**Web Appendices**

**TABLE W 1 EXCHANGE AND INDEX**

|  |  |  |  |
| --- | --- | --- | --- |
| **Exchange Name** | **Country/Region** | **Region** | **Index** |
| Euronext Amsterdam | The Netherlands | Europe | AMX |
| Euronext Brussels | Belgium | Europe | BEL20 |
| Euronext Paris | France | Europe | CAC40 |
| Singapore Exchange | Singapore | Asia Pacific | FSTAS |
| Borsa Italiana - MTA | Italy | Europe | FTSE\_MIB |
| Boerse Frankfurt | Germany | Europe | HDAX |
| Nasdaq OMX - Helsinki | Finland | Europe | HEX |
| Hong Kong Stock Exchange | Hong Kong SAR, China | Asia Pacific | HSCI |
| Bolsa de Madrid | Spain | Europe | IBEX35 |
| Bursa Malaysia | Malaysia | Asia Pacific | KLCI |
| Korea Stock Exchange | Korea | Asia Pacific | KOSPI |
| Tokyo Stock Exchange | Japan | Asia Pacific | NIKKEI225 |
| London Stock Exchange | UK | Europe | NMX |
| Nasdaq OMX - Stockholm | Sweden | Europe | OMXS30 |
| Bombay Stock Exchange | India | Asia Pacific | SENSEX |
| Shanghai Stock Exchange | China | Asia Pacific | SHCOMP |
| Swiss Exchange (SWX) | Swiss | Europe | SIX |
| New York Stock Exchange | US | Americas | NYSE |
| NASDAQ | US | Americas | NYSE |
| Shenzhen Stock Exchange | China | Asia Pacific | SZCOMP |
| Tel Aviv Stock Exchange | Israel | Middle East | TA100 |
| Taiwan Stock Exchange | Taiwan | Asia Pacific | TWSE |

**TABLE W2**

**ROBUSTNESS TO ALTERNATIVE CALCULATIONS OF ABNORMAL STOCK RETURNS BY USING THE MARKET MODEL (N=408)**

|  |  |  |
| --- | --- | --- |
| **Dependent Variables: SCAR[+1,+1]** | **Estimate** | ***t*-value** |
| **Intercept** | .409 | 1.42 | |
| **Market Knowledge** |  |  |
| Market Position *(MKTPOS)* | -.722 | -4.69\*\*\* |
| Marketplace Experience *(CHLEXP)* | .302 | 4.01\*\*\* |
| Portfolio Width *(PORWID)* | -.037 | -4.29\*\*\* |
| Market Position \* Foreign Firm | 2.485 | 3.50\*\*\* |
| Marketplace Experience \* Foreign Firm | -.048 | -.38 |
| Portfolio Width \* Foreign Firm | .018 | .95 |
| **Marketing Capabilities** |  |  |
| Advertising *(ADV)* | .019 | 17.49\*\*\* |
| Innovativeness *(INV)* | -.030 | -1.73\* |
| Advertising \* Foreign Firm | -.037 | -3.46\*\*\* |
| Innovativeness \* Foreign Firm | .025 | 1.66\* |
| **Control Variables** |  |  |
| Foreign Firm *(FOREIGN)* | -.171 | -1.26 |
| Total Assets (*TOA*) | -.008 | -.45 |
| Return on Assets *(ROA)* | -.010 | -2.58\*\* |
| Financial Leverage *(LVG)* | .265 | 2.01\*\* |
| Service *(SEV)* | .057 | .39 |
| Home Country’s GDP *(GDP)* | -.011 | -.44 |
| Year Fixed Effects (*YEAR*) | Included |  |
| **Selection Correction** |  |  |
| Inverse Mills Ratio(*IMR*) | .126 | 2.02\*\* |
| **R2** | .076 |  |

\*\*\**p* < .01, \*\**p* < .05, \* *p* < .10

|  |  |  |
| --- | --- | --- |
| **Dependent Variables: CAR[+1,+1]** | **Estimate** | ***t*-value** |
| **Intercept** | .001 | .14 | |
| **Market Knowledge** |  |  |
| Market Position *(MKTPOS)* | -.017 | -10.74\*\*\* |
| Marketplace Experience *(CHLEXP)* | .012 | 5.15\*\*\* |
| Portfolio Width *(PORWID)* | -.0004 | -5.22\*\*\* |
| Market Position \* Foreign Firm | .028 | 2.71\*\* |
| Marketplace Experience \* Foreign Firm | -.005 | -2.40\*\* |
| Portfolio Width \* Foreign Firm | .0006 | 3.04\*\*\* |
| **Marketing Capabilities** |  |  |
| Advertising *(ADV)* | .0004 | 9.60\*\*\* |
| Innovativeness *(INV)* | -.0002 | -.89 |
| Advertising \* Foreign Firm | -.0005 | -3.44\*\*\* |
| Innovativeness \* Foreign Firm | .00001 | .12 |
| **Control Variables** |  |  |
| Foreign Firm *(FOREIGN)* | .0002 | .93 |
| Total Assets (*TOA*) | -.0001 | -.21 |
| Return on Assets *(ROA)* | -.0003 | -3.30\*\*\* |
| Financial Leverage *(LVG)* | .004 | 1.39 |
| Service *(SEV)* | .005 | 1.82\* |
| Home Country’s GDP *(GDP)* | -.0001 | -.33 |
| Year Fixed Effects (*YEAR*) | Included |  |
| **Selection Correction** |  |  |
| Inverse Mills Ratio(*IMR*) | .003 | 2.17\*\* |
| **R2** | .049 |  |

**TABLE W3**

**ROBUSTNESS TO UNSTANDARDIZED ABNORMAL STOCK RETURNS (N=408)**

\*\*\**p* < .01, \*\**p* < .05, \* *p* < .10

**TABLE W4**

**ROBUSTNESS TO ALTERNATIVE EVENT WINDOWS (N=408)**

\*\*\**p* < .01, \*\**p* < .05, \* *p* < .10 (one-sided)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **β** | ***t*-value** | **β** | ***t*-value** | **β** | ***t*-value** |
| **Dependent Variables** | **SCAR[+1,+2]** | | **SCAR[+1,+3]** | | **SCAR[0, +2]** | |
| **Intercept** | -.346 | -1.20 | -1.143 | -3.16 | .021 | .05 | |
| **Market Knowledge** |  |  |  |  |  |  |
| Market Position *(MKTPOS)* | -1.074 | -4.78\*\*\* | -1.941 | -9.55\*\*\* | -.027 | .11 |
| Marketplace Experience *(CHLEXP)* | .319 | 3.99\*\*\* | .359 | 3.67\*\*\* | .213 | 2.76\*\* |
| Portfolio Width *(PORWID)* | -.043 | -6.87\*\*\* | -.030 | -5.24\*\*\* | -.024 | -4.74\*\*\* |
| Market Position \* Foreign Firm | 2.555 | 3.63\*\*\* | 3.365 | 4.41\*\*\* | .241 | .18 |
| Marketplace Experience \* Foreign Firm | -.022 | -.13 | -.085 | -.43 | .172 | .76 |
| Portfolio Width \* Foreign Firm | .011 | .71 | -.021 | -1.21 | .006 | .20 |
| **Marketing Capabilities** |  |  |  |  |  |  |
| Advertising *(ADV)* | .021 | 16.14\*\*\* | .020 | 13.65\*\*\* | .013 | 10.05\*\*\* |
| Innovativeness *(INV)* | -.041 | -2.76\*\*\* | -.047 | -3.42\*\*\* | -.037 | -2.44\*\* |
| Advertising \* Foreign Firm | -.047 | -9.34\*\*\* | -.027 | -8.16\*\*\* | -.052 | -4.84\*\*\* |
| Innovativeness \* Foreign Firm | .036 | 1.70\* | .025 | 1.46 | .043 | 1.78\* |
| **Control Variables** |  |  |  |  |  |  |
| Foreign Firm *(FOREIGN)* | -.200 | -1.41 | -.183 | -1.36 | -.142 | -.79 |
| Total Assets (*TOA*) | .038 | 2.42\*\* | .709 | 3.08\*\*\* | .020 | .81 |
| Return on Assets *(ROA)* | -.005 | -2.27\*\* | .0002 | .11 | .001 | -.58 |
| Financial Leverage *(LVG)* | .542 | 1.63 | .906 | 6.16\*\*\* | .279 | .64 |
| Service *(SEV)* | -.207 | -2.39\*\* | -.138 | -1.21 | -.100 | -1.00 |
| Home Country’s GDP *(GDP)* | .0002 | .08 | -.004 | 0.17 | .001 | .06 |
| Year Fixed Effects (*YEAR*) | Included |  | Included |  | Included |  |
| **Selection Correction** |  |  |  |  |  |  |
| Inverse Mills Ratio(*IMR*) | .009 | 1.33 | .108 | 1.43 | .085 | 1.38 |
| **R2** | 0.09 | | .09 | | .10 | |

\*\*\**p* < .01, \*\**p* < .05, \* *p* < .10

**FIGURE W1**

**CUMULATED ABNORMAL RETURNS FOR THE 10 DAYS SURROUNDING EVENT DATE MEASURE**

CAARi

Time (in days before and after the announcement)