. In reality, a company can operate for several years and still possess the characteristics of a startup. The key determinant of a startup isn't its age but rather its potential for growth, innovation, adaptability, and active pursuit of financing. Regardless of how long a company has been in operation, it can maintain its startup status, if it aligns with these criteria and is actively on the path to rapid business development and expansion into new markets.

3. Growth. A startup is a dynamic business with a core mission to expand swiftly by making agile and, at times, groundbreaking decisions. Its primary objective is to achieve rapid and scalable growth, meaning it aims for substantial increases in revenue, customer base, or market share within a short time frame. To achieve this, startups often innovate by creating new products, services, or business models that set them apart from competitors. This emphasis on innovation and differentiation helps them attract customers and rapidly expand their client base. However, achieving this growth typically requires significant investments. Startups actively seek funding from sources like venture capitalists, angel investors, or other financial backers. These investments serve to expedite their growth, attract top talent, refine their products, and scale their operations.

4. Risk. After launching a startup, there is always a degree of uncertainty associated with ensuring business success. For this reason, these companies are considered high-risk investments. Startups operate in an uncertain market, where numerous unknown factors and variables may exist. New ideas, products, or services face the risk of market rejection or insufficient demand. Startups often explore uncharted markets, further increasing the level of uncertainty and risk. In the startup landscape, several hurdles can hinder success. The failure to secure sufficient funding or inefficient resource allocation can lead to financial problems, putting the startup's survival at risk. Competition is another factor, as startups compete with peers, industry giants, and established players, affecting their market share, customer base, and profitability. Additionally, startups often grapple with a lack of experience and structured management, introducing managerial risk. Making sound strategic decisions, managing finances, resources, and the team all demand a specific skill set and competencies that founders and leaders may still be developing. Failure is a common reality for many startups. Various factors, such as unproductive business models, low demand, inefficient management, or inadequate funding, contribute to the closure of numerous startups. However, amid these risks, startups also offer the promise of significant success and rewards.

Successful startups can experience remarkable growth, pioneer new markets, and revolutionize entire industries. While risk is an inherent part of the startup landscape, effective risk management, adaptability, and flexibility are essential attributes that can help startups overcome challenges and reach their goals.

5. Flexibility. Startups are highly dynamic entities, poised to adapt to any challenges that come their way. As they seek to validate their business concepts, these companies must be willing to tailor their products to meet customer requirements. This adaptability extends to their business models, where finding a sustainable model is paramount.

Flexibility is a fundamental trait of startups, allowing them to pivot in response to changing conditions and challenges that may emerge along their journey. While they may begin with a specific business idea or product in mind, startups often encounter setbacks or uncover new customer needs as they evolve. The success of a startup hinges on its capacity to identify a resilient business model that not only drives profitability but also fulfills customer needs. However, while in the phase of experimentation and idea validation, startups may encounter setbacks or realize that their initial business model isn't efficient. The adaptability of a startup shines through in its ability to swiftly pivot and adjust the business model to ensure long-term sustainability and achievement.

6. Problem Solving. A startup's core mission is to tackle real-world issues present in the market. As a result, a startup's growth is geared towards making a tangible impact, not only in the marketplace but also in people's lives, through their innovative products or services.

Startups kick off by recognizing a problem or deficiency in the market that can be effectively addressed with a fresh product or service. This problem could be something that inconveniences or limits customers, leads to dissatisfaction, or requires enhancement. The critical step is comprehending the problem and its significance for the target audience. Once the issue is identified, the startup embarks on the journey of creating a groundbreaking solution. This could involve the development of new products, services, or technologies that offer improved features or more efficient ways of addressing the identified problem.

A startup's solution needs to stand out, offering a unique and competitive edge while effectively addressing customer needs. After crafting the solution, startups go through a critical phase of real-world testing with actual users or clients. This process helps evaluate the product's effectiveness and functionality and provides valuable feedback for further refinements.

Frequently, startups embrace the MVP (Minimum Viable Product) approach, swiftly launching the initial product version to gather user feedback. With successful testing and positive feedback in hand, startups then set their sights on expanding their solution into new markets or segments. This expansion may involve ramping up production capacity, exploring new distribution channels, or seeking additional investments to scale their operations. Ultimately, one of the central missions of startups is to make a meaningful impact on people's lives while contributing positively to the market and society at large.

7. Scalability. Startups are always on the lookout for a business model that can expand and replicate itself efficiently, without requiring more manpower or financial resources. Scalable startups harness automation and technology to streamline tasks and processes. They invest in software development, automated systems, and infrastructure to handle orders, manage operations, and scale the business seamlessly, without the need for additional human resources.

Scalable startups can be built on the network effect, which comes into play when each new user or customer adds value for the rest of the network participants. This can take the form of social networks, marketplaces, or platforms, where the growth of users creates more opportunities and value for all participants. Scalability is a fundamental characteristic of startups, allowing them to grow and develop without constraints on resources. It requires strategic planning, technological readiness, and flexibility in

responding to market changes. Scalable startups have the potential to achieve substantial growth and make a significant impact on both the market and society.

8. Workforce. The compact size of a startup team offers a remarkable advantage by allowing the company to stay agile and swiftly adapt to market shifts and challenges. Team members readily embrace new tasks, changing priorities, and evolving customer needs. Streamlined communication processes facilitate faster and more efficient decision-making. With a limited workforce, startups often foster tightly knit teams characterized by a strong sense of unity and collaboration. Team members frequently work closely together, share ideas, and engage directly with each other. This environment fosters rapid decision-making, teamwork, and mutual understanding. In a startup, each employee often wears many hats and takes on diverse roles. This diversity empowers them to acquire valuable experience and develop a broad range of skills. Employees have the opportunity to engage in various aspects of the business, from product development and marketing to sales and customer service. This dynamic approach contributes to their personal growth and enhances their professional expertise. In the world of startups, decision-making processes are typically less rigid and more agile. This flexibility arises from the smaller team size, which simplifies communication and coordination. Consequently, decisions are reached more swiftly, allowing startups to stay nimble and adapt quickly to changing market dynamics. What is notable is that in a startup, every team member has the opportunity to play a significant role in the company's growth and the attainment of its objectives. This small-team dynamic not only promotes rapid decision-making but also fosters high motivation and provides a platform for personal and professional development. Ultimately, the lean structure of startups provides the flexibility and responsiveness required to effectively address the challenges associated with their growth and success (Skala, 2019).

2.3. Distinct startup stages

Hence, we can define a startup as a company in its early developmental phases, focused on solving real-life consumer problems through innovative products or services. While many of today's startups incorporate technological elements, the concept is not limited to them. At its core, a startup revolves around the need for groundbreaking ideas that can benefit a large audience.

Startups usually follow a standardized development framework (Salamzadeh and Kawamorita, 2015):

1. Startup Inception (Pre-Seed): This is where it all begins, as the team comes together and seeks initial investors. By this stage, the team has a clear sense of where they're headed and who's on board.

2. Growth Phase (Seed): As the project gets ready for launch, it requires substantial investments. Often, a prototype is developed to showcase the potential to investors interested in the company's progress. Crowdfunding may also come into play to raise funds.

3. Prototype Development: Here, we have the alpha version of the product, something tangible that you can interact with if it's a physical object.

4. Expansion: Building upon initial feedback and addressing any issues, this stage paves the way for mass production.

5. Project Maturity: Mass testing begins, and everyday people start talking about and potentially using the product.

A startup is unquestionably built on innovation, but it doesn't necessarily have to be a groundbreaking invention in the traditional sense. What defines a startup is the introduction of a fresh and distinctive approach. This means that while existing technologies can be used, they are either targeted at a new audience or repositioned in a novel way (Blank, 2013). Startups are centered around innovative ideas, but it's important to distinguish between innovation and startups. Innovation refers to the implementation of unprecedented advancements, which can manifest as a new product, manufacturing techniques, or fresh ways of doing things across various aspects of society, finance, and everyday life. Economist Peter Drucker defines innovation as a unique entrepreneurial tool used by business leaders to create new business models (Drucker, 2014). Drucker emphasized that innovation is primarily a social and economic concept, highlighting that the value and consumer benefits it brings about are essentially a transformation of resources.

In simple terms, innovations result from investments in new technology, equipment, modern labor practices, and advanced ways of organizing work, production, management, and service delivery, all geared towards achieving economic advantages. This distinction is crucial in understanding the difference between innovations and startups.

2.4. Indicators of a startup

A new business cannot immediately be considered a startup. There are several discerning indicators that warrant the classification of a business project as a startup:

1. Innovative Concept: The project is founded upon an entirely novel idea previously unexplored, or it introduces innovation by addressing the imperative to enhance or fundamentally transform conventional lifestyles, thereby engendering a new and valuable product.

2. Expeditious Development: In the United States, the prevailing notion asserts that startups represent ventures whose comprehensive launch transpires within an interval of no more than 8 months. If, within this timeframe, a project fails to yield profitability, it is terminated. In the Commonwealth of Independent States (CIS), owing to the unique challenges associated with securing funding sources for implementation, the gestation period may extend to two to three years.

3. Youthful Genesis: Startups typically emanate from youthful teams, frequently comprised of students. This has given rise to the alternative moniker 'garage business.' This nomenclature is attributed to the phenomenon wherein impassioned young individuals, lacking initial capital but imbued with fervor, initiate their business pursuits within garages, ancillary premises, and similar venues. Additionally, it is imperative to foster a cohesive team of developers and support personnel, coupled with adequate funding until the project achieves self-sufficiency."

4. Elevated Risk Profile: Approximately 70% of innovative projects face closure within their inaugural year, and a further 10-15% fail to endure beyond the two-year mark. Notably, a mere 10% (1 in 10) of startups that successfully traverse the challenging early stages and mature into fully-fledged enterprises manage to yield a relatively consistent revenue stream (Bresch, 2018).

There are the main differences between startups and traditional companies (Kim, 2018):

- Unconstrained Ideation in Startup Formation: Unlike conventional businesses that operate within established industries, startups are characterized by the absence of industry boundaries during the ideation phase. While regular entrepreneurs often initiate ventures in familiar sectors with designated industry codes, startups, driven by innovative concepts, operate without such constraints.
- Pace-Related Dynamics: Startups exhibit a dual focus on swift success, targeting rapid market capture, niche dominance, and community engagement. Conversely, the growth trajectory of a

startup may extend, although in the United States, for example, startups are conventionally acknowledged as established if their full launch transpires within 8 months.

- Profitability and Revenue Streams: As startups delineate their products or services for consumer presentation, seeking external financing becomes a common step. The eventual economic vitality and profitability of a startup are significantly impacted by the cost of the initial capital.
- Innovation and Technological Advancements: The triumph of startup initiatives hinges on inventive ideas, often complemented by the integration of cutting-edge technologies.
- Return on Investment (ROI) and Breakeven Analysis: Determining the precise timeframe for a startup to achieve breakeven is elusive. Startups may face early setbacks or endure for decades, continually refining their strategies.

Simultaneously, most startups do not prioritize rapid profitability. The primary objective for startup participants is to establish the company firmly in the market. To achieve this, it is crucial to identify a target audience and discern their desires and values. As previously highlighted, the development of a successful startup necessitates a specific set of components. Consequently, the core components of a startup can be articulated (Eisenmann, 2012):

- Individuals with the ability to generate unique ideas;
- Originality;
- A team comprising passionate individuals with ambitious goals;
- A source of external investments;
- Expertise, determination, knowledge, and professionalism needed to bring even the most audacious ideas to fruition.

The concept of startups is intricately tied to the role of angel investors, pivotal figures who assist startup creators in nurturing and sustaining interest in their ideas. A business angel often wears the hats of both investor and manager, wielding not only financial resources but also a noteworthy business reputation that attracts consultants. Moreover, business angels play a crucial role in helping startups navigate dealings with banks and governmental bodies (Salamzadeh and Kawamorita, 2015).

Having delved into the core characteristics of startups, the next stage is to explore potential funding sources, which can vary across different stages of a startup's development (lifecycle stages).

Investment funds play a pivotal role in mobilizing funds from investors and channeling them towards lucrative opportunities. The primary objective of this financial activity is, undoubtedly, to secure profitable returns. These funds exhibit a keen interest in thriving startups, particularly those at the forefront of innovation. However, it's important to acknowledge that such investments come with inherent high risks.

To justify these financial commitments, a meticulous process is undertaken, involving the careful selection, analysis, and evaluation of potential beneficiaries. Mitigating risks becomes a priority, prompting investments in projects across diverse sectors. Additionally, investment funds aspire to attain a level of control over successful startups, as highlighted by Weiblen in 2014. This strategic approach not only aligns with the pursuit of profitability but also underscores the emphasis on fostering sustainable and impactful ventures.

Venture capital, which involves investing in startups and projects on the verge of dynamic growth, is a widely embraced practice. Financing for a project can kick off from ground zero, even before any business revenue kicks in. Venture capital can also back financially promising companies, anticipating their future expansion. The investment timeline typically spans from 5-7 to 10-12 years. However, venture investments stand out for their high-risk nature due to several factors as per Antonenko (2014):

- The absence of historical data on the performance of young companies makes it challenging to analyze their financial activities or assess their asset portfolio.
- Innovative products or services offered by startups are often unfamiliar, and the trajectory of their market development remains uncertain; the growth rates outlined in the business plan may lack solid confirmation.
- Even when a startup is on a successful path, evaluating its effectiveness becomes complex as the evolving nature of startups involves numerous organizational and managerial changes.

Business angels play a pivotal role in financing startups, injecting funds into promising and innovative ventures for an average period of 3 to 7 years. In return for their investment, business angels acquire a stake in the company's capital, contingent on its success. The goal of business angels closely mirrors that of investment funds, but uniquely, they don't demand guarantees or collateral. Instead, their primary returns come from selling the acquired stake in the startup's capital. Beyond traditional avenues like investment funds and venture capitalists, startup founders can explore funding on various online platforms using the crowdfunding mechanism. Crowdfunding empowers anyone to contribute funds and support a startup.

Specialized online platforms showcase project details, offering stakeholders the chance to participate in share offerings or receive samples of the company's unique product. In some instances, crowdfunding takes the form of donations, serving as a powerful method to promote the project and its product (Teker and Teker, 2016).

The option of securing a bank loan for startup financing is always on the table. However, obtaining funds from a bank necessitates a robust defense of the project, showcasing its viability, and substantiating the effectiveness of the investment. Banks, cautious of high-risk ventures, require startups to provide positive forecasts, demonstrate profitability, and have founders with valuable assets and a steady income. These elements act as assurances for the bank, ensuring the return of invested funds and punctual interest payments (Kohler, 2016).

As an alternative to private investors, the government also plays a role in funding startups, often focusing on unique or socially impactful projects. Sectors such as innovation and agriculture tend to be priorities for government funding.

2.5 What affects startup internationalization?

The key factors influencing startup internationalization encompass age, technology, fear of failure, competition, and the strength of social connections (Networking, incubator effect). The age of a startup emerges as a crucial determinant of its internationalization journey. Traditionally, startups used to postpone international expansion until reaching a mature stage, post-establishment and local success. However, the current landscape depicts a contrasting scenario. Remarkably, considerations for future internationalization are now woven into the fabric of a startup right from its inception. It can be affirmed that over the past 10-20 years, the trend has shifted, with startup internationalization gaining momentum and becoming an integral part of the creation process (Khan, 2022).

The role of technology as a determinant for startups is quite impactful. Especially, high-tech startups tend to be highly prone to internationalization. In today's context, the internationalization journey of these high-tech startups must navigate specific factors inherent in an innovation-driven economy. Notably, innovation, being the product of intellectual effort, faces rapid moral obsolescence. Hence, the timeline from ideation to market-ready product or technology is of utmost importance. These high-tech startup companies essentially act as bridges, facilitating the exchange of information and technology between

academic and business spheres. They also serve as pivotal hubs for accumulating and reproducing innovative human capital. A noteworthy and promising aspect of the current innovation landscape is the rise of startups in the scientific sector, commonly known as academic spin-off companies. These entities play a vital role in efficiently applying technologies and developments in a commercial context (Khan, 2020).

The development of more advanced or new technologies should contribute to internationalization. Several reasons support this concept. Firstly, a recently developed technology is already introduced to the local market, remaining novel only to foreign markets. Secondly, considerable resources have already been invested in technology development, necessitating marketing efforts in foreign countries. Thirdly, domestic companies will hold a competitive advantage over foreign ones, as the latter may not be informed about the latest technologies in use. Finally, it is also presumed that high-tech companies can better handle competition since they excel in knowledge management, given that knowledge is directly linked to research and development (Kundu, 2003).

The fear of failure can also be considered a significant determinant of startup internationalization. Fear of failure is a distinguishing factor between entrepreneurs and non-entrepreneurs. Entrepreneurs are individuals who exhibit a greater ability to take risks compared to others. The fear of failure is an emotional reaction directly linked to the decision to embark on a business venture. In existing literature, this is described as a 'threat,' signifying a sense of negativity that impacts a person's decision-making ability. There is also the assumption that the fear of failure is inversely proportional to the inclination towards entrepreneurship. Building on this argument, the authors hypothesized that lower fear of failure also motivates or amplifies the internationalization process. Entrepreneurs who are less afraid of failure are more likely to venture their business abroad (Leonid and Spiropoul, 2007).

Internationalization has also been recognized as a crucial component of continuous business growth. Organizations facing increasing internal competition and a scarcity of local opportunities should explore international business prospects. Sustaining positions becomes challenging for organizations, while new entrants struggle to carve a niche in highly competitive environments. This underscores the positive aspect of competition in domestic markets (Madsen, 1997).

The magnitude of social connections, encompassing networking and the incubator effect, stands as a critical determinant in the internationalization trajectory of startups. Contemporary research increasingly

underscores the role of business incubation in endowing startups with invaluable network resources. While incubation predominantly furnishes shared network resources, the provision of distinctive (non-shared) network assets remains somewhat limited. Consequently, it is contended that the networks facilitated by an incubator can complement, albeit not substitute, the external "private" networks of tenants.

The persistent influence of local market dynamics and the available resources poses ongoing implications for the internationalization dynamics of startups. Factors such as the caliber of skills, access to emerging technologies, market pre-validation, inter-company business collaboration, recruitment of skilled personnel, and the incorporation of cutting-edge business models collectively serve as catalysts for the international expansion of startups. Thus, the business landscape has emerged as a substantial consideration for startups contemplating entry into foreign markets (Baron, 2002).

Startups in countries with developing economies must exert more effort and typically start from scratch compared to developed countries. The outcomes are often shaped by the significance of garnering international experience, particularly at specific junctures. It is envisaged that startups dispatch key personnel overseas to spearhead the internationalization process, though this endeavor doesn't invariably yield successful results (Brinckmann et al, 2010).

Overcoming cultural diversity, geographical distances, and time constraints emerges as only a minimal challenge when venturing into foreign markets. The advantage lies in analyzing readily available and free information, a resource integral to facilitating the internationalization process. Within this realm, a plethora of practices and outcomes, encapsulated in an extensive database, provides managers with the essential elements for crafting a comprehensive understanding and a nuanced perspective on the prospects of success in the targeted foreign market.

Globalization can be characterized as a force that, through market segmentation and emphasizing mutual interdependence among participants, facilitates the coordination and integration of industrial and commercial operations beyond national borders. This transformative dynamic, reshaping the nature of specific activities, does not necessarily mandate a singular, decisive strategic response.

Derived from this assessment, Michael Porter (1980) introduces a typology that discerns the fundamental approaches companies take on the international stage. This framework identifies four potential strategies based on the level of coordination and geographical configuration of activities: an export-oriented strategy, a strategy focused on the domestic market, a strategy emphasizing strong coordination among

subsidiaries, and a straightforward global strategy. In contrast, Howard Perlmutter (1969) proposes a well-recognized typology of organizational models between parent and subsidiary companies. This classification encompasses three primary profiles—ethnocentrism, polycentrism, and geocentrism—reflecting the diverse management principles adopted by globally operating companies. While these two scholars explore the same reality from distinct perspectives, their works are presented not as isolated studies but as mutually enriching insights. It can be contended that combining their perspectives contributes to a more nuanced understanding of the interplay between strategic and organizational logic in the era of globalization.

Faced with the myriad challenges brought about by the globalization of markets, Michael Porter introduces a matrix that captures the spectrum of potential strategic responses. While this matrix provides a thought-provoking basis for interpretation, it can be further refined across three dimensions: structure, terminology, and analytical representation. To gain a better understanding of the strategies developed by globally operating companies, it's beneficial to fine-tune the criteria employed by Porter (1986) in crafting his typology. The initial element of structuring, focusing on the geographical arrangement of activities, falls short in providing an exact reflection of the developed internationalization strategy. This criterion introduces confusion for two primary reasons. Firstly, leaders occasionally opt to compartmentalize their activities concerning operational issues. For instance, they might adopt a multi-zone approach to promptly access local resources and expertise. Secondly, the development of virtual entities necessitates a reevaluation of the significance of the configuration criterion to accurately characterize the scrutinized strategy.

To authentically outline the parameters of the chosen policy, it is deemed preferable to assess the concentration of wielded power. Whether authority is delegated or retained more precisely mirrors the directions chosen by the company.

The second aspect Porter (1986) focuses on, the coordination of activities, also turns out to be somewhat imprecise. He blends modes of internationalization (like export and foreign investments), areas of operation (such as domestic and global markets), and organizational approaches (ranging from decentralized marketing to strong coordination among subsidiaries) in a non-systematic way.

However, according to Bartlett (1986): international strategy, multinational strategy, transnational strategy, and global strategy. This approach offers a more cohesive and reader-friendly representation, reflecting the nature and scope of the strategies developed by companies.

In addition to this study, it is crucial to outline the fundamental characteristics of internationalization policy and clarify the organizational methods required for its execution. To achieve this, we suggest drawing insights from Perlmutter's work (1969) and adapting it to Porter's typology. This alignment, which can be explored in detail later in this research, enhances understanding of the origins, principles, and conditions guiding companies in an environment where political and commercial boundaries are increasingly fluid.

An international strategic orientation implies that a company grapples with a high concentration of decision-making authority and a limited coordination of activities conducted at the global level. Foreign subsidiaries heavily rely on the parent company, typically situated in the company's country of origin. At the same time, the core activities forming the production and supply chain are predominantly concentrated in that same country. Internationalization strategies and the way a company views the trading landscape are marked by a limited adjustment of the company's products offered overseas. Essentially, the main market serves as the starting point, and the conditions observed in this market shape the design, production, and marketing of products. Foreign markets are considered supplementary markets, enabling the company to make the most of commercial opportunities where possible. The primary method of internationalization involves transferring patents or exporting products manufactured in the country of origin. License agreements are occasionally employed for the distribution of know-how and brands, a common practice among small and medium-sized enterprises entering foreign markets (Kuada, 2006).

A multinational strategic orientation is marked by decentralized decision-making authority and limited coordination among activities in various countries. In contrast to an international strategy, it doesn't heavily prioritize the domestic market when expanding abroad. Rather, it strives to precisely align with the conditions of each target national market. The portfolio management strategy, encompassing a range of local activities, plays a pivotal role in ensuring a robust adaptation of products. Subsidiary companies operate with a high level of independence from the headquarters, leading to the predominant use of direct investments as a key approach to internationalization. Additionally, license grants, covering know-how and trademarks, are extended to partners to facilitate their operations abroad (Bartlett and Ghoshal, 1986).

A transnational strategic orientation, as carefully studied by Bartlett and Ghoshal (1989), is characterized by a decentralized decision-making structure and robust coordination among geographically dispersed activities. The fundamental principle of this strategy is encapsulated in the well-known mantra:

"Think globally, act locally." Executing this approach involves employing three common methods of internationalization: direct foreign investments, limited-term concessions, and firm sales. Direct investments are crucial for the widespread distribution of diverse complementary operations that need varying levels of integration.

Examining internationalized enterprises over time reveals a pattern tied to the gradual evolution of their strategies. Frequently, a company starts with an international strategy, delving into the study of industrial and commercial conditions abroad. It then progresses to a multinational strategy, fine-tuning its operations for specific key national markets. As the journey continues, especially when local conditions aren't overly distinct, a transnational strategy comes into play, strategically leveraging diverse attribute systems and benefiting from economies of scale. This developmental path is empirically supported, particularly in the case of subsidiary companies. Ultimately, the company adopts an overarching strategy whenever feasible, aiming to cut costs per unit and boost revenue. Naturally, adherence to this sequence isn't uniform, as companies may swim against the current or skip certain stages. The multitude of internationalization methods, the impact of national cultures, diverse market aspects, the selection of business segments, and the autonomy of decision-making by leaders collectively contribute to the intriguing reality that, within the same business sector, strategies developed by companies can exhibit significant diversity. (Head, 2007)

The escalating complexity of international operations demands a more refined organizational approach. In response to globalization, companies employ specialized operational methods tailored to environmental conditions and the organization's resources. These methods play a pivotal role in realizing chosen strategic directions. Eisenhardt (2002) convincingly argues for this correlation, asserting that the organization itself serves as a strategic framework. Perlmutter's ethnocentric profile becomes especially significant in comprehending the execution of an international strategy. This is due to the headquarters, in ensuring coherence in its global activities, shaping the company's values and interests exclusively with respect to the domestic market. In certain sectors, the supranational integration of economies enables a standardized approach to the global market. Consequently, the standards governing the design, production, and marketing of a product become nearly universal.

According to Head (2007) strategy and organization are interconnected elements, essentially serving as pivotal components contributing to the success of operations on an international scale. Two reasons

support this perspective. Firstly, the inherent nature of these operations dictates that principles of relationships, decision-making, communication, and culture align with the company's geographical expansion policy. Secondly, the strong alignment between the two typologies is clarified by the cross-reference of the two mentioned dimensions:

- Internationalization strategies are crafted based on organizational criteria.
- Company profiles undergo assessment using strategic parameters.

This composite model underscores the distinctive interplay between the strategic and organizational logic in operations conducted at the international level. Confronted with the globalization of markets, leaders increasingly prioritize the creation of an options portfolio over managing a portfolio of static operations (Bryan and Farrell, 1996). Hence, it is advisable for them to employ a flexible management approach, ensuring the relevance and coherence of selected directions, and facilitating the implementation of scalable action plans in an ever-changing and diverse environment.

3 Hypothesis, Research Questions

3.1 Research Hypothesis

Drawing from the theoretical framework outlining the primary determinants of startup internationalization, we can articulate the core hypotheses of our study.

Hypothesis 1: A higher level of education correlates with an accelerated pace of startup internationalization.

During our theoretical exploration, we have identified that the age of a startup founder plays a role in influencing internationalization. Although the precise impact of age remains uncertain, we posit that age is directly linked to the internationalization trajectory of startups. Consequently, we formulate our second research hypothesis:

Hypothesis 2: The swifter internationalization of a startup is directly correlated with higher levels of entrepreneurial experience.

Furthermore, we postulate that technology exhibits a proportional relationship with startup internationalization, leading to the formulation of our third hypothesis:

Hypothesis 3: Technological advancements contribute to an accelerated pace of startup internationalization.

The fundamental nature of entrepreneurial endeavors entails an inherent acceptance of risk. Entrepreneurs who harbor minimal fear of failure are more inclined to take calculated risks, presenting the opportunity for significant success. Consequently, we assert our fourth hypothesis:

Hypothesis 4: A reduced aversion to failure is expected to correlate with a more extensive internationalization of startups.

Competition constitutes a critical determinant in the internationalization of startups. Maintaining market positions and fending off new entrants becomes challenging in highly competitive environments. Acknowledging the positive impact of competition in domestic markets, we propose a hypothesis regarding its influence on the internationalization of startups:

Hypothesis 5: High levels of internal competition are expected to correlate with increased internationalization among startups.

The forthcoming analysis will serve to either confirm or challenge the hypotheses related to the determinants of startup internationalization.

3.2 Research Questions

In the course of this investigation, it is aimed to provide insights into the following inquiries:

1. What is the current landscape of startup development in Kazakhstan?
2. Which sectors take precedence in the initiation of startups in Kazakhstan?
3. To what extent does the government support the inception and execution of startups in Kazakhstan?
4. Which determinants wield the most significant influence on the pace of startup internationalization?
5. What recommendations can be proffered for the advancement of startups in Kazakhstan?
6. What strategic measures can be implemented to facilitate the enhanced internationalization of startups in Austria?

Drawing from the analysis, it is aimed to address each of the research inquiries outlined. The central objective of this study is to pinpoint the pivotal determinants influencing the internationalization of startups and, in turn, formulate actionable recommendations for fostering their development.

4 Methodology: research method description and data collection

4.1 Survey

In order to identify the determinants of startup internationalization, a comprehensive survey will be conducted. Prior to commencing the survey, careful consideration and assessment of the following factors are crucial:

- The primary question (or questions) seeking answers.
- The overarching objective of the survey.
- The anticipated costs associated with obtaining meaningful results.
- The methodology and format employed for survey administration.
- The anticipated duration of the research initiative.
- The reliability and precision of the acquired information.
- The strategies for processing the gathered data.
- The presentation format for conveying the research outcomes (Niels Van Quaquebeke, 2022).

This anonymous survey will serve as a pivotal tool in unraveling the intricacies of startup internationalization, providing valuable insights into the key factors that influence this dynamic process.

Defining the phases of survey:

Step 1: Clarifying the survey's objective

Step 2: Identifying the target demographic

Step 3: Formulating the questionnaire

Step 4: Questionnaire testing

Step 5: Survey administration and post-survey verification (Edward, 2010)

The actual survey administration occurs in this phase. Following this, a comprehensive review of the survey responses is conducted to confirm the accuracy and reliability of the collected data.

The developed questionnaire can be found in the Appendix.

4.2 Statistical data analysis

Survey results are often processed using various methods, including the computation of descriptive statistics, ranking, scaling, identifying correlations among different variables, and graphical representation of data. However, the interpretation methods and algorithms play a crucial role in conferring meaning to the survey findings (Aust, 2013).

Factor analysis: among these methods, factor analysis stands out. This approach allows for the exploration of hidden structures in the relationships among multiple variables, significantly reducing their volume. It helps bring forth the key factors influencing respondents' answers. An added advantage is the widespread implementation of this method in various data processing packages (Ball, 2019). While the typical result processing involves identifying and interpreting factors, specific research objectives may require a more in-depth exploration. This entails scrutinizing the connections between the identified factors and respondents' socio-demographic characteristics, including gender, education, and income levels. This nuanced approach enhances the richness of our understanding.

Effective data processing comprises two fundamental stages—primary and secondary. Initiating the process with a meticulous review ensures the completeness, accuracy, and uniformity of the survey. Essential criteria for correctness involve evaluating the survey's thoroughness, precision, and consistency. Secondary processing of results is conducted comprehensively for the entire survey dataset and, concurrently, for specific groups stratified based on the research objectives (Baltar, 2012).

Stratification entails classifying the entire cohort into groups, taking into account the research objectives (e.g., groups with positive and negative perspectives on a specific issue) and the distinctive characteristics of the research subjects (gender, age, profession, social traits, etc.). In order to facilitate robust statistical analyses, it is crucial to ensure a sufficiently large and well-represented sample. Typically, a cohort of no less than 15-20 respondents is considered suitable for secondary analysis. If the size of a subgroup with accurately completed surveys meets these criteria, it warrants further in-depth examination. When faced with smaller subgroup sizes, strategic decisions become imperative. In such instances, merging similar groups—such as individuals aged 17-18 or those with comparable educational backgrounds—can bolster the statistical robustness of the analysis. Alternatively, forgoing subgroup-specific analyses and opting for a comprehensive examination of the entire respondent cohort may be a judicious approach (Barbulescu, 2012).

Secondary processing entails a dual approach, encompassing both qualitative and quantitative analyses. The elementary processing method involves computing percentage ratios among diverse response options, initially assessing the frequency of each response within the group.

For more intricate processing methodologies, an array of mathematical and statistical techniques is deployed, including correlation analysis, computation of significance criteria for variations, and the application of factor or cluster analysis (Barchard, 2008). The scrutiny and interpretation of survey results adhere to the formulated hypothesis and research objectives, emphasizing the distinctive characteristics of the subject and object under investigation.

4.3 Data collection and sampling parameters

During selective research, it becomes imperative to gather information pertaining to the parameters of the "group" targeted for marketing research. This statistical entity is commonly termed the population or simply the population group. On occasions when the population size is relatively modest, a manager may opt to scrutinize all its members. Consequently, an investigation is conducted on a subset of the population, known as a sample (Becker, 2019).

A sample serves as the fundamental layer in the execution of research studies. The contour of a sample invariably incorporates an inherent error, termed the sampling frame error, which delineates the extent of deviation from the true dimensions of the entire population. It is crucial to recognize that, given the sample's nature as a subset of the broader population under study, the data derived from it are unlikely to precisely mirror the information that could be acquired from all units within the population. The discernible difference between data obtained from a sample and the true data is identified as sampling error. This error is influenced by two key factors: the method employed in sample formation and the size of the sample.

In the initial phase, the target population is meticulously defined, driven by the research objectives. Clearly defined characteristics are established, satisfying which becomes the criterion for inclusion in the target population and facilitates its distinction from other potential populations.

In the second phase, the focus shifts to determining the sources from which the roster of population units can be derived. This step is crucial for delineating the sampling frame, and it involves consulting pertinent references, census data, local government records, and materials from various advisory bodies.

Concurrently, it becomes necessary to assess the sampling frame error. This involves the following steps, as outlined by Benbunan-Fich (2017):

1. Evaluate the extent to which the list of individuals included in the sampling frame deviates from the overall population.
2. Identify the contingent of individuals that did not find inclusion in the sampling frame.

Responses to initial survey queries typically facilitate the identification of respondents and help determine whether they fall within the purview of the studied population. Subsequently, if the researcher cannot pinpoint reasons why the exclusion of specific population units from the sampling frame adversely impacts the composition of the final sample, the sampling frame error is deemed acceptable.

In the third stage, building on prior groundwork, we embark on the design of the actual sample. This phase demands a delicate equilibrium between the sample's structural composition, the financial outlay for data collection, and the sample size, with an in-depth exploration of the various sampling methodologies. The sampling plan should be intricately tailored to align with the goals of the survey at hand and the existing constraints.

The selection of methods to access the population hinges on the entity responsible for data collection. Attaining the desired sample size unfolds in two distinct steps. Initially, we establish the sampling unit, followed by the acquisition of the requisite information from this unit. However, it is apparent that, due to various factors, reaching certain selected respondents may prove unfeasible, and not every chosen respondent may be amenable to answering queries. This prompts the challenge of respondent replacement, which can be tackled through three methods: sequential selection of the next respondent, employing larger samples, and implementing a re-sampling strategy.

Ensuring that the sample meets the specified criteria can be approached in various ways, one of which involves comparing the profile of the current sample with that of a sample previously employed in analogous studies. This verification process is viable only when it's feasible to make a comparison with similar samples used in prior research.

The decision to form a new sample arises when the verification reveals that the existing sample doesn't adequately represent the entire population. In such instances, new respondents are selected and integrated into the previously utilized sample until a satisfactory level of representativeness is attained.

5 Analysis of the internationalization of startups in Kazakhstan

5.1 Analysis of survey data

As part of the research initiative, a comprehensive survey was administered to 170 entrepreneurial individuals. The primary objective of this survey was to discern the key determinants influencing the development of startups within the region. A notable demographic observation revealed that a predominant 72% of respondents were male, with a significant proportion falling within the age bracket of 36 to 45 years, constituting 48% of the surveyed population. Survey participants were further queried regarding the operational sector of their respective companies. The ensuing insights have been visually represented in Figure 1, shedding light on the diverse domains in which these entrepreneurial endeavors are active.

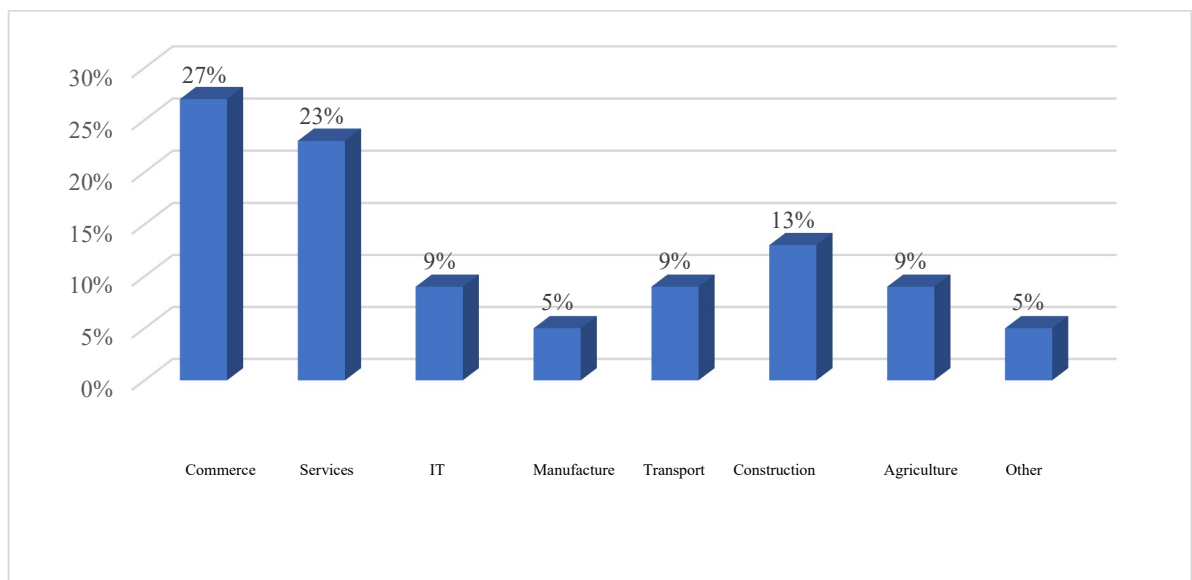


Figure 1 – Field of Activity of Respondent Companies, in %

Based on the insights derived from the survey data, the following observations can be delineated: a significant portion of companies, constituting 27%, engages in trade activities. This underscores the broad representation of businesses involved in the sale of goods or services within the market. Approximately 23% of companies are dedicated service providers. This category encompasses diverse service-oriented sectors such as consulting, financial services, tourism, and others. A noteworthy 9% of companies operate in the realm of information technology. This indicates the presence of businesses involved in software development, provision of IT services, or other domains associated with information technology. A distinct 5% of companies are active in the industrial sector, encompassing the production of goods or the provision

of industrial services. 9% of enterprises operate within the expansive domain of transportation. This category encapsulates entities engaged in transportation services, logistics, or other facets associated with the conveyance of goods or individuals. Approximately 13% of companies partake in the dynamic landscape of the construction industry. This signifies the presence of businesses involved in erecting buildings, developing infrastructure, or offering a spectrum of construction-related services. A distinct 9% of companies are active participants in the agricultural sector. This includes entities engaged in crop cultivation, livestock husbandry, agricultural product processing, and various other dimensions of agricultural endeavors. 5% contingent comprises companies delving into diverse sectors not explicitly specified in the survey. This might encompass entities operating in healthcare, education, entertainment, and other multifaceted industries.

Taking into account these findings, it is evident that trade and services stand out as the predominant spheres of activity among the surveyed companies. The IT sector, construction, transportation, and agriculture also make notable appearances, albeit to a lesser degree. These insights hold significance for crafting recommendations tailored to the development of startups in Kazakhstan, considering the unique dynamics within each sector.

Additionally, company owners have furnished details about their educational backgrounds, with the corresponding responses illustrated in Figure 2.

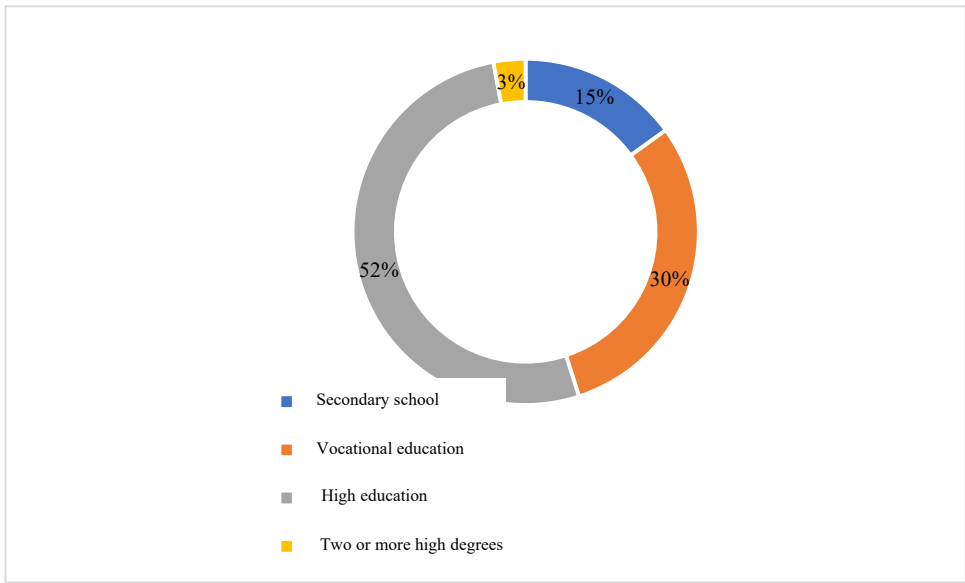


Figure 2 – Level of education of company owners participating in the survey, in %

Derived from the survey data, notable insights regarding the educational background of participating company owners can be outlined.

15% of company owners have completed their education at the secondary level. This suggests that certain entrepreneurs embarked on their business ventures without pursuing higher education, relying instead on practical experience and skills required in the field.

30% of company owners have completed vocational education. This may indicate their engagement in specialized training or professional courses tailored to specific industries or business domains.

Substantial 52% of company owners hold higher education degrees, underscoring the prevalent emphasis on formal education at the higher institution level among the majority of entrepreneurs.

3% of company owners boast two or more higher education degrees. This points to a subset of entrepreneurs who have pursued ongoing education, acquiring additional degrees to enrich their knowledge and skills.

These findings suggest that a predominant number of participating company owners possess higher education, signaling its relevance in entrepreneurial pursuits and effective startup management. These insights can be integral in shaping recommendations and strategies for startup development, encompassing support for educational initiatives, professional courses, and skill enhancement programs tailored for entrepreneurs.

Furthermore, in terms of entrepreneurial experience, most respondents (35%) exhibit less than one year of entrepreneurial engagement, followed by a cohort with experience ranging from 1 to 5 years (28%). Seasoned entrepreneurs, with experience spanning 6-10 years and over 10 years, constitute 21% and 15%, respectively.

These findings suggest that a significant portion of respondents possesses relatively recent entrepreneurial experience or is in the nascent phases of their entrepreneurial journey. This aspect could impact the trajectory of internationalization and the overall development of their startups. Extensive entrepreneurial experience often equips individuals with valuable insights and skills, along with an expanded network of contacts, fostering accelerated internationalization.

Respondents have also disclosed the percentage of clients situated beyond the borders of Kazakhstan, with detailed responses visualized in Figure 3.

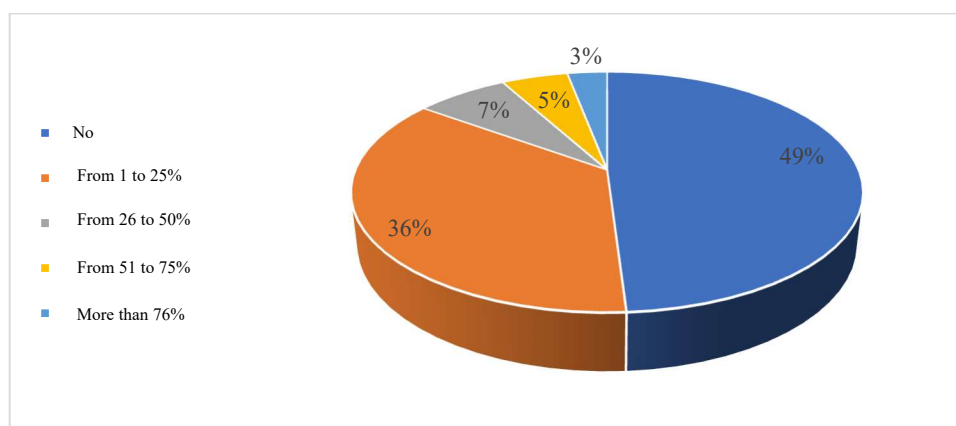


Figure 3 – Proportion of clients of companies located outside of Kazakhstan, in %

Drawing insights from the data provided by respondents on the distribution of clients beyond Kazakhstan, the following observations can be made:

No international clients for 49% of surveyed companies: This suggests a focus primarily within Kazakhstan, indicating a limited international footprint and a startup landscape with relatively lower levels of global engagement. 1% to 25% international clients for 36% of companies: While there is some international clientele, it remains relatively modest compared to the domestic market, hinting at a gradual approach to internationalization. 26% to 50% international clients for 7% of companies: This indicates a more substantial international presence, with a significant portion of clients hailing from other countries. 51% to 75% international clients per 5% of companies: A higher degree of internationalization is apparent here, suggesting a considerable reliance on a diverse international clientele. Over 75% international clients for 3% of companies: This signals a highly globalized approach, with a substantial majority of clients originating from international markets, indicative of successful startup internationalization.

These findings shed light on the diverse internationalization strategies adopted by startups, providing valuable insights into the global reach and market orientation of these entrepreneurial ventures.

The findings suggest that the majority of companies either have a limited presence or lack clients beyond Kazakhstan. Nonetheless, there are noteworthy instances where certain startups have successfully garnered a substantial international clientele. These insights can serve as a basis for crafting recommendations geared towards enhancing international relationships, exploring untapped markets, and devising effective international marketing strategies for startups in Kazakhstan.

Based on the data regarding the accessibility of technologies essential for the production of products or services, notable observations can be made.

Approximately 38% of companies reported that the technologies required for their product or service have been accessible for less than a year. This signifies the adoption of new or recently developed technologies, possibly reflecting the innovative nature of startups or the swift advancements in the technological sector.

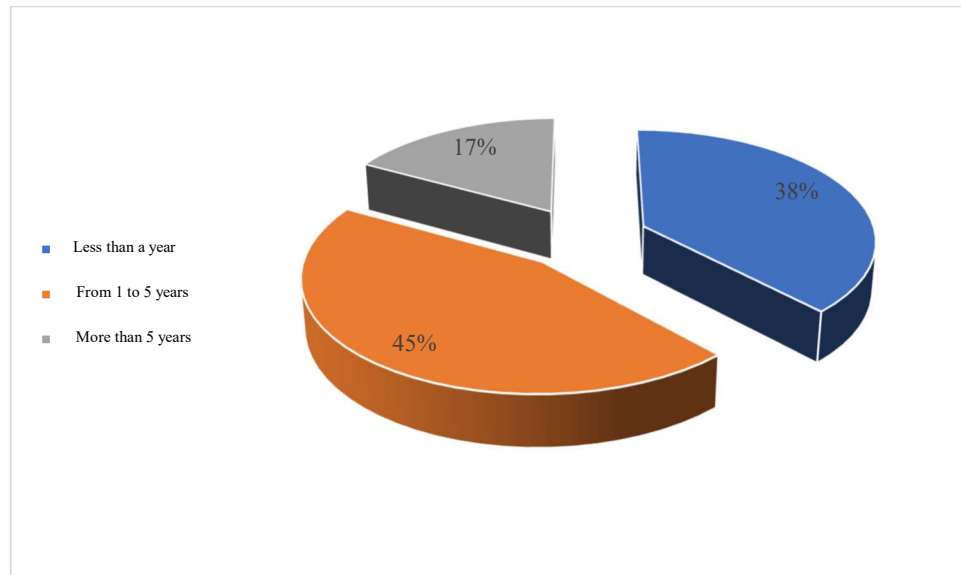


Figure 4 – Assessment by respondents of the available technologies necessary for the production of the business's product or service, in %

Notable 45% of companies reported that the technologies essential for their business have been accessible for 1 to 5 years. This implies that a substantial portion of businesses operates with well-established technologies available over the past few years. In contrast, 17% of companies indicated that the technologies required for their business have been accessible for over 5 years. This suggests that some operate in sectors where there have been minimal changes or innovations in technologies for an extended duration.

These findings imply that while the majority of companies rely on technologies from recent years, a noteworthy segment operates with more long-standing technological frameworks. This nuanced technological landscape could be indicative of varied industry dynamics.

The insights garnered from these results can be instrumental in assessing the technological preparedness and competitive stance of startups in Kazakhstan. Additionally, they provide a basis for crafting recommendations on harnessing new technologies and innovations to foster business development.

Respondents were also asked about whether the fear of failure acted as an impediment when initiating their business. The corresponding responses are illustrated in Figure 5.

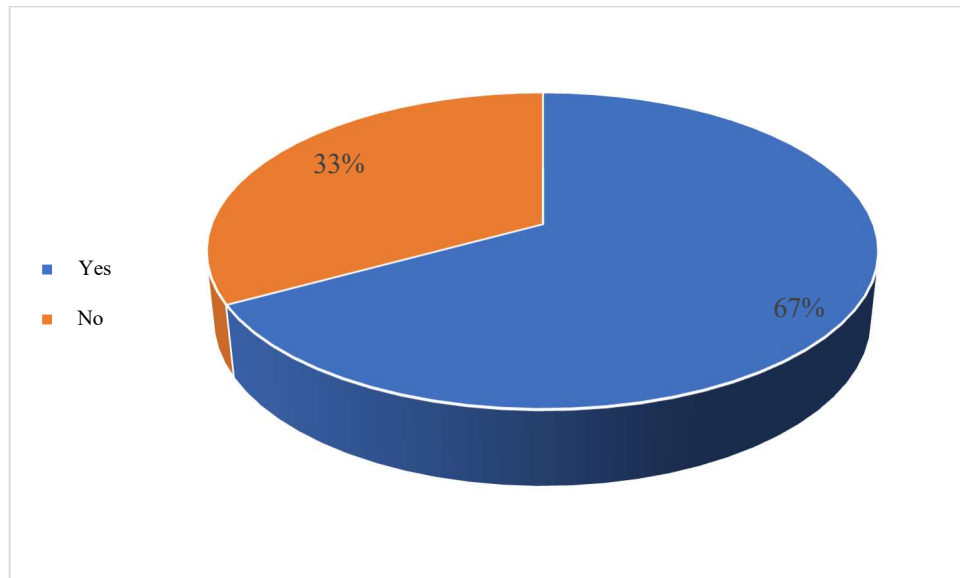


Figure 5 – Respondents' answers to the question of whether the fear of failure was an impediment when starting their business

67% of respondents acknowledged that the fear of failure poses a hindrance when initiating (or having initiated in the past) their business. This highlights that a significant majority of entrepreneurs grapple with a certain level of apprehension or concern regarding potential setbacks, potentially influencing their decision-making and actions in the business realm.

Conversely, 33% of respondents asserted that the fear of failure does not impede them when embarking on a business venture. This could suggest that these entrepreneurs possess a heightened sense of determination, confidence, or optimism, enabling them to navigate and surmount fears while embracing calculated risks.

From these findings, it can be inferred that the majority of entrepreneurs encounter a fear of failure at the outset of their business journey, influencing their entrepreneurial pursuits. Effectively managing and overcoming this fear emerges as a pivotal aspect of supporting and nurturing entrepreneurs in Kazakhstan. Offering support in the form of educational initiatives, counseling services, and confidence-building programs can prove instrumental in aiding entrepreneurs to navigate and transcend the fear of failure, fostering their successful business development.

Respondents also indicated the level of competition in their industry segment. The responses are presented in Figure 6.

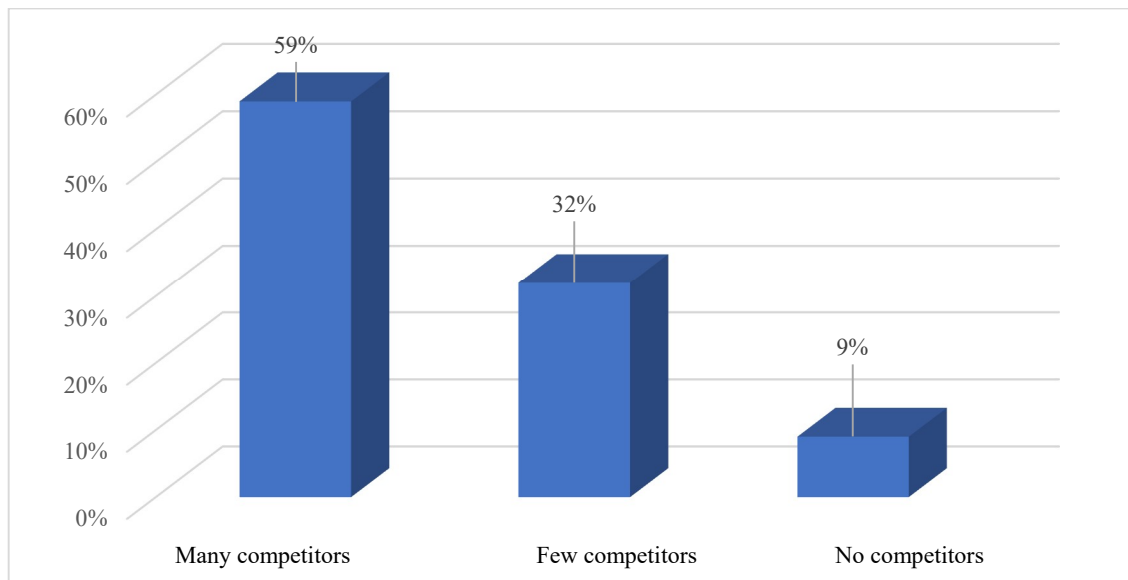


Figure 6 - Level of competition in the activity segment of the surveyed, in %

Significant 59% of companies noted the presence of numerous competitors offering similar services or products in their industry. This highlights a saturated market environment characterized by intense competition, necessitating strategic efforts from companies to attract and retain customers. In contrast, 32% of companies reported encountering few competitors in their industry, while a notable 9% asserted the absence of competitors. This could imply the presence of unique offerings or represent an early stage of business development where competition has yet to crystallize.

These findings underscore that most companies operate in highly competitive industries, requiring entrepreneurs to craft strategies for gaining a competitive edge, offering unique value propositions, and deploying effective marketing approaches to secure and retain clientele. Nevertheless, there are also businesses operating in sectors with lower competition or none at all, providing them with favorable conditions for business development and growth.

5.2 Evaluation of startups' internationalization in Kazakhstan based on statistical data

In the Central Asian region, a significant portion of economic revenues stems from the export of raw materials, including oil and gas in Kazakhstan, Uzbekistan, and Turkmenistan, as well as gold in Kyrgyzstan and Tajikistan.

Kazakhstan, as the region's digitalization leader, places a primary focus on advancing its startup and venture ecosystem. The establishment of the National Innovation Fund in 2004 and the enactment of the "On Investment and Venture Funds" law in 2007 laid the groundwork. However, substantive efforts in

fostering technological innovations materialized in 2018 with the inauguration of Astana Hub Technopark and the Astana International Financial Centre (AIFC).

The AIFC serves as an internationally recognized legal framework for corporate establishment and investment endeavors. Simultaneously, Astana Hub stands out as the preeminent technology hub in the region, extending support to students, entrepreneurs, and technology firms through diverse programs.

The startup landscape in Kazakhstan is undergoing dynamic development, and Astana Hub stands as a key player in this transformative journey. As of the close of 2022, the hub proudly hosted 1,007 resident companies, with 216 of them hailing from international shores. These enterprises exhibit remarkable expansion, boasting a collective revenue of \$504 million—an impressive surge of 300% from the figures in 2020. Moreover, they successfully secured investments totaling \$132 million, reflecting a notable 150% increase compared to the preceding year (Figure 7).

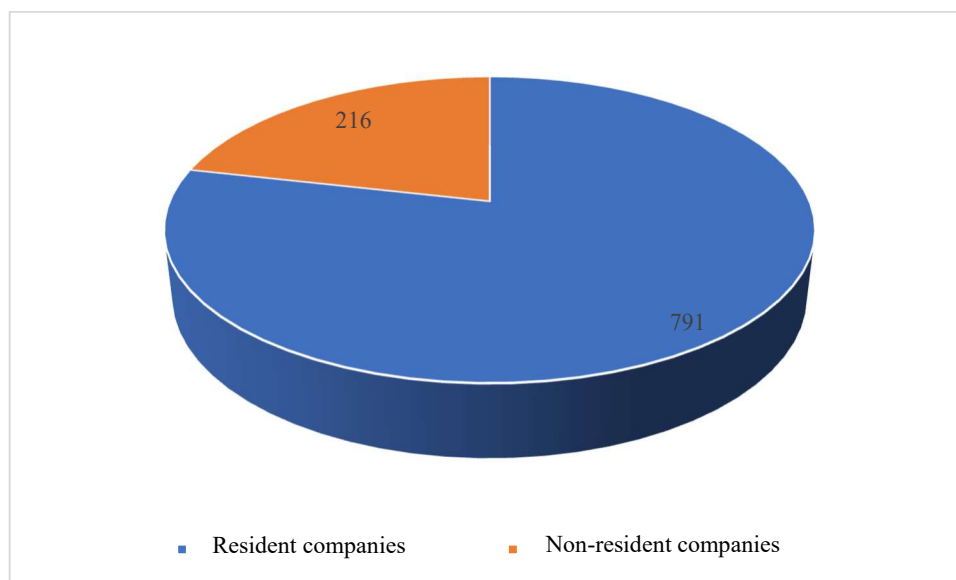


Figure 7 – Astana Hub companies' structure in 2022

Astana Hub actively collaborates with top-tier global technology giants, including Airbus, Apple, Binance, EPAM, Ethereum Foundation, Google, Meta, Plug and Play, Tencent, and more.

Beyond Astana Hub, Kazakhstan is witnessing the rise of other private initiatives. For instance, the incubation program Jas Ventures in Almaty, partnerships with Stanford University's StartX, and the development of the "Technological Valley" in Karaganda. This visionary effort involves the establishment of incubators, training programs, and acceleration initiatives designed to bolster startup growth (Henni, 2023).

In 2022, Kazakhstan experienced a substantial surge in its technological landscape, attributed to the relocation of skilled professionals from Russia and Belarus to the country. Kazakhstani enterprises seized the opportunity to onboard highly qualified experts in programming, design, marketing, and analytics. Notably, several prominent tech entities, including EPAM, inDrive, Playrix, Tinkoff, and Yandex, either relocated segments of their workforce or established offices in Almaty and Astana.

At its core, Kazakhstan is actively striving to position itself as a regional leader in technological advancement within Central Asia. The notable progress of Astana Hub and other initiatives underscores the nation's burgeoning innovation ecosystem.

MOST Ventures, a prominent private venture fund in Central Asia, has reported substantial advancements in the Kazakhstani startup landscape. Over the period from 2018 to 2022, a total of 175 investment transactions were conducted with startups in Kazakhstan, amounting to approximately \$87 million. Noteworthy is the fact that the preceding year alone witnessed 43 transactions, totaling \$35 million. However, industry insiders estimate that up to 40% of startup deals take place in a non-public format, indicating that the actual scale of the Kazakhstani market in 2022 could be in the vicinity of \$60 million. It's important to note that these figures do not encompass transactions made with Kazakhstani startups on the international front.

The fintech and e-commerce sectors together comprise over half of the startup investments in Kazakhstan. Leading local players in these fields, such as Kaspi Bank and Chocolife, have not only demonstrated strong domestic influence but have also successfully attracted foreign investments. Noteworthy examples include the \$100 million investment by the Baring Vostok fund in Kaspi in 2007, paving the way for the company's IPO in 2020. Additionally, business angel Bas Godsk has invested \$120,000 in Chocolife since its inception in 2011.

In recent times, an actively engaged foreign investor in the Kazakhstani startup scene is the venture company Tesla Capital, headquartered in Singapore. They hold stakes in four promising Kazakhstani startups.

According to MOST Ventures (2022), approximately 45% of the total startup funding in Kazakhstan comes from private individuals, 16% from incubators and accelerators, and only 8% from funds.

In Central Asia, the advancement of institutional investors in the startup domain encounters constraints arising from various factors, including the scarcity of venture firms, an underdeveloped capital

market, and regulatory complexities. Nevertheless, this void is, to some extent, mitigated by the engagement of individual investors who contribute both funding and expertise during the nascent stages of startups. A noteworthy portion of these individual investors comprises accomplished entrepreneurs equipped with practical insights into business initiation and expansion. Their capacity to furnish startups with valuable knowledge, mentorship, and operational backing stands as a significant asset to the evolving entrepreneurial landscape in the region.

Distinct cohort of Kazakhstani investors is navigating the international landscape through strategic intermediation and collaboration with foreign funds and investors. Case in point, the MyVentures fund has successfully invested in six foreign startups from the USA, UAE, and Taiwan. This achievement is attributed to their accredited investor status in the USA and collaborative efforts with the 500 Global fund.

Such collaborative ventures empower Kazakhstani investors to broaden their horizons, gain access to international opportunities, and attract foreign investments, thereby contributing to the growth and diversification of the Kazakhstani investment landscape.

Table 1 further summarizes Kazakhstan's internationally oriented startups.

Table 1. Kazakhstani Startups with a Focus on the International Market

Company's name	Foundation year	Business sector	Attracted investments (in millions of USD)	Notes
Cerebra	2018	Health	1.3	Venture investments Quest Ventures
Citix	2016	Advertisement	3	Investments from Timur Turlov
Clockster	2018	HR management and business automation HR management and business automation	1.5	Venture capital investors including 500 Global and Quest Ventures, headquartered in Jakarta
Jet	2021	Electric scooter hire	3	Local investments
Parqour	2020	Parking management	-	The support of EA Ventures is aiming to achieve revenue in the range of several million dollars.
S1lkPay	-	Fintech	7.3	Moved the headquarters to Dubai, launching in Sudan.

Cerebra, founded in 2018, is a pioneering startup specializing in the development of artificial intelligence-based software for the early detection of strokes. The company has successfully secured \$1.3 million in funding from local investors and Singapore's esteemed Quest Ventures.

Citix, established in 2016, stands as a trailblazer in the realm of digital outdoor advertising and urban information. Having garnered a substantial investment of \$3 million from Timur Turlov, the founder of Freedom Holding, the company is strategically expanding its footprint on the international stage.

Clockster, founded in 2018, focuses on innovative solutions for personnel management and business process automation. The company has attracted \$1.5 million in funding from a diverse group of investors, including prominent names such as 500 Global and Quest Ventures.

Jet, a recently launched electric scooter rental service in 2021, has successfully raised \$3 million from local investors. The company currently operates in multiple countries across Central Asia and Eastern Europe.

Parqour, established in 2020, is a company at the forefront of providing intelligent parking management systems. With plans to achieve a revenue milestone in the multimillion-dollar range, Parqour has received financial backing from EA Ventures to support its strategic expansion into the United States, Europe, and Asia.

S1lkPay, a distinguished fintech company, specializes in facilitating instantaneous peer-to-peer transfers without the prerequisite of a traditional bank account or card. With a commendable achievement of securing \$7.3 million in funding, the company has strategically relocated its headquarters to Dubai as part of its expansion initiative into the Sudanese market.

These pioneering startups span diverse industries, encompassing artificial intelligence, advertising, human resource management, transportation services, and fintech. Notably, each has showcased remarkable success in the international arena, garnering investments from a blend of both local and foreign investors.

Referencing Figure 8 below, we observe a comprehensive breakdown illustrating the distribution of domestic investment in startups across various sectors in Kazakhstan.

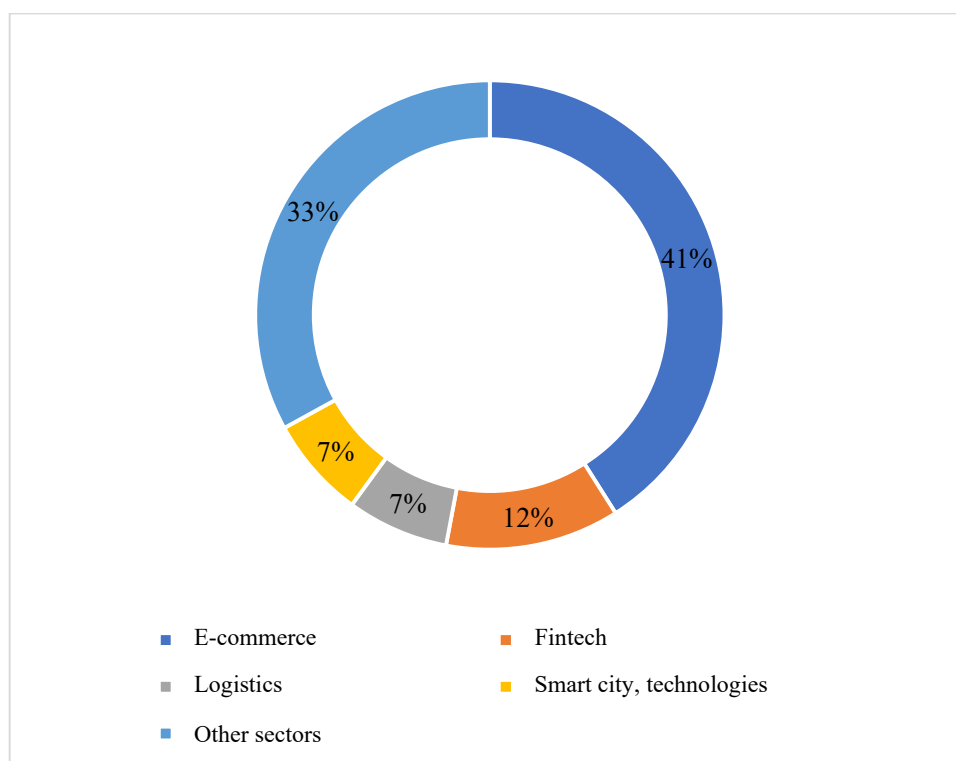


Figure 8 - Distribution of domestic investment in startups by sector in Kazakhstan, %

Based on the data on the distribution of domestic investment in startups by sector in Kazakhstan, the following conclusions can be drawn: e-commerce is the most attractive sector for investment, attracting 41% of all domestic investment in startups. This indicates the significant potential and growth of this industry in the country.

Fintech is also an attractive area for investment, receiving 12% of total domestic investment. The development of fintech innovation in Kazakhstan can help improve financial services and accessibility for the population.

Other sectors account for 33% of total domestic investment in startups. This may include various sectors such as healthcare, education, tourism and others. The overall conclusion is that e-commerce and fintech are the most attractive sectors for startup investment in Kazakhstan. However, there is also interest in other sectors, indicating the diversity and development potential of startups in the country.

The active participation of the government in Kazakhstan's venture capital market holds paramount significance in fostering growth and expansion, particularly considering the market's nascent developmental stage. While Kazakhstan has made progress in its venture capital standings over the years, it remains slightly behind comparable economies in this domain. Ongoing governmental involvement is

essential to further propel the country's venture capital ecosystem toward enhanced competitiveness and alignment with global standards.

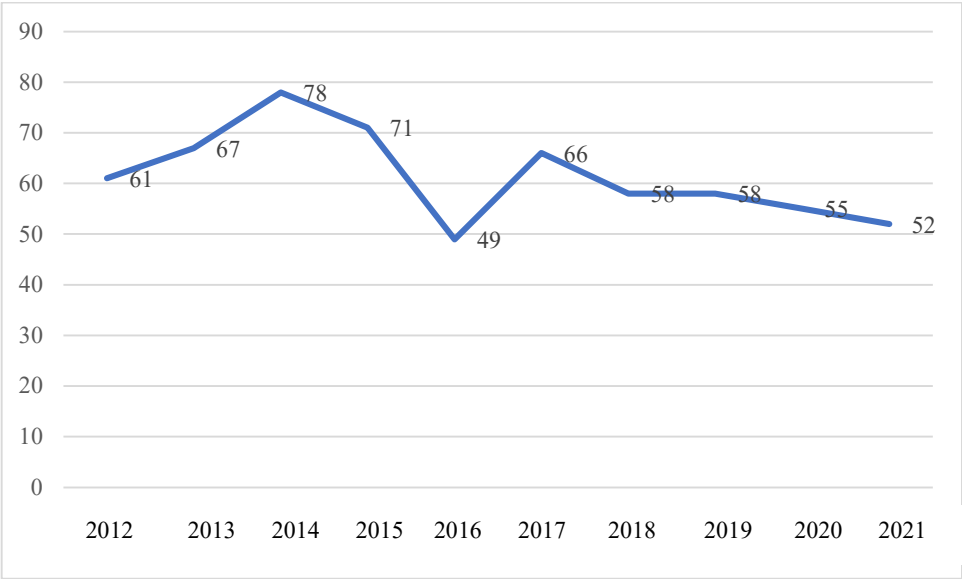


Figure 9 - Country Attractiveness Index for Venture Capital - Kazakhstan, 2011 – 2021

Based on the presented data, it can be concluded that in the period from 2011 to 2021, the index of attractiveness of the country for venture capital in Kazakhstan showed relative stability.

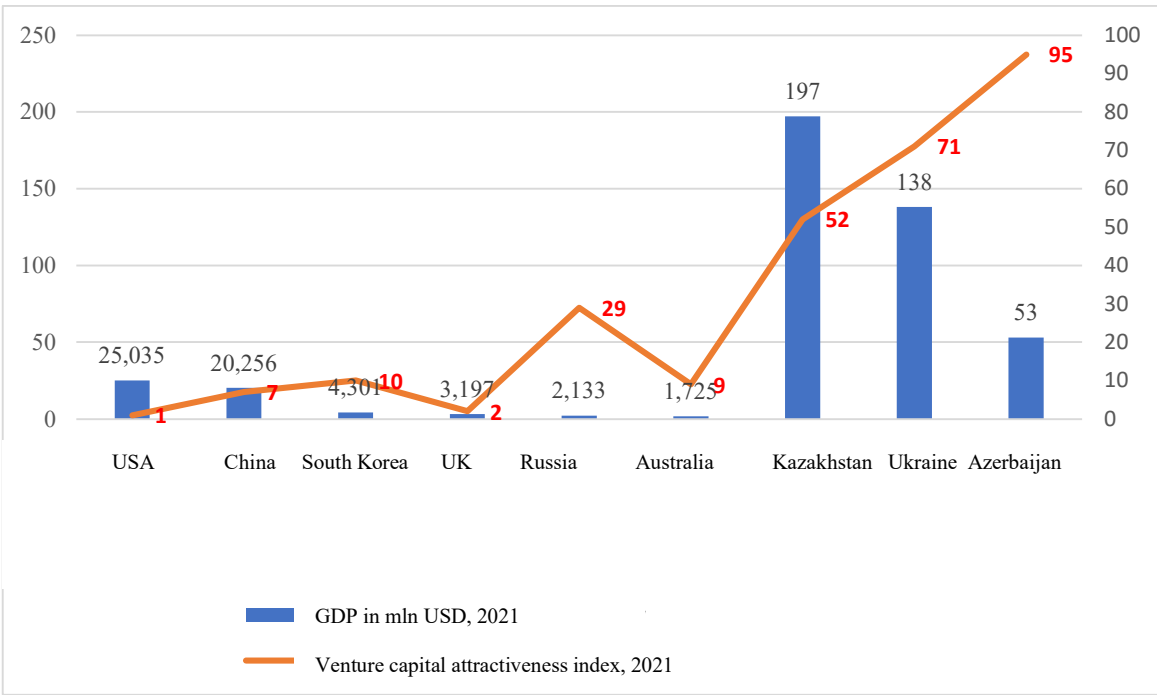


Figure 10 - Venture Capital Attractiveness Index by country in 2021

The United States emerges as the global leader in the Venture Capital Attractiveness Index for 2021, boasting the highest ranking and holding the top position in terms of GDP among the featured countries.

China, the United Kingdom, and Australia also command notable positions on the Venture Capital Attractiveness Index, accompanied by substantially higher GDPs compared to the majority of other nations.

Kazakhstan, positioned at 52nd on the Venture Capital Attractiveness Index for 2021, registers relatively lower compared to its counterparts on the list, with a GDP that is notably lower as well.

Russia secures the 29th spot in the Venture Capital Attractiveness Index, showcasing a ranking higher than Kazakhstan, and its GDP stands among the highest in the represented countries.

South Korea claims the 10th position in the Venture Capital Attractiveness Index, while Azerbaijan and Ukraine find themselves lower in the rankings.

A discernible correlation emerges between GDP magnitude and the Venture Capital Attractiveness Index, underscoring a general trend wherein larger economies tend to exhibit a higher level of appeal for venture capital investments.

Conclusions based on this data may indicate that there is potential for Kazakhstan to improve its venture capital attractiveness index. This could include developing the innovation ecosystem, supporting start-ups, creating a favorable investment climate and increasing access to finance for local entrepreneurs. Higher GDP levels and the development of the overall economy could also help attract more venture capital to the country.

Despite funding challenges, Kazakhstan's startup ecosystem is showing positive signs of growth, with the number and quality of startups increasing.

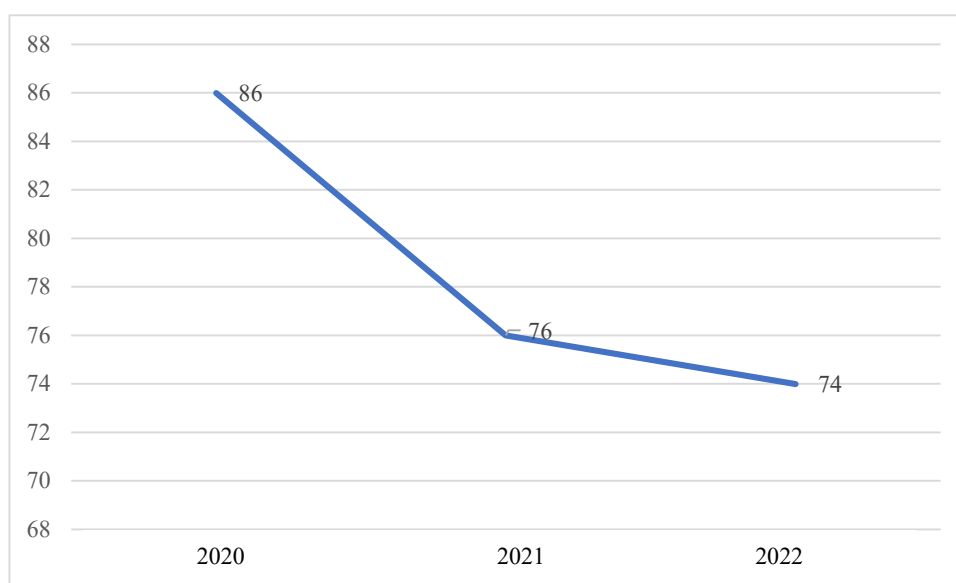


Figure 11 - Kazakhstan Global Startup Ecosystem Index (2022)

The increase in the Global Startup Ecosystem Index ranking serves as a noteworthy indicator of the evolving startup landscape within Kazakhstan. It is imperative, however, to approach this metric judiciously, considering its reliance on a diverse array of factors and criteria. It is crucial to recognize that an upward shift in the ranking may stem not only from intrinsic transformations within Kazakhstan's startup ecosystem but also from shifts in the standings of other nations.

In broad terms, an augmented position in the Global Startup Ecosystem Index underscores favorable developments in Kazakhstan's startup milieu. This progression holds promise for fostering entrepreneurship, driving innovation, and catalyzing economic expansion within the nation. It is paramount to acknowledge that the observed increase in ranking reflects a collective effort towards cultivating an environment conducive to startup growth.

Against this backdrop, it is noteworthy that the cumulative value of transactions recorded during the period spanning 2018 to 2022 amounted to USD 87 million, with a total of 175 deals. As the nation continues to fortify its position on the global stage, such metrics offer valuable insights into the burgeoning potential and dynamism characterizing its entrepreneurial landscape.

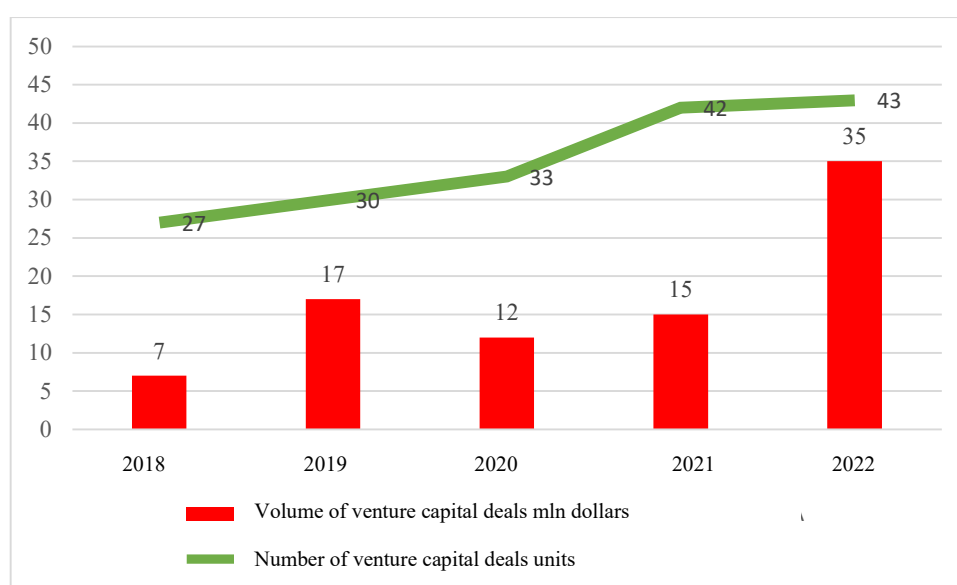


Figure 12 - Annual volume and number of observed venture capital deals in Kazakhstan, 2018 - 2022.

The trajectory of venture capital deals in Kazakhstan has exhibited a steady ascent, culminating in its pinnacle value of USD 35 million in 2022. This upswing underscores a burgeoning enthusiasm and heightened investment commitment from venture capitalists towards startups and innovative initiatives within the country.

Notably, the quantitative aspect of venture capital deals also witnessed a progressive uptick over the review period. From 2018 through 2021, there was a consistent rise, with the tally reaching 42 deals in the latter year. The momentum persisted in 2022, recording 43 venture capital deals.

The overarching pattern of simultaneous growth in both the volume and quantity of venture capital deals signifies an escalating vigor and assurance among both Kazakhstani and international investors in the nation's startup landscape. This positive trend is attributable to the establishment of a more conducive investment climate, the maturation of the startup ecosystem, and unwavering support from governmental bodies and innovation organizations.

As Kazakhstan positions itself as an increasingly attractive hub for entrepreneurial ventures, the amplification of venture capital engagement serves as a compelling testament to the vibrancy and promise inherent in its evolving startup sector. The increase in the volume and number of venture capital deals is a positive signal for startups in Kazakhstan. This can help to promote innovation, attract talent, create new jobs and stimulate economic growth in the country.

Overall, the data indicates growing venture capital activity in Kazakhstan, reflecting investor interest in startups and innovative entrepreneurship in the country.

However, according to industry experts, the observed deals show only ~60% of the actual market volume, indicating a significant number of deals that are not reported or publicly disclosed. The inherent closed nature and lack of transparency within the Kazakhstani venture capital market have facilitated the discreet nature of a significant number of transactions. This opacity not only complicates a comprehensive understanding of the industry but also diminishes its allure for potential investors and business stakeholders.

Addressing the transparency deficit in the venture capital sector is paramount, as it not only fosters a more accurate representation of market dynamics but also elevates the appeal of the industry for

discerning investors and entrepreneurs seeking clarity and confidence in their ventures within Kazakhstan.

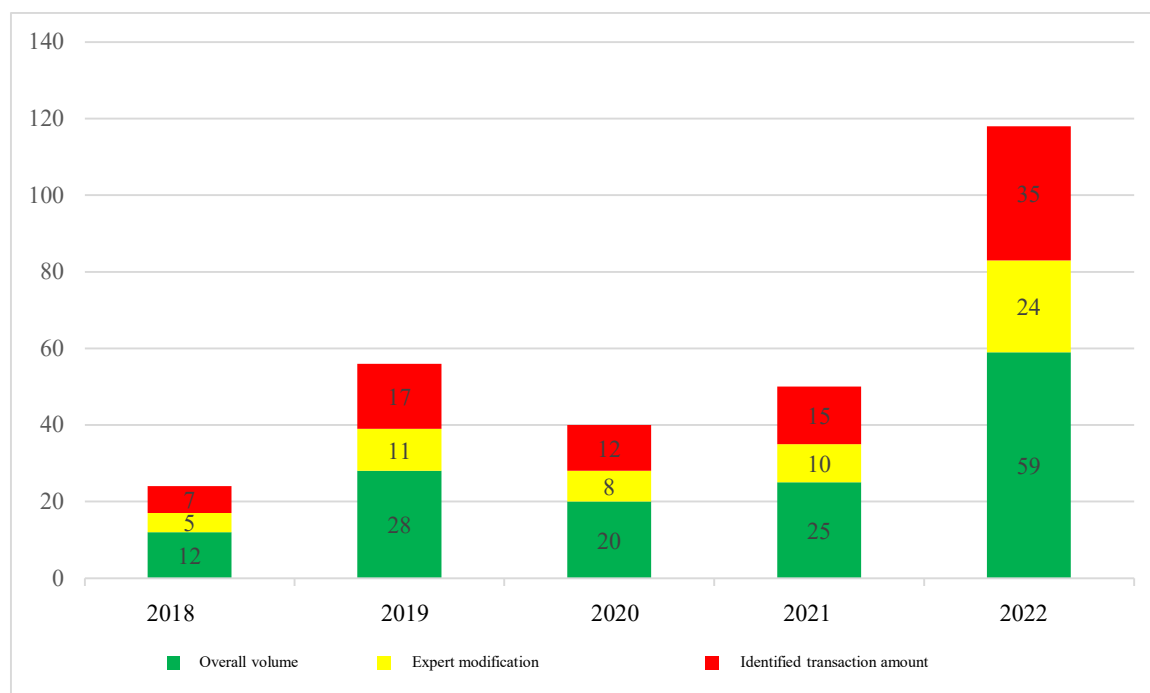


Figure 13 - Amount of venture capital deals in Kazakhstan, adjusted by industry experts, 2018 - 2022, USD (mln)

Based on the data provided on the amount of venture capital deals in Kazakhstan, adjusted by industry experts, for the period from 2018 to 2022, the following conclusions can be drawn: the initially observed amount of venture capital deals in the above period was USD 7 million in 2018 and peaked in 2022 at USD 35 million. This indicates a gradual increase in the amount of investment in startups and innovation projects in the country.

The amount of venture capital deals, as adjusted by industry experts, also increased during the period under review. After adjustment, the deal amount in 2018 was US\$12 million and reached US\$59 million in 2022. The adjustment of the deal amount made by industry experts shows an increase in the estimate of the real amount of investment in startups. It increased by USD 5 million in 2018 to USD 24 million in 2022.

The overarching trend of expansion in the quantity of venture capital deals, whether observed or adjusted, signifies a heightened level of investor interest and confidence in the realm of startups and innovative projects in Kazakhstan. This positive trajectory can be attributed to the establishment of a more conducive investment environment and the maturation of the startup ecosystem within the country.

In a comprehensive evaluation, the data illuminates a discernible upswing in the magnitude of investment in Kazakhstani startups, evident in both the recorded amounts and the adjusted figures endorsed by industry experts. These metrics collectively underscore favorable dynamics in the evolution of the startup ecosystem and underscore the growing allure of Kazakhstan as a destination for venture capital.

As Kazakhstan positions itself as an increasingly attractive hub for entrepreneurial ventures, the amplification of venture capital engagement serves as a compelling testament to the vibrancy and promise inherent in its evolving startup sector. The positive dynamics underscored by the data emphasize not only the country's current standing but also its potential to further distinguish itself as a robust and attractive market for venture capital investment.

Marketplaces/ E-commerce and fintech are key market sectors due to growing internet penetration and relatively young population of the country.

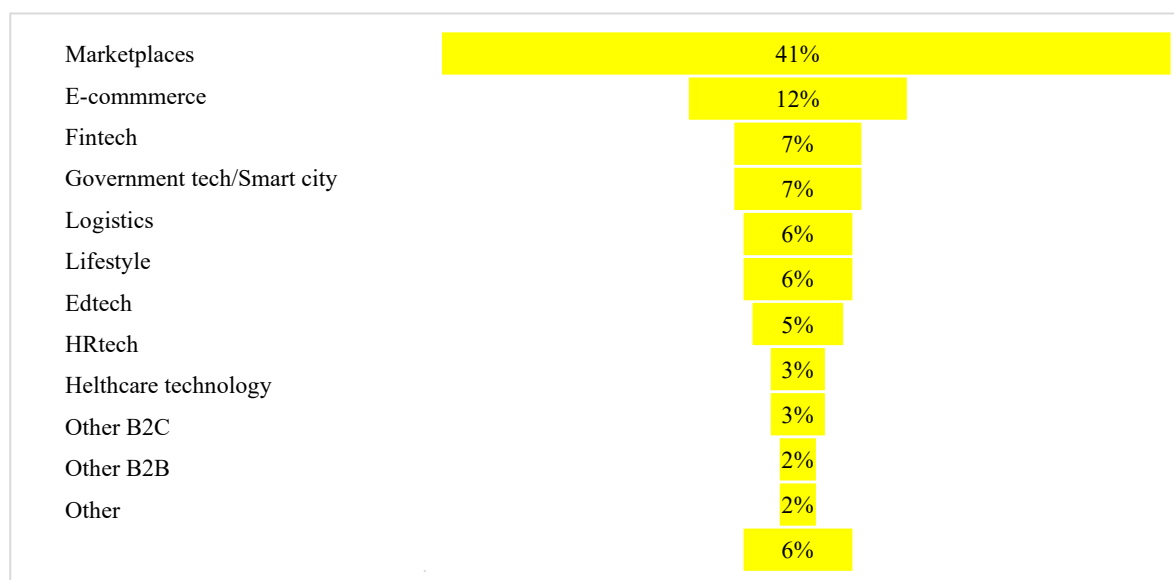


Figure 14 - Volume of observed venture capital deals by sector in Kazakhstan, 2018 - 2022.

The following conclusions can be drawn from the data provided on the volume of observed venture capital deals by sector in Kazakhstan for the period from 2018 to 2022: trading platforms occupy the leading position with a share of 41% in the volume of observed deals. This may indicate the growing popularity of e-commerce and online trading in the country.

The e-commerce sector ranks second with a share of 12 per cent. This indicates significant investor interest in the development of online commerce and online platforms in Kazakhstan. Fintech and government technology/smart cities have the same share of 7%. This indicates a growing interest in innovative financial technologies and the development of smart cities in the country.

Within the investment landscape of Kazakhstan, sectors such as logistics, lifestyle, edtech (educational technology), and HRtech (human resource technology) command notable shares ranging from 3% to 6%. This distribution underscores a discernible investor emphasis on domains linked to efficient logistics, contemporary lifestyle offerings, and the pursuit of innovative educational and managerial solutions.

Conversely, sectors such as healthcare, other B2C (business-to-consumer), and other B2B (business-to-business) exhibit lower shares, standing at 3% and 2% respectively. This differential allocation may suggest a comparatively subdued investor interest in these sectors within the Kazakhstani market.

Of noteworthy significance is the 6% share attributed to deals in other sectors. This statistic accentuates the diversified and expansive spectrum of investment opportunities permeating various segments of Kazakhstan's economy. The existence of such diversity underscores the richness of the investment landscape, presenting potential avenues for strategic and varied investments across the nation's economic sectors.

The prevailing trend indicates that the average deal size in Kazakhstan is relatively modest compared to other nations, pointing to a substantial prevalence of early-stage deals. However, a notable shift has been observed in the market dynamics over the past year, with an increasing emphasis on quality over quantity. Investors are displaying a more discerning approach, favoring select deals and allocating more capital to fewer yet more promising start-ups.

Figure 15 illustrates the evolution of the average deal size. Analyzing the data spanning from 2018 to 2022 in Kazakhstan, several conclusions emerge. The average deal size exhibits considerable variation throughout the study period. In 2018, the average deal size stood at USD 265 thousand, witnessing a noteworthy surge to USD 822 thousand by the year 2022. This upward trajectory reflects an evolving investment landscape, characterized by a shift towards larger and potentially more impactful investments, aligning with the market's increasing focus on quality and promising ventures.

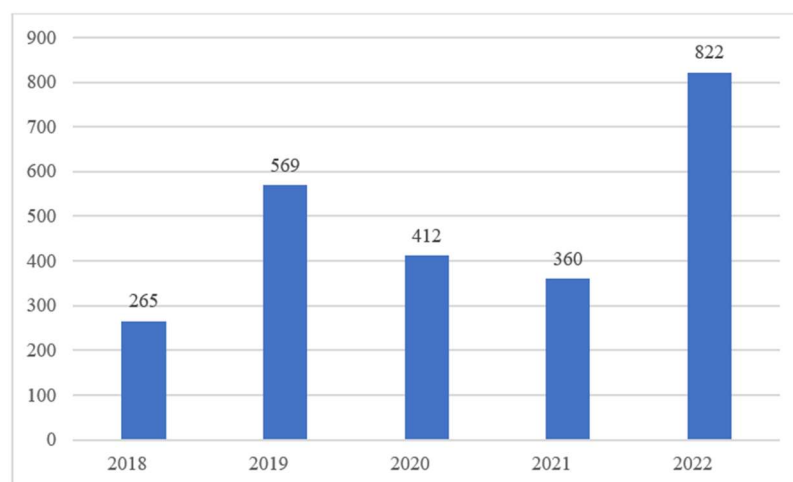


Figure 15 - Average transaction size, 2018 - 2022 in thousands of U.S. dollars

In 2019, a pronounced surge in the average deal size to USD 569 thousand signals noteworthy investment opportunities and heightened investor interest in Kazakhstani startups. Subsequently, in the years 2020 and 2021, the average deal size experiences a decline, settling at USD 412 thousand in 2020 and further decreasing to USD 360 thousand in 2021. This downward trend may be attributed to external factors, prevailing economic conditions, or shifts in the investment climate.

However, a remarkable resurgence is observed in 2022, with the average deal size spiking to USD 822 thousand. In aggregate, the data underscores the dynamism and fluctuations characterizing the size of venture capital deals in Kazakhstan. The notable upswing in 2022 suggests a growing allure of Kazakhstani startups and an uptick in the volume of investment directed towards innovative projects, pointing to the evolving and resilient nature of the entrepreneurial landscape in the country.

5.3 Recommendations for startup promotions in Kazakhstan

Based on the survey data and a comprehensive analysis of startups in Kazakhstan, discernible determinants have emerged that wield influence over the pace of internationalization for these enterprises.

1. Level of education. A noteworthy observation is the positive correlation between a heightened level of education among startup proprietors and an expedited internationalization process. Elevated educational qualifications endow entrepreneurs with requisite knowledge, skills, and an innovative mindset, pivotal for efficacious entry into the international marketplace.

2. Entrepreneurial experience: Extensive entrepreneurial experience can contribute to the acceleration of a startup's internationalization. Seasoned entrepreneurs often possess valuable contacts, resources, and knowledge that aid in expanding their business on an international scale.
3. Technologies: The presence of necessary technologies for product or service production can significantly impact the speed of a startup's internationalization. If a startup already has access to available and innovative technologies, it can facilitate its entry into the international market.
4. Fear of failure: The fear of failure can impede the internationalization of startups. On the other hand, more confident and resolute entrepreneurs may pursue internationalization more rapidly.
5. Competition. Intense internal competition can stimulate a higher level of internationalization for startups. When the domestic market is saturated with competitors, startups may seek opportunities beyond their country's borders for further growth and survival.

It is crucial to acknowledge that these factors may interact, and exhibit variations based on the specific characteristics and circumstances of each startup. The amalgamation of these determinants and their influence on the pace of startup internationalization can be distinctive for each business entity.

Based on the conducted analysis, the following conclusions can be drawn regarding hypotheses about the influence of various factors on the speed of internationalization of startups in Kazakhstan:

Hypothesis 1. There's a widespread belief that a higher level of education enhances business success and international market expansion. However, the influence of education on the pace of startup internationalization can be nuanced. In industries like information technology or biotechnology, a robust education becomes particularly crucial for successful global expansion, providing entrepreneurs with specialized knowledge and a competitive edge. Moreover, in navigating cultural differences, a high level of education aids in adaptability and effective communication, essential for engaging with international partners, attracting investments, and securing clients abroad.

While entrepreneurial experience is undoubtedly a significant factor in startup internationalization, it's essential to note that the impact of education is intricate and context dependent. This proposition warrants further investigation and a detailed analysis of specific instances of startup internationalization in Kazakhstan to validate or challenge this hypothesis.

Hypothesis 2. Entrepreneurial experience can play a crucial role in the successful internationalization of a startup. Experienced entrepreneurs may possess the knowledge, skills, and connections necessary for

expanding into international markets. However, there are also other factors, such as market competition, financial resources, and strategic planning, that can also influence the speed of a startup's internationalization.

Experienced entrepreneurs, especially those who have already successfully developed a business domestically, may have specific knowledge and skills that are useful when internationalizing a start-up. This may include knowledge of international markets, cross-cultural skills, the ability to attract international partners and customers, and the ability to adapt to new environments and market demands. This can make it easier to find opportunities to expand into international markets and provide support and advice from experienced professionals. Experienced entrepreneurs, especially those who already have successful projects, may have better access to financial resources. They may have more opportunities to attract investment and get financial support to internationalize a startup. This may provide the necessary capital to develop and scale the business in international markets. The level of competition in the market may also affect the speed of internationalizations of a startup. Experienced entrepreneurs, especially those with experience in dealing with competition in the local market, may be better prepared to compete in international markets. They may have strategic plans, unique advantages and an understanding of market trends, which helps them compete effectively with other players. Experienced entrepreneurs, because of their experience and expertise, may have the ability to plan strategically.

Hypothesis 3. Technological inventions can have a significant impact on startup internationalizations. New technologies can give startups a competitive advantage and the ability to penetrate foreign markets quickly. However, successful internationalizations also require adapting the cultural and market characteristics of different countries. The presence of cutting-edge technologies stands as a pivotal determinant in fostering the global triumph of startups. Technological innovation not only holds the potential to curtail production costs but also to refine operational processes, thereby enhancing the overall efficiency of a startup. This, in turn, establishes a foundation for competitive pricing and the delivery of superior quality products or services, thereby capturing the attention of consumers across diverse nations.

Moreover, the integration of new technologies can streamline communication and management functions within a startup, particularly in scenarios involving distributed teams and geographically scattered partners. This technological facilitation contributes to the seamless coordination of operations, fostering enhanced collaboration and operational coherence. However, successful internationalizations of a startup

based on technological inventions also requires adapting the cultural and market characteristics of different countries.

Hypothesis 4. Fear of failure may influence an entrepreneur's decision to expand into international markets. Greater confidence and willingness to take risks may contribute to more active internationalizations of the startup. Fear of failure is a natural feeling that can limit entrepreneurs in their decision to expand into international markets. Fears and doubts can arise from various aspects such as unfamiliarity with international markets, cultural differences, legal and regulatory issues, financial risks, etc. These fears may be based on real risks and obstacles that may arise when expanding a business outside the country.

Furthermore, the competitive landscape in the global market is a pivotal factor influencing the strategic choice to internationalize a startup. Entrepreneurs must conduct a thorough analysis of the competitive milieu, evaluating both their competitive advantages and their capacity to thrive in the new market. In instances where market competition is intense or the startup's distinctive strengths prove inadequate, entrepreneurs may opt to defer or modify their internationalization plans.

While apprehension about potential failure can factor into the decision-making process, it must be weighed against other critical considerations, including resource availability and the prevailing competitive market dynamics. Entrepreneurs are advised to meticulously assess potential risks and opportunities, conducting a comprehensive analysis of the market and competitive landscape. This holistic approach ensures an informed decision-making process when contemplating the expansion of the startup into international markets.

Hypothesis 5. Domestic competition may encourage startups to become more internationalized in search of new markets and opportunities. However, it may also involve certain risks and require additional resources to successfully enter international markets.

Internationalization allows startups to bypass local market constraints and seek new markets and customers outside their home country. They seek to build competitive advantages in international markets where more customers, greater demand and new business opportunities are possible. Expansion into international markets requires research and understanding of the characteristics of those markets, cultural differences, regulatory requirements and other factors that may affect the success of the business. This may

require additional investment in marketing, market research, developing new strategies and adapting products or services to the requirements of international customers.

In addition, internationalizations of a startup may require more funding to develop and scale the business in international markets. Entrepreneurs must have sufficient resources to successfully enter new markets, attract new customers and fulfil their needs. Thus, domestic competition can encourage start-ups to internationalize, but entrepreneurs must be prepared for the risks and additional requirements of successfully entering international markets. It is necessary to analyze the market, develop strategies and plans, and access the necessary resources to successfully expand and compete internationally.

The development of start-ups in Kazakhstan has great potential to create innovative solutions, stimulate economic growth and attract investment. Table 2 presents recommendations for startup development in Kazakhstan.

Table 2 - Recommendations for the development of startups in Kazakhstan

№	Recommendations	Description
1	Creating a favorable ecosystem for startups	The government and government regulators can provide tax incentives, reduce administrative barriers and simplify registration and licensing procedures for startups. It is also important to create infrastructure including incubation centers, accelerators and coaching programs to support startups at different stages of development.
2	Improving technical education	Supporting higher and technical education will help prepare a workforce with the necessary skills and knowledge to successfully participate in the startup ecosystem. Increasing access to education in information technology, engineering and entrepreneurship can help develop technical capacity and innovation.
3	Investment attraction	Creating accessible and transparent mechanisms for financing startups, including venture capital funds, angel investments and government grants, will help attract investment in startup projects. Developing startup incubation and acceleration programs, connecting with investors and organizing events to present startups will also be useful for attracting investment.
4	Development of international relations	Establishing partnerships with international innovation centers, participation in international conferences and exhibitions, and international startup exchange programs will help startups in Kazakhstan gain access to new markets, technologies and investments.
5	Support for innovation clusters and co-operation	Developing innovation clusters and encouraging cooperation between startups, universities, research centers and corporations facilitates the exchange of knowledge, experience and resources, and stimulates the creation of new technological solutions and products.
6	Creating a suitable legal and regulatory environment	Development and implementation of legislation that takes into account the peculiarities and needs of startups, ensures legal protection of intellectual property rights, regulates financial operations and transactions, and promotes the development of the startup community.

These recommendations will help create a favorable environment for the development of startups in Kazakhstan, facilitating their successful growth, innovative achievements and introduction of new technologies.

Incubation centers, accelerators and coaching programs should be developed. Incubation centers provide startups with workspace, access to experts and advice, and help them attract investment. Accelerators provide intensive development programs for startups, helping them to overcome obstacles and reach the next level. Coaching programs provide startups with personal mentoring sessions to help them develop skills and build effective business models.

The government can play a pivotal role in supporting startups by facilitating international partnerships, coordinating international events, and offering financial assistance for entry into foreign markets.

To bolster the startup landscape, specialized education programs tailored to IT, engineering, and entrepreneurship should be formulated and put into action. This initiative may encompass the development of specialized courses, master's programs, and additional educational resources, equipping students with the requisite knowledge and skills for meaningful engagement in the startup sector. Establishing collaborative frameworks between the startup ecosystem, universities, and research centers is essential. This collaboration facilitates practical exposure and application of academic knowledge for students and researchers alike, encompassing initiatives such as internships, project assignments, and joint research programs.

In addition to theoretical learning, students and young entrepreneurs should have the opportunity to develop practical skills and understanding of entrepreneurship. Creating venues for practical learning, including hackathons, startup competitions and mentoring programs, will help students and young entrepreneurs apply their knowledge in practice and develop the skills needed to successfully participate in the startup ecosystem.

Facilitating the exchange of expertise and knowledge among universities, students, startups, and entrepreneurs stands as a valuable strategy for enhancing technical capacity. The orchestration of events, seminars, conferences, and meetings creates a platform for stakeholders in the startup sector to share insights, learn from one another, and cultivate novel ideas and projects.

Kazakhstani startups are encouraged to actively forge partnerships with leading international innovation centers, encompassing collaborations with universities, research centers, technology parks, and innovation hubs across borders. These alliances present an avenue for startups to access valuable expertise, resources, and international markets. Actively participating in international conferences, exhibitions, and forums focused on innovation, entrepreneurship, and technology is paramount. Such involvement provides startups with opportunities to showcase their products and ideas to a diverse global audience, establish connections with potential investors, partners, and customers, and stay abreast of the latest trends and developments in the industry.

Facilitating exchange and partnership initiatives with international startups holds substantial promise for the growth of startups in Kazakhstan. These programs offer a platform for startups to glean insights, share experiences with counterparts from different nations, acquire fresh knowledge and practical skills, and broaden their global network. Collaborative exchange initiatives can be orchestrated through partnerships with universities, accelerators, or specialized organizations.

Government bodies and regulatory authorities can play a pivotal role by instituting programs and mechanisms supportive of startup exports. Such measures may encompass financial backing, advisory services, and incentives tailored for startups seeking entry into international markets. This comprehensive support framework empowers startups to enhance their capabilities, attract investments, and establish connections with new customers and partners abroad.

Strategic international partnership programs, developed and implemented by the government, can foster collaboration between Kazakhstani startups and international entities, including companies, accelerators, and investors. These initiatives may involve joint projects, investments, technology exchanges, and collaborative product development. Such partnerships prove instrumental in expanding business networks and securing access to new markets and resources.

For a detailed outline of recommendations pertaining to the internationalization of startups in Kazakhstan refer to Table 3, which encapsulates key aspects warranting consideration.

Table 3 - Recommendations for the development of internationalization of startups in Kazakhstan

№	Recommendation	Description
1	International market research and analysis	Startups need to research and analyze potential international markets for their products or services. Assessing the competitive environment, understanding the needs and preferences of the target audience in different countries will help startups to identify priority markets for internationalization.
2	Adaptation of the product or service to international standards	Start-ups should tailor their products or services to the requirements and preferences of international audiences. This may include localization, cultural sensitivity, adaptation to international standards and norms, and language sensitivity.
3	Building international partnerships	Establishing partnerships with international companies, investors, distributors and dealers can help startups expand their global presence and gain access to new markets and resources. Partnerships may include joint projects, distribution of products or services, joint marketing activities, etc.
4	Attracting international investment	Startups should seek to attract international investment for their development and international scaling. This may include looking for investors, partners or venture capital funds specializing in international startups. It is also worth looking at opportunities for grants or financial support for internationalization.
5	Participation in international events and programs	Startups should actively participate in international events such as conferences, exhibitions, accelerators or exchange programmes. This will allow startups to expand their international connections, learn about the latest trends and developments in the industry, present their products or services to a wide international audience and attract the attention of potential customers or investors.
6	Cultural and legal sensitivity	When internationalizing, startups need to take into account cultural and legal differences in different countries. This includes adapting marketing strategies, understanding local business norms and regulations, and complying with international legal requirements.
7	Creating a strong brand	Start-ups should work on building a strong brand that is recognizable and attractive to an international audience. This includes developing an effective international marketing and communication strategy, establishing a positive reputation and providing quality products or services.

Implementation of these recommendations will help startups in Kazakhstan to effectively develop and successfully internationalize, gaining access to new markets, resources and growth opportunities.

The ecosystem for startup development in Kazakhstan is presented in Figure 16.

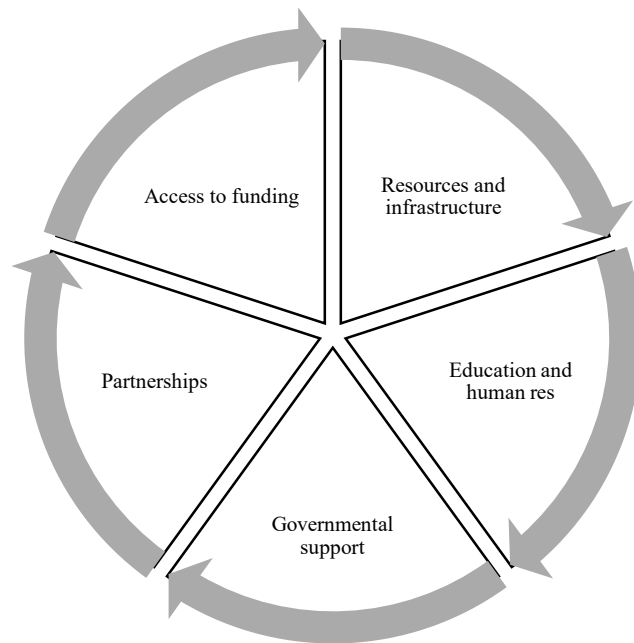


Figure 16 - Ecosystem for startup development in Kazakhstan

The Kazakhstani government is actively spearheading policies, programs, and initiatives to foster the flourishing of startups. This proactive stance encompasses the implementation of tax incentives, streamlining administrative procedures, and simplifying registration and licensing processes. Equally crucial is the establishment of dedicated funds and grants, ensuring startups have access to the financial resources needed for their growth.

A pivotal facet of this endeavor involves constructing an infrastructure that caters to startups across various developmental stages. This encompasses the establishment of incubation centers, accelerators, coaching programs, and co-working spaces.

Recognizing the significance of a skilled workforce, there is a concerted effort to develop educational programs and initiatives tailored to cultivating highly qualified personnel for startups.

In tandem with these efforts, creating accessible and transparent funding mechanisms assumes paramount importance in nurturing a robust ecosystem. This entails the development of venture capital funds, facilitation of angel investments, provision of government grants, and the implementation of startup incubation programs. These multifaceted initiatives collectively contribute to the holistic development and sustainability of the startup ecosystem in Kazakhstan.

Forging partnerships and affiliations with international innovation centers, active participation in global conferences and exhibitions, and orchestrating international exchange programs for startups stand as

strategic avenues for Kazakhstani startups to access novel markets, cutting-edge technologies, and crucial investments. This approach not only opens doors to valuable resources but also fosters a cross-border exchange of expertise and knowledge among startups from diverse countries.

The establishment of innovation clusters, coupled with the promotion of collaboration among startups, universities, research centers, and corporations, is pivotal. This collaborative environment facilitates the seamless sharing of knowledge, resources, and experiences, thereby fostering the creation of innovative technological solutions and products, as well as the development of robust professional networks.

In tandem with these efforts, creating an enabling legal and regulatory framework that aligns with the distinctive characteristics and requirements of startups is imperative.

The government should take proactive measures to harness the dynamism of the market, utilizing it as a catalyst to stimulate sustainable development. This involves implementing policies that support the unique needs of startups and fortify the overall ecosystem, ensuring a conducive environment for their growth and prosperity.

1. Provide tax incentives for venture capital funds, business angels, accelerators, and corporate venture capital funds:

- Capital gains tax incentives: offer capital gains tax credits or reductions to incentivise investment in high-risk, high-growth companies.

- Tax credits: provide tax credits that can be used to offset taxes owed on other income.

- Loss carryforwards: allow investors to carry forward losses from venture capital investments to offset taxes on future income.

- Deferred tax treatment of carried interest: tax deductible carried interest, a share of the profits a venture capitalist receives for managing a fund, as capital gains rather than ordinary income, which may result in a lower tax rate.

- Tax-free return of capital: would allow investors to receive a tax-free return of capital to make venture capital investment more attractive.

- Investment Tax Deduction: provide an investment tax deduction for capital invested in venture capital funds, which may increase net investment returns.

- Depreciation deductions: allow investors to claim depreciation deductions on investments in venture capital funds, which may reduce tax costs.

- Tax incentives for foreign investors: provide additional incentives, such as tax holidays or reduced tax rates for foreign investors, to encourage international investment in the country.

2. Streamline Regulatory Measures: Implement measures to ease restrictions on foreign portfolio investment and simplify the procedures for establishing and overseeing venture capital funds. This streamlining initiative aims to enhance the accessibility for foreign investors seeking to invest in Kazakhstan.

3. Embrace Crowdfunding Platforms: Consider exploring crowdfunding platforms as a viable alternative investment avenue.

4. Amend the bankruptcy laws for startups. Insolvency reforms that encourage debt restructuring and reorganization reduce both failures among startups and the liquidation of profitable businesses. Especially in venture capital, it is critical to have robust bankruptcy laws so that startups can get a fresh start if they fail.

5. Reduce restrictions on the investment strategies of banks, pension funds and insurance companies.

6. Review the rule pertaining to the tolerance for errors in the audit of government investments. It is notable that officials responsible for the program face no repercussions for unsuccessful ventures.

Crowdfunding, a financing method involving the accumulation of small monetary contributions from many individuals through online platforms, holds significant potential for the internationalization of startups in Kazakhstan. This approach enables startups to secure funding and support from a diverse international audience.

Crowdfunding empowers startups to gather funds from a broad spectrum of investors and consumers, providing a means to finance their global expansion endeavors. The capital amassed through crowdfunding campaigns can be strategically allocated for international marketing and sales initiatives, product adaptation to suit international markets, and the cultivation of partnerships with local entities. This dynamic funding mechanism serves as a versatile tool for startups seeking to navigate the complexities of international business expansion.

Crowdfunding allows startups to connect and collaborate with a wide range of people and organizations, including potential investors, partners, experts and mentors. These contacts can prove valuable when internationalising a startup by providing access to markets, resources and knowledge.

However, before using crowdfunding to internationalise startups in Kazakhstan, it is necessary to consider local legal and regulatory requirements, and to choose a suitable crowdfunding platform that supports international projects and has a wide audience outside the country. It is also worth developing an attractive and compelling campaign that will attract attention and support from international investors and customers.

Financial support for the venture capital market and business angels is crucial for its growth and development, as in developed venture capital markets:

1. Investment matching programs: The government can create programs that match private sector investment in startups, effectively using public money to attract more private investment. For example, there are the following investment matching programs:

- Small Business Investment Companies (SBICS) and Government Sponsored Venture Funds (GSVFs) in the US;
- The national Angel Capital organization in Canada provides funding and support to angel investors;
- The European Investment Fund provides funding and guarantees to venture capital funds in Europe, with a particular focus on SMEs and start-ups;
- The Early Stage Venture Fund (ESVF) is a government-led fund in Singapore that provides matching grants to angel investors and venture capital firms investing in early-stage startups;
- British Business Bank's Corporate Capital Funds Program is one such partnership that co-invests with private sector investors in venture capital funds

2. Research and development (R&D) support: Governments can provide funding and support for research and development activities to help start-ups develop new technologies and innovative products.

3. Guarantee schemes: Governments can provide guarantees to venture capital and business angel funds to reduce investment risk and increase the availability of finance. This could include loan loss guarantees or guarantees for a certain percentage of the invested capital, which can help reduce investment risk and make the asset class more attractive to investors.

4. Create a robust exit environment so that venture capitalists and business angels can see viable exit options and realize a return on their investment. This can be achieved by encouraging mergers and acquisitions, IPOs and secondary markets.

5. Create a mechanism like the Venture Debt Program - the program provides low interest loans to startups that want to raise capital but are not quite ready for a round of capital raising.

6. Provide access to export markets, including through export finance initiatives.

Financial support from the venture capital market and business angels is a key factor for the development and growth of startups. Investment matching programs, research and development support, and guarantee schemes are effective tools for attracting investment and reducing risks for investors. Creating a robust exit environment, encouraging mergers and acquisitions, IPOs and secondary markets help to increase returns on investment and attract venture capital. Introducing mechanisms such as a venture debt programme can help start-ups raise capital in the early stages of development. Providing access to export markets and export finance initiatives help startups expand their business outside the country and penetrate international markets.

In Kazakhstan, the establishment of a Research and Development (R&D) Support Program is imperative for fostering the growth of startups engaged in innovative endeavors, with the potential to pioneer new products and technologies. This comprehensive program should extend both financial and organizational support to startups actively involved in R&D initiatives.

Financial assistance under the program should encompass a spectrum of support mechanisms, including grants, subsidies, investments, and other funding modalities, aimed at bolstering startups immersed in research and development activities.

Moreover, the program should offer a suite of educational initiatives such as tailored programs, training sessions, seminars, and consultations, equipping startups with essential skills and knowledge across R&D, business management, marketing, finance, and other critical facets of successful startup operations. Access to requisite tools, equipment, and technical support is paramount to enable startups to conduct robust research and development for the creation of groundbreaking products.

In addition, the program will play a pivotal role in assisting startups with patenting and intellectual property protection. This support may encompass financial backing for patent applications, guidance on legal intricacies, and assistance in formulating a strategic framework for safeguarding intellectual property.

By addressing these multifaceted aspects, the R&D aims to nurture a conducive environment for the sustainable growth of startups in Kazakhstan.

Through the R&D development program, it is necessary to systematically monitor and evaluate the results achieved by the start-ups supported by the program. This will make it possible to evaluate the effectiveness of the program, identify successful practices and make the necessary adjustments to improve support for startups.

For successful and sustainable market development in the long term, it is important to adopt a holistic ecosystem approach and the simultaneous development of all components:

1. Encourage collaboration between universities, research institutes and industry to create an environment in which new technologies and innovations can be commercialized and nurtured.

2. Revise the innovation policy in universities. The government allocates funds for the development of scientific and technological innovation, but the process of creating and implementing innovations is delayed. Technology transfer and commercialization offices should be equipped with modern tools and well-funded to carry out intellectual property evaluation and commercialization of technologies created at the university.

3. Improving communication between participants in the venture capital market ecosystem, identifying a player that will consolidate information for venture capital development. This will contribute to solving the problem of developing an information environment that allows actors to find each other and stimulate relationships.

4. Introduce an experimental regime of legal control of entrepreneurial activity within a technical test environment. This would allow testing innovative ideas and trying out institutional budget planning and state support measures.

5. Introduce information and educational programs to raise public awareness of investment opportunities and tools provided by the state for start-ups, venture capital funds and private investors.

6. Conduct a regular investor confidence survey with investors from both venture capital firms and business and angel investors as feedback. Building investor confidence from industry professionals would provide information to improve investor policies.

Achieving successful and sustainable development in Kazakhstan's startup market necessitates a comprehensive ecosystem approach, involving the concurrent advancement of all key components.

Collaboration among universities, research institutes, and industry entities plays a pivotal role in fostering the commercialization and cultivation of new technologies and innovations. Enhancing innovation policies within universities, including the establishment of technology transfer and commercialization offices, serves to expedite the creation and adoption of innovative solutions.

To further fortify the venture capital market ecosystem, improving communication among stakeholders and establishing an entity that consolidates information for venture capital development is crucial. This initiative promotes an enriched information environment, catalyzing robust relationships among participants.

Introducing an experimental regulatory framework for entrepreneurial activities, coupled with the establishment of a technical test environment, provides a platform for testing innovative ideas and experimenting with state support measures. This adaptive approach fosters an environment conducive to innovation exploration.

Augmenting public awareness of investment opportunities and state-provided tools through information and educational programs is instrumental in propelling the development of startups and venture capital funds. By disseminating knowledge, these programs empower the public to actively engage in and contribute to the evolving landscape of entrepreneurship and venture capital in Kazakhstan.

A holistic approach based on co-operation, communication, innovation and legal support promotes the development and growth of startups in Kazakhstan. These measures contribute to the creation of a favorable ecosystem for startups, provide access to resources, information and financial support, and increase investor awareness and confidence. Implementation of the proposed measures will allow Kazakhstan to create favorable conditions for innovation development, investment attraction and successful internationalization of startups.

The policy on intellectual property as collateral should be reviewed:

1. Standardize intellectual property valuation protocols.

2. Introduce technology financing mechanisms. For IP that will be subject to valuation, a mechanism should be established to develop neutral or impartial valuations of the technology in question. For example, the Korea Technology Finance Corporation (KIBO) aims to promote technology financing for innovative SMEs and contribute to the growth of the national economy.

3. Establish IP registries. Intellectual property offices should have registries available for owners to register their ownership of IP and for lenders to register their interests in intellectual property assets.

4. Offer government subsidies.

5. Create tax incentives. Some countries provide accelerated tax depreciation, bonus depreciation and tax incentives (as opposed to its internal generation) to companies acquiring intellectual property.

6. Develop expertise in intellectual property valuation.

7. Develop IT networks to exchange information on IP. Several countries have established licensing exchanges and platforms managed by government or interagency agencies and open to multiple technology providers.

Revising intellectual property policies, including standardizing valuation and establishing technology financing mechanisms, is an important step to support innovative development and stimulate the use of intellectual capacity in the economy. Establishing IP registries and providing government subsidies for intellectual property valuation and auditing contributes to improving transparency, accessibility and protection of property rights.

Implementing tax incentives and expediting tax depreciation specifically for intellectual property can serve as powerful motivators for companies to invest in the development and utilization of their innovations. To enhance the landscape, cultivating expertise in intellectual property valuation and establishing information exchange networks within the realm of intellectual property contribute significantly to elevating the quality and efficiency of intellectual asset valuation and utilization.

Engaging the private sector, audit and accounting firms, and the creation of public platforms dedicated to licensing and technology sharing foster active collaboration between rights holders and investors. This dynamic interaction expedites the processes of commercialization and the development of intellectual property.

In the broader context, revisiting intellectual property policies and implementing tailored measures and mechanisms represent pivotal steps to bolster innovation, foster startup development, and underpin sustainable economic growth. A concerted commitment to the protection and effective utilization of intellectual property creates an environment conducive to innovation, attracts investment, and fortifies competitive advantages on both national and international fronts. This strategic approach lays the

foundation for a supportive ecosystem that propels the growth of startups and innovation-driven economic endeavors.

The implementation of these recommendations will help create a favorable ecosystem for startups in Kazakhstan, stimulate innovation, attract investment, train qualified personnel and facilitate the internationalization of startups.

6. Conclusion

The research comprehensively delved into multiple facets of startup development, particularly within the Kazakhstani context. Recommendations were proffered to establish an enabling ecosystem for startups, enhance technical education, attract investments, foster international collaborations, cultivate innovation clusters and networks, and formulate an apt legal and regulatory framework.

Survey data revealed that a significant number of entrepreneurs grapple with a fear of failure at the onset of their business ventures, potentially impacting their entrepreneurial activity. Effectively managing and overcoming this fear emerges as a pivotal aspect in supporting and nurturing entrepreneurs in Kazakhstan. Providing assistance through educational initiatives, counseling, and confidence-building programs proves instrumental in empowering entrepreneurs to overcome their fear of failure, thereby fostering successful business development.

Furthermore, higher levels of education were identified as a contributing factor to business success and the internationalization of startups. However, the impact of education on the pace of startup internationalization may vary depending on factors such as industry and cultural background. Additionally, other critical elements like market competition and access to resources must be carefully considered for the successful internationalization of startups. This nuanced approach acknowledges the multifaceted nature of the startup landscape and underscores the need for a holistic strategy to promote entrepreneurial success in Kazakhstan.

Entrepreneurial experience can play an important role in the successful internationalization of a startup. Experienced entrepreneurs may have the knowledge, skills and connections needed to expand into international markets. However, successful internationalization also requires resources, competitive advantage and strategic planning.

Technological inventions can have a significant impact on startup internationalization. New technologies can give startups a competitive advantage and the ability to penetrate foreign markets quickly. However, successful internationalization also requires adapting the cultural and market characteristics of different countries.

Fear of failure can influence an entrepreneur's decision to expand into international markets. Greater confidence and willingness to take risks may contribute to a more active internationalization of the start-

up. However, the decision to internationalize also depends on other factors such as resource availability and competition.

Domestic competition can encourage startups to become more internationalized in search of new markets and opportunities. However, this may involve certain risks and require additional resources to successfully enter international markets.

Level of education, entrepreneurial experience, technological innovation, fear of failure and internal competition can influence the speed of internationalization of startups. Many factors such as market competition, access to resources, strategic planning and cultural adaptation of different countries need to be taken into account for successful internationalization of start-ups.

It is important to note that the successful development of startups requires an integrated approach and cooperation between government agencies, educational institutions, investors, business community and entrepreneurs. Implementation of the recommendations can significantly increase the potential of the startup ecosystem in Kazakhstan and create conditions for innovation development, investment attraction and internationalization of startups.

Key findings:

- Creating a favorable ecosystem for startups is a key factor and should include tax incentives, reduction of administrative barriers and development of startup support infrastructure.
- Development of technical education and training of qualified personnel is an integral part of successful startup development.
- Attracting investment through the creation of accessible financial mechanisms and startup incubation programs will help stimulate the development of startup projects.
- Development of international relations, participation in international events and exchange programs facilitate access to new markets, technologies and investments.
- The development of innovation clusters and cooperation between startups, universities and research centers helps to share knowledge, experience and resources.
- The creation of a suitable legal and legal environment protects the rights of startups and creates stability and security for the startup community.

In summary, fostering the development of startups in Kazakhstan presents a significant opportunity for economic growth, innovation, and job creation. The adoption of the outlined recommendations is poised

to establish a conducive environment for startups, encouraging investment inflow and nurturing the expansion of international business within the country. This strategic approach lays the groundwork for a vibrant entrepreneurial ecosystem that not only propels economic advancement but also cultivates a culture of innovation and employment opportunities.

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8 Appendix

Questionnaire

Dear respondent, we invite you to anonymously answer the questions of the questionnaire.

1 Indicate your gender:

☐ *Female*

☐ *Male*

2 Indicate your age:

☐ *18-25 years old*

☐ *26-35 years old*

☐ *36-45 years old*

☐ *46-55 years old*

☐ *56-65 years and over*

3 In which area your company operates:

☐ *trade*

☐ *services*

☐ *IT sector*

☐ *industry*

☐ *transport*

☐ *construction*

☐ *agriculture*

☐ *other*

4 Indicate your level of education:

☐ *secondary school*

☐ *specialized secondary education*

☐ *higher education*

☐ *two or more higher education degrees*

5 Your entrepreneurial experience:

☐ *No experience*

☐ *Less than 1 year 1-5 years*

- ☐ *6-10 years*
- ☐ *More than 10 years*

6 What proportion of your customers are outside Kazakhstan?

- ☐ *none*
- ☐ *from 1 to 25%*
- ☐ *from 26 to 50%*
- ☐ *51% to 75%*
- ☐ *76% and more*

7 How long has the technology needed to produce your business's product or service been available?

- ☐ *less than one year*
- ☐ *1 to 5 years*
- ☐ *more than 5 years*

8 Is the fear of failure a brake for you when you start (started) a business?

- ☐ *Yes*
- ☐ *No*

9 Are there currently many, few or no businesses offering the same services or products to your potential customers?

- ☐ *Many competitors*
- ☐ *Few competitors*
- ☐ *No competitors*

Thank you for your answers!