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INTERNATIONALIZATION OF A BRAND FROM THE VINHO VERDE REGION: THE DESTALO WINE CASE

Dissertation for obtaining the Master’s degree in Commercial Management and Marketing

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ABSTRACT

Small and Medium Enterprises (SMEs) must lessen their reliance on domestic markets in order to compete in an environment where globalization and competition are on the rise. Thus, internationalization is crucial in promoting growth, boosting competitiveness, and setting up SMEs for long-term sustainability.

The main objective of this research is to analyze aspects related to internationalization in Vinho Verde companies. The specific objectives of the study are to understand the international entry modes, to identify the motivations and reasons that lead these SMEs to internationalize as well as the main barriers encountered in this process, and finally to identify the preferred entry mode for each of the analyzed SMEs.

In addition to the conceptual areas that frame the issue under study in this dissertation, it is essential to define a methodology that is appropriate to the objectives to be achieved. Therefore, for the present research, a qualitative methodology was used, and the data collection technique gathered semi-structured interviews from five SMEs as case studies – four from the wine sector and one from the textile sector.

Key-words: Internationalization; Small and Medium Enterprises; Vinhos Verdes; Wine sector

Resumo

As pequenas e médias empresas (PME) devem diminuir a sua dependência dos mercados domésticos para poderem competir num ambiente em que a globalização e a concorrência estão a aumentar. Assim, a internacionalização é crucial na promoção do crescimento, no aumento da competitividade e na criação de PMEs para uma sustentabilidade a longo prazo.

O principal objetivo desta investigação é analisar aspetos relacionados com a internacionalização nas empresas de Vinho Verde. Os objetivos específicos do estudo são compreender os modos de entrada internacional, identificar as motivações e razões que levam estas PME a internacionalizarem-se, bem como as principais barreiras encontradas neste processo, e finalmente identificar o modo de entrada preferido para cada uma das PME analisadas.

Para além das áreas conceptuais que enquadram a questão em estudo nesta dissertação, é essencial definir uma metodologia que seja adequada aos objetivos a alcançar. Assim, para a presente investigação, foi utilizada uma metodologia qualitativa, e a técnica de recolha de dados reuniu entrevistas semiestruturadas de três PME como estudos de caso - duas do sector do vinho e uma do sector têxtil.

Palavras-chave: Internacionalização; Pequenas e Médias Empresas; Vinhos Verdes; Sector vitivinícola

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CVVVR - Commission of Viticulture of the Vinho Verde Region

OECD - Organization for Economic Cooperation and Development

PAIFT - Portuguese Agency for Investment and Foreign Trade

PAIFT - Portuguese Agency for Investment and Foreign Trade

SME - Small and medium-sized enterprises

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1. INTRODUCTION

In the current global environment, internationalization has become essential for the majority of businesses, as it is essential to boost sales and enhance operational efficiency. In addition, to provide a response to the issues brought on by national economic contexts, internationalization enables us to address the challenges of globalization. Adopting an internationalization plan indicates that businesses assemble a group of assets, skills, and abilities that enable them to stand out in the market and gain competitive benefits.

As a result of the necessity to identify new markets, whether this is due to market saturation in the ones where the companies already operate, or because global markets provide commercial prospects and innovation, companies are increasingly focusing on worldwide markets rather than just national markets (Hashim, 2015). Hence, the process of internationalization is analyzed, which leads to an examination of the causes and may involve the creation of new brands.

Focusing on the Destalo Wine [1] brand, which will be approached more extensively in the case studies, this work seeks to contribute to an analysis of the internationalization of the brand that, having been rebranded in 2017, is already present in 15 countries, presenting the motivations of the strategy, the strengths and obstacles, the internationalization model used, and how all these factors contributed to the positioning of the brand in the international context.

The conclusions may contribute to improve the implemented strategy. Having access to a recent brand, this study aimed to make an in-depth analysis of this path, in order to provide useful and relevant conclusions that enhance a successful internationalization strategy.

The objective of this dissertation is to elaborate a study that allows an approach to the theme of internationalization of wine companies.

Therefore, this dissertation's overall goal is to have a better understanding of the internationalization strategy of the companies in the wine industry.

And as for more precise goals:

- Determine the causes and hazards behind why businesses internationalize their operations;
- Which factors are taken into account when entering an international market;

[1] The mention of Destalo Wine is made with its complete consent.

- Examine the methods used in the internationalization procedures of five case studies, two of which are wine firms and one a textile company;
- Identify and confirm whether Destalo Wines pursued the internationalization guidelines available on the academic state-of-art and provide insights towards effective approaches to internationalization in the Vinho Verde wine industry.

Five interviews were a part of the data collection techniques. The action plan that came from the data analysis enabled to pinpoint the drivers behind brand internationalization as well as the challenges faced, entry point, and considerations.

This paper is divided into seven parts. The first part concerns the introduction and identification of the organizational problem. The second part is the literature review where the key concepts related to internationalization are exposed. Next, there is a brief background about the wine industry. The third part presents the methodology followed in the development of the work. The research questions followed by the case studies and its presentation are the fourth part. The analysis and discussion of the results obtained are in the fifth part. The conclusion is in the sixth part, and finally, in the seventh part the limitations inherent to the work.

2. Literature Review

2.1 Concepts of internationalization

The concept of internationalization has evolved throughout time. It is the process of adapting firm operations (strategy, structure, resources, etc.) to global contexts, according to authors Karagozoglu, N. and Lindell, M. (2018).

Internationalization, according to Meyer, R. (1996), is the process by which a business raises the degree of its value-added activities outside of its native country.

According to Freire (1997), a company's internationalization entails extending its product-markets and vertical integration strategies to additional nations, which replicates its operational chain entirely or in part.

In the thesis by Dias (2007) intitled “Internationalization and competitiveness factors: *the adira case*”, the paradox of internationalization definitions based on the following dichotomies: the micro-macro opposition, which pits the company's perspective against that of the country's economy; the inward-outward polarization, which contrasts "inside-out" operations (exports, licensing abroad, and investment abroad) with "outside-in" operations (imports, foreign technology acquisitions, and foreign investment).

In contrast to the earlier writers, Gomes et al. (2010) claim that internationalization can be characterized as the collection of operations a corporation develops outside the markets that make up its natural geographic contact.

According to Da Silva (2016), one of the most crucial paths for a company's growth is through internationalization, which involves cross-border geographic expansion. Additionally, he contends that the two primary elements of internationalization are Foreign Direct Investment and international trade (exports and imports).

Some authors have also argued that internationalization is not exclusively the company's responsibility. It also depends on various factors such as the country of origin, the institutional setting, and the global/regional environment. Morosini (2017) defined internationalization as a process that involves taking a company's operations to other countries.

These factors are taken into account when it comes to internationalization. Companies can be influenced by the country's sovereignty, the establishment of a post-secondary institution, and the policies of the nation-state.

According to the logic of Pereira and Pinto (2017), the idea of internationalization includes tactics and decisions of gradual involvement in international operations, which are impacted by internal causes and simultaneously demand adaptation to the international environment.

Based on the ideas discussed above, this dissertation will define an internationalized company as one whose activity is related to transactions (both imports and exports) of products, services, and capital, outside of its natural geographic market, and whose strategy includes the continuity of these transactions in the future.

2.2 Motivations of internationalization

Companies, especially those that are national in scope, are required by the instability of the global economy to adopt a new perspective on the problems posed by globalization. As globalization becomes more prominent and is seen by many businesses and economists as the sole solution to the "crisis", they feel the need to rebuild and redefine their whole strategy.

Pereira (2019) asserts that the primary impact of globalization on businesses is the ongoing pursuit of collaboration in an effort to increase profits. This happens as a result of "sufficient market segmentation and with an ideal level of commitment and resource allocation, between the origin market and the destination markets."

Internationalization was once seen as a more straightforward and categorical method in the commercial world (Lendrevie et al., 2015). As a result, there has been a noticeable rise in entrepreneurs' aspirations to seize the opportunities that the global market fosters (Simões & Crespo, 2017). A corporation may choose to go global for a number of reasons, including the potential for increased revenue and market share as well as potential for expansion into other geographies.

The reasons why a company decides to go global are varied, including the scale of the company (Brouthers, 2002), the top management's risk tolerance (Santos & García, 2011), and the availability of knowledge resources (Oliveira et al., 2018). Limited growth opportunities, intense competition, market saturation, and regulations are cited as environmental factors in the domestic market that cause the company to seek internationalization (Javalgi et al., 2010).

These factors cause businesses to look for opportunities outside of their domestic markets.

According to several academics (Douglas & Craig, 2011; Kamakura et al., 2012), internationalization is seen as a progressive and dynamic process that displays incremental investments as entities learn about new business environments.

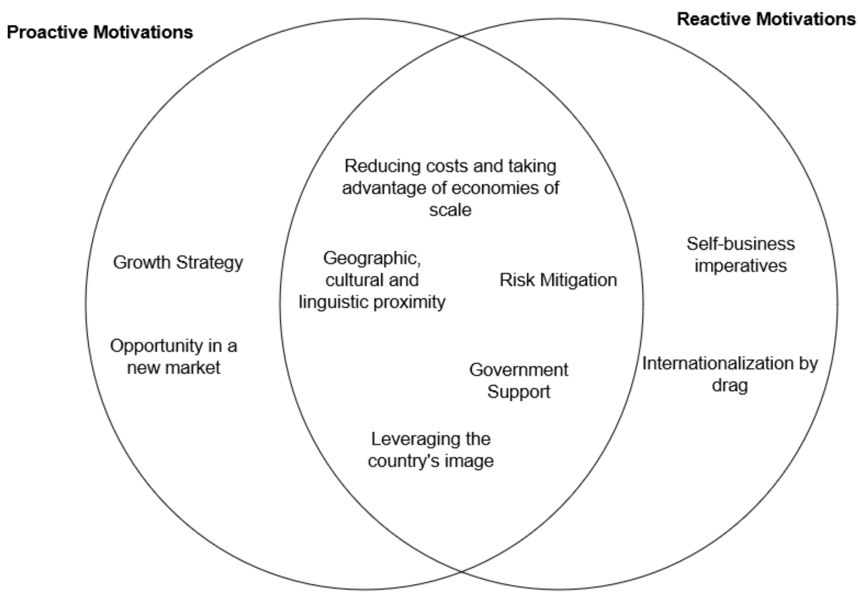
Various studies demonstrate benefits, returns, and profitability for the organization expanding internationally (Chen & Hsu, 2010; Lavie & Miller, 2008; Zhou et al., 2007).

According to Porter (2004), an increasing number of businesses began the internationalization process in the 1970s, and he expected that this number would continue to rise over time. A complex interplay of corporate, external, and internal circumstances led to the decision to pursue internationalization (Cannone & Ughetto, 2014).

Additionally, as the number of foreign enterprises grows, businesses face greater pressure to internationalize in order to remain competitive (Bonaglia et al., 2007). There are numerous justifications for internationalization covered in the literature review.

As stated in figure 2.1 proactive and reactive motives can generally be categorized into two groups (Silva et al., 2018). Therefore, the company chooses between the two groups on its primary reason for internationalization. For example, if it has unique products, exclusive information, management commitment, tax benefits, or economies of scale as its primary reasons for doing so, it will adopt the proactive model. On the other hand, if its primary reason is in response to a change in a primary market indicator, it will adopt the reactive model.

Figure 2.1: Proactive Reactive Motivations



Source: Adapted from Silva et al. (2018).

The **growth strategy** is a result of businesses constant efforts to grow their market shares, which strengthens the market as a whole (Silva et al., 2018). The **opportunity created in a new market**, on the other hand, results from the perception of an advantageous business in a foreign market. It may manifest through a relationship with a particular country, forcing an agent of the company there to respond favorably, or, in another way, even with a negative response, it occurs in the company's direct investment in the country controlling the process (Silva et al., 2018).

A significant factor to give the company more security during the internationalization process is **geographic and cultural proximity**. Cultural proximity is just as important to this process as geographic proximity is, as evidenced by the gradual expansion of Portuguese businesses in Brazil and other Portuguese-speaking nations (Silva et al., 2018).

By having operations in other nations and so increasing the company's diversification, Viana and Hortinha (2005) define **risk minimization**. The business cycle hypothesis, which is focused on balancing positive and negative assumptions in order to reduce business risk, supports this idea. This theory, which is based on the business cycle, proposes balancing favorable and unfavorable assumptions in order to reduce company risks (Silva et al., 2018).

Contrarily, Silva et al. (2018) describes "**leveraging the country's image**" as companies that decide to internationalize in markets with a particular reputation in a defined sector, such as the favorable reception of German vehicles, which does not occur if the car is from China.

The reactive purpose of **the business's imperative highlights** the situations where enterprises are already internationally integrated at their core—for instance, maritime and aviation companies that must penetrate more than one geographic market in order to effectively operate in their location (Lendrevie et al., 2015).

Silva et al. (2018) state that **internationalization by dragging** derives from the inevitability of accompanying important clients in their internationalization processes, occurring more regularly in services such as consulting and advertising. Serra et al. (2010) emphasize the importance in traversing the same path of some competitors, thus aiding the choice of their own strategy. In terms of **government assistance**, Silva et al. (2018) identify state agencies as one of the key drivers of internationalization for many businesses.

However, Viana and Hortinha (2002) list six reasons for a company to pursue internationalization:

- The need for increased sales in order to increase profits;
- The search for a contribution that enables the company to reduce operating costs;
- The division of risk associated with entering new markets;

- The necessity of cooperation between businesses and public entities due to the significance of these institutions' political clout;
- The search for control;
- The investment to achieve absolute advantages in the control of unique resources.

According to Teixeira and Diz (2005), there are five additional factors that help us understand the drive behind internationalization. These factors include:

- Having access to cheaper resources;
- Getting a better return on investment;
- Growing our market share;
- Finding a way to avoid importing as a favor to our clients or rivals:
- Having access to skills.

2.3 Barriers and risks of internationalization

Small and medium-sized businesses (SMEs) are acknowledged for their significant role in the production of jobs, economic growth, and innovation in the modern economy (Bayraktar & Algan, 2019). Businesses are compelled to compete in new and unfamiliar markets when they want to go global because of international competition (Roy et al., 2016).

Why some businesses export and others don't is one of the most important topics when assessing businesses on a global scale, particularly SMEs. According to Arteaga-Ortiz and Fernández-Ortiz (2010), the most common explanation for this phenomenon is that managers and directors of businesses have varying opinions on the challenges and hurdles to exporting. According to Leonidou (2004), understanding both the incentives and the obstacles encountered during the process is crucial if smaller businesses are to be encouraged to join overseas markets.

These hurdles were split into two categories by the author: internal barriers and external barriers. The company's resources, capabilities, and strategy for approaching external markets are all factors that affect internal obstacles. On the other hand, external obstacles are connected to the external market and its surroundings (Leonidou, 2004).

Also, the Organization for Economic Cooperation and Development (OECD) divides the barriers to internationalization for SMEs into internal and external barriers (table 2.1).

Table 2.1: Barriers to internationalization for SMEs

Internal Barriers	External Barriers
Information-related barriers	Procedural barriers
Barriers related to human resources	Government Barriers
Product-related barriers and their prices	Business environment barriers
Barriers related to logistics, distribution, and production	Tariff and non-tariff barriers

Source: OECD (2018)

When it comes to internal barriers, those that are specific to the company themselves stand out. These include those that relate to marketing expertise, information access (difficulty locating trustworthy sources), market-related knowledge, and financial and human resource constraints, such as a lack of qualified personnel and adequate financial resources (OECD, 2018).

As previously said, SMEs confront possibilities and problems as a result of their involvement in foreign markets (Xie & Suh, 2014), with the allocation of particular resources constituting their main obstacle (Peng, 2001).

However, according to Ferrera-Méndez et al. (2019), SMEs frequently have scarce resources. According to several studies, a company's resources are key to its success in the internationalization process (Zhou et al., 2012), with financial resources playing a particularly important role (McNaughton & Bell, 2004).

Obstacles related to the product, including the difficulties of adapting it to other markets or being able to keep up with rivals' prices, fall under the category of internal barriers yet are still there. The lack of SMEs' own distribution channels, which stands out as a logistical hurdle, means that they must develop a reliable contact overseas who opens the distribution channels so that the product may reach the customer in the foreign market, according to Tesfom and Lutz (2006).

External obstacles are challenges that a business cannot directly manage, such as those brought on by bureaucratic requirements for processes and document completion (Arteaga-Ortiz & Fernández-Ortiz, 2010) and potential challenges imposed by the government of the target country (OECD, 2018). Tesfom and Lutz (2006) also draw attention to cultural variations that can significantly affect both business practices and the long-term adoption of the product. The potential imposition of tariffs by both the country of origin and the country of destination must also be mentioned since they may have a significant impact on the choice to internationalize (Arteaga-Ortiz & Fernández-Ortiz, 2010).

2.4 Theories and models of internationalization

The theories and models of internationalization are seen from several angles. The economic approach and the behavioral approach are two major categories into which internationalization ideas and models can be categorized, according to Borini (2006). The economic strategy is the one that, in order to maximize the economic return, bases its analysis of the associated transaction costs on the globalization of operations (Vasconcellos, 2013). Internationalization is seen under the behavioral approach as a process that is influenced by managers' attitudes, perceptions, and actions (Monteiro, 2016). The Uppsala model, the Networks model, and the Dunning's Eclectic Paradigm are the three theories of internationalization that Osarenkhoe (2008) believes to exist. More in-depth analysis of these theories will follow.

2.4.1 Eclectic Theory or OLI Paradigm

Dunning (2001) came up with this hypothesis to explain why a business would establish a subsidiary abroad. This strategy aims to clarify how and why corporate choices are made (Pereira, 2019). According to Dunning (2001) economic activity becomes internationalized when three different benefits - known as the OLI benefits - are confirmed to be offered by foreign markets:

- Ownership advantages

Competencies that are unique to the particular business and set it apart from its rivals. These skills may enable the business to better manage the resources used in international markets;

- Location advantages

The target market offers the business benefits related to location (production costs, market size, integration, and external market adaptation, among others);

- Internalization advantages

Advantages that the business gains from internalizing transactions (reduced exchange costs, greater control over supply, reduced uncertainty, among others).

In summary, Foreign Direct Investment should occur if three conditions are met: the firm has an edge over others in terms of ownership (O); the firm has an advantage over competitors in terms of location (L); and, finally, the firm has an advantage over competitors in terms of internalization (I) (Dunning, 2001; Pereira, 2019).

2.4.2 Uppsala Model

At Uppsala University in Sweden in 1990, Johanson and Vahlne (1990) developed the first version of this concept. In an effort to better understand how internationalization works, the Uppsala model was developed. According to the empirical study conducted with Swedish businesses, the process of internationalization is one in which businesses gradually develop their global participation (Johanson & Vahlne, 1990).

This model states that the company knows it must go global in response to domestic market challenges and when there are few opportunities for domestic market expansion. The choosing of the target market is greatly aided by the proximity of the two countries cultures.

Three general premises that support this model are listed below:

- The largest challenge to the internationalization process may be the lack of knowledge of the market that is chosen to enter;
- The company's knowledge may be derived from the observation of a particular market;
- Since internationalization is a gradual process, investments ought to follow this development.

The Uppsala model also offers the possibility to distinguish four phases of foreign market entry, numbered from 1 to 4, with the degree of involvement increasing with the numbering. Each of the phases is listed below:

1- Sporadic exportation;
2- Constant exportation through intermediaries;
3- Existence of a commercial subsidiary in the foreign market;
4- Existence of a production subsidiary in the foreign market.

Some criticism of this concept has been leveled at the fact that some businesses internationalize from the moment they are founded and that this process doesn’t always need to be slow or phased.

2.4.3 Network Theory

Similar to the Uppsala model, the Network Theory sees internationalization as a gradual process. This is a Theory that relies more on networking, as opposed to the Uppsala model and the OLI Paradigm, which emphasize the company's autonomy in expanding its international activity. Several authors believe that the two models described above have as their greatest weakness the unilateral focus on the manufacturer's activities, leaving out the characteristics of the company and the market in the internationalization process (Johanson, 2013).

Companies must trade resources with other parties, including manufacturers, distributors, suppliers, resellers, and customers, among others, while becoming global because they don't always have all the necessary resources (Dominguinhos, 2000; Pereira, 2019).

Due to the power of the network of relationships, the connections made within a company's local network can facilitate the development of connections in other nations (Pereira, 2019).

The following strategies, which will enable the company to learn more about the market, are how, in accordance with this theory, businesses can begin internationalization after networking (Monteiro, 2016):

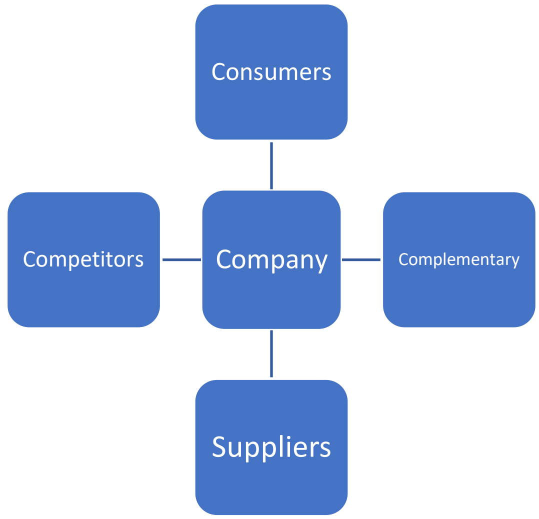
- International Extension: setting up networks in new countries;
- International Penetration: development of external networks where the company has a position;
- International Integration: organizing networks that already exist in several countries.

The theories of internationalization presented so far characterize this process as being gradual and evolutionary.

According to Hitt et al., (2021) firms may seek to enter markets where they already have knowledge, experience, and relationships to minimize the need for learning and adaptation. Additionally, they may seek to leverage existing relationships with customers, suppliers, and partners in foreign markets to gain a competitive advantage.

We may thus draw the conclusion that the Network Model (see Figure 2.2) depicts internationalization as a process that is influenced by the internationalization traits of the organization and the target market.

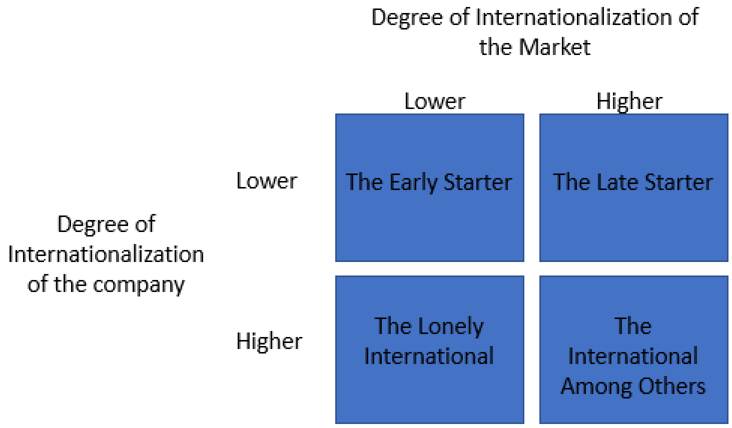
Figure 2.2: Network Model



Source: Adapted from Almeida (2016)

It is feasible to categorize companies into four different groups (See Figure 2.3) based on their level of internationalization and the market, taking into account both the characteristics of the specific companies and the environment in which they operate (Vissak 2004).

Figure 2.3: Matrix of the Internationalization Process according to the Network Model



Source: Adapted from Almeida (2016)

As a result, we can initially identify "The Early Starter" group, whose businesses lack market expertise and find it challenging to acquire it through domestic operations because they only have relations with national entities. In these situations, businesses decide to begin their operations using the Uppsala Model because, initially, the risk is reduced and the investment is spread out over time by exporting and, later, the use of an independent agent. By utilizing the networks that have already been built by the businesses that will collaborate with the company's activity and that are already present on the market, it is feasible to lessen the initial requirement for knowledge development.

The second group, "The Lonely International," consists of highly internationalized businesses where the market environment is not evolving in a manner that is consistent with the growth of internationalization. Because it removes the first hurdles to internationalization and lessens uncertainty for other businesses when they choose to internationalize in that market, the company is able to offer the internationalization of the market where it operates. The coordination of foreign activities is the company's biggest problem because of its high level of internationalization, which also entails a high level of experimental knowledge and resource commitment. Since these businesses established and developed commercial networks before any other organization, their advantages over their rivals put them in a favorable position.

Companies that are "The Late Starter" are those who have a low level of internationalization but operate in highly internationalized marketplaces. Through their suppliers and customers, who unavoidably "pull" the company towards internationalization, companies end up indirectly becoming members of networks in this way. These businesses are less knowledgeable, which could put them at a disadvantage when attempting to integrate into well-organized networks.

Finally, "The International among the Others" refers to businesses that have already established and developed positions and resources in foreign markets. This knowledge, which is greater than that of any company belonging to the other three groups, and the level of internationalization already attained allow these businesses to use the networks where they have already established a presence as stepping stones to unite with one another. This makes the coordination of international business activities essential to their success across the various networks in which they are present (Laine & Kock, 2018).

2.5 Important concerns when entering international markets

When a company decides to go global, it must then address the key issues surrounding this process, including where, how, and when to do it (Pan & Tse, 2000).

a) Where

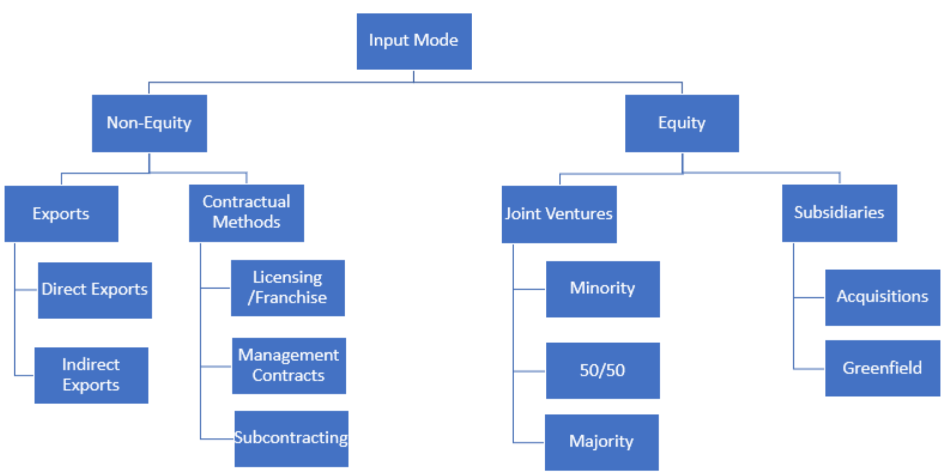
The selection must be carefully considered because the new location of the firm's operations is crucial to the process of internationalization:

- From the existence of a market eager to purchase the good to be sold;
- From the presence of certain resources in a specific location;
- The potential for increased efficiency, either through the achievement of economies of scale or via the availability of components at more desirable costs;
- The presence of knowledge and innovation in the sector that is well-developed in particular places.

b) How

Companies have the option of beginning operations in foreign markets on a small scale with low costs, allowing them to gain knowledge and take less risks. The other choice is to enter on a huge scale, which would give the market the appearance of a long-term commitment and might discourage future competitors from doing the same. Companies will, however, take a bigger risk and have a more constrained approach. As presented in Figure 2.4 by Pan and Tse (2000) the hierarchical model is used to determine the input mode to be used upon entrance on a market.

Figure 2.4: Market entry modes



Source: Adapted from Rebelo (2019)

Pan and Tse (2000) start by analyzing whether the input mode will be with or without own investment in the destination country (equity and non-equity, respectively) and then move on to the remaining decision degrees. If the initial option is no equity, companies can choose exports or contractual methods. Exports can be direct, if it has no intermediaries, or indirect, if intermediaries are used in the trade to the final customer. Examples of these contracts are licensing, franchising, management contracts and subcontracting. If the initial option is with equity investment, the next decision is between partnerships with other companies (joint ventures) and the creation of subsidiaries. Joint ventures can be minority, 50/50 and majority owned, granting different degrees of decision-making power. Subsidiaries result from the acquisition of companies that already existed in that country or from greenfield investment.

c) **When**

The requirement to follow up with a consumer after entering a new market can influence when to enter overseas markets. In these circumstances, the choice almost follows the partners' actions and doesn't require much thought. Alternately, you could decide based on an examination of the benefits and drawbacks of moving first (becoming the first mover) vs letting your rivals move first (late mover). It's crucial to remember that there is no precise formula for determining when is the optimal moment to move. Each organization should attempt to build and deploy strategies in the various approaches in order to make decisions and answer the three fundamental questions in a conscious and suitable manner to its reality.

2.6 Internationalization Strategies

One of the primary tactics used by businesses to pursue development and expansion in overseas markets is internationalization. In order for a corporation to take advantage of commercial possibilities and compete worldwide, internationalization plans entail entering new foreign markets and establishing international operations. In order to be competitive, businesses must be aware of changes in the global market and ready to react (Hitt et al., 2021).

In line with this more comprehensive strategy, strategy is defined as "the firm's theory of how to compete successfully" due to its larger and more impartial viewpoint (Barney, 2002). The theory must be able to both explain the past and predict the future in order to continuously improve performance in line with the goals stated by the company.

Peng (2009) emphasizes on the strategy's central significance, which in his opinion is connected to the capacity to respond to the crucial queries posed by a number of authors:

1. What makes companies unique from one another?
2. How do they act?
3. What defines their scope (of offerings and location) of business?

4. What determines their international success or failure?

Peng (2009) adopted an approach to corporate strategy from three distinct angles based on industry, resources, and institutions, which became known as the "tripod strategy," in an effort to try and answer these four essential concerns. These concerns are viewed as global since it is conceptualized from the perspectives of both domestic and foreign-based businesses, as well as from the perspective of international businesses.

2.7 Tripod Strategy Model

The three components of the strategic tripod paradigm are industry, resources, and institutions, as the name suggests. In order to perceive and define the most effective internationalization plans, managers can greatly benefit from this combined set, which enables a better explanation and analysis of the company's strategic behaviors (Peng et al., 2008). The features of the resources and the industry as a whole strongly influence the decisions made by the company about the organizational tactics to be used (Lahiri et al., 2020). Additionally, both industry and resource characteristics have highly dynamic interactions with institutions generally, both influencing and being influenced by them (Gao et al, 2019).

2.7.1 Industry Based Review

The threat of new entrants, the threat of substitute products, the bargaining power of suppliers, and the bargaining power of customers are the remaining competitive factors that compete against each other to create industry rivalry. Despite this, other authors see competition as an opportunity and advocate clusters as ways to boost a company's worldwide competitiveness (Peng, 2008). The initial goal of this methodology is to recognize all external opportunities and risks.

Thus, the position the company holds within its industry and the nature of its relationships with it are at the core of this viewpoint. Therefore, it assumes that the appropriate position can give the business a certain competitive advantage (Krull et al., 2012; Porter, 1980). Additionally, it is believed that the company's internationalization strategy roughly depends on the level of competition and globalization that the company experiences inside its own industry (Boter & Holmquist, 1996; Gao et al., 2019). In this way, and depending on the market's structure where the company is operating, it must develop its behavior or lay out its strategy with the intention of improving its performance and gaining a competitive edge.

De Massis et al., (2018) identified three general strategies: cost leadership, distinctiveness, and focus. Companies who lack qualities that set them apart from others in the market and choose to compete by offering lower prices and costs than those of rivals typically choose the cost leadership strategy. The differentiation approach, on the other hand, is typically employed by businesses who believe they possess a differentiating (or unique) quality or feature in comparison to rivals. This enables them to set higher pricing and draw in clients from particular market segments. Companies using this type of strategy must expand both their marketing and research and development departments because the more they set themselves apart from the competition, the more sustainable their competitive advantage will be. In addition to the two strategies mentioned above, there is a third one as well, called the focus strategy, in which the business tailors its operations (or goods) to a particular market niche depending on the location, the type of client, or the product line. In conjunction with this segmentation, the corporation chooses a cost leadership approach (in markets where there is a high danger of being outperformed by costs) or a specialized differentiation strategy (where it has in-depth understanding of the sector) (Peng, 2008).

2.7.2 Resourced Based Review

The second base of the strategic tripod focuses on the internal strengths and weaknesses of the organization while describing how the resources and competencies are differentiating factors for it. Its evaluation of the internal strengths and shortcomings of the company. According to Peng (2008), these resources are "the tangible and intangible assets that the corporation uses to construct each of its strategies" (p. 64). Among other things, the term "tangible assets" refers to a company's financial, technological, and organizational resources. Human resources fall under the category of intangible assets and are crucial to the company's management, organization, and Research and Development operations.

This viewpoint, according to Barney (1991), presupposes that each organization gains a long-term competitive advantage through the accumulation of unique resources. The same author makes the case that only resources that are exclusive and priceless can sustain this advantage and lead to superior results in comparison to rival businesses. Regarding resource value, only valuable resources can give the business competitive benefits.

However, even if they are valuable, resources must be "rare" in order for the company to have a competitive advantage, even if it is only temporary. For this to be sustainable, resources must also be inimitable in addition to being rare and valuable, and the intangible resources/capabilities of the company are much more difficult for rivals to imitate/copy. Last but not least, even if resources are priceless, uncommon/unique, and inimitable, if they are not properly organized and into the internal culture of the company, they may not provide a competitive advantage; as a result, only resources that meet the four criteria listed may constitute sustainable competitive advantages for the company.

Due to the fact that the majority of these intangibles are "unobservable company-specific talents" it is difficult to quantify them and pinpoint the factors that contribute to successful firm performance, hence this perspective is constrained in its study (Peng, 2008).

2.7.3 Institutions Based Review

Companies are impacted by institutions and respond to them, modifying their tactics in accordance with the laws and regulations of the domestic and international markets. As a result, institutions are referred to as "the rules of the game" (Krull et al., 2012; Oliver, 1991; Scott, 1995). Institutions come in two flavors: official and informal. This includes laws, regulations, and rules, which stand in for the coercive authority of governments, as part of the realm of formal institutions. Looking at informal institutions at the level of norms, cultures, and ethics that, despite not being formalized by legislation, can have a substantial impact on corporate behavior if they are broken through human cognitive power (Peng, 2008).

According to Peng (2008), organizations and their managers plan their decisions by taking into consideration both the formal and informal constraints of a specific institutional framework. Additionally, the author underlines the relevance of informal institutions as a factor in lowering uncertainty and a key component of the company's and its managers endurance process, which highlights the significance of the institutional dimension in a company's ability to compete.

Having said that, businesses should consider the ethical aspect of their strategic choices and being a part of an industrial cluster is crucial when it comes to receiving support from institutional frameworks.

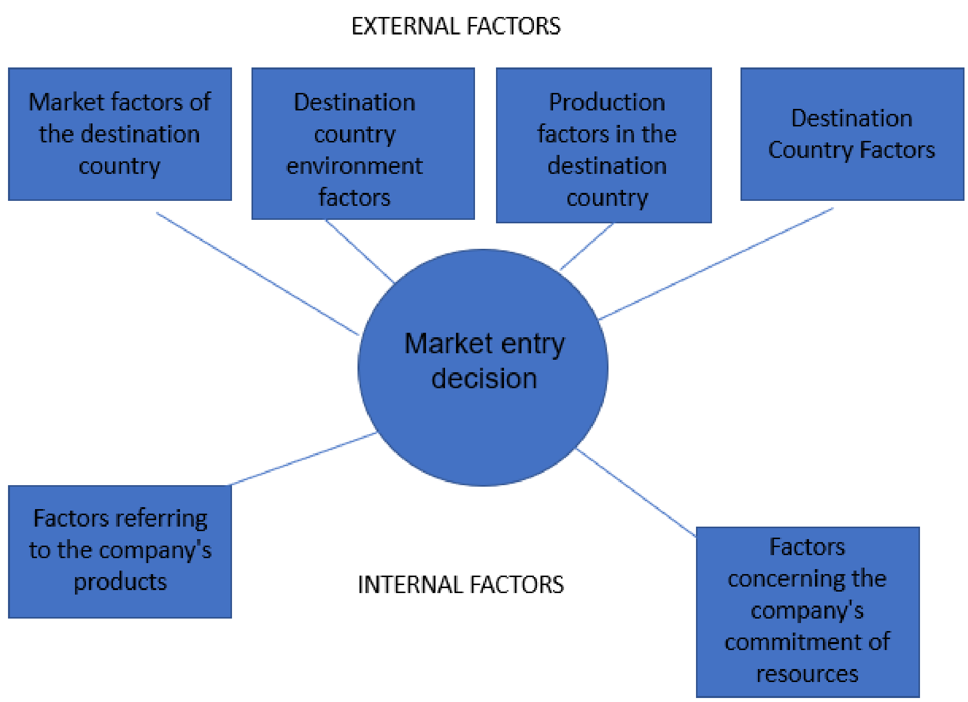
As a result, the interaction between business organizations and the institutional frameworks in which they operate has a significant impact on both the performance and strategic decisions made by companies (Gao et al., 2019). This has a direct impact on the competitive advantages of the company (Peng, 2008). In summary, businesses must consider and adapt to the "rules of the game" of the worldwide market as part of their internationalization process (Peng, 2008).

2.8 Factors that determine the choice of an input mode

When a firm intends to expand internationally, it must choose the best approach for breaking into the foreign market while taking into account the market's traits, potential, and resources. Companies must carefully weigh the benefits and drawbacks of entry options, the level of control they provide, and the risk involved. The entrance modalities that provide the organization more control, according to Cerceau & Lara (1999., p.5), are more intriguing, but they come with "(...) more risks, more investments, and greater commitment from the corporation (...)."

According to Root cited by Monteiro (2016), the internationalization decision must be analyzed taking into account factors internal and external to the company, as shown in figure 2.5.

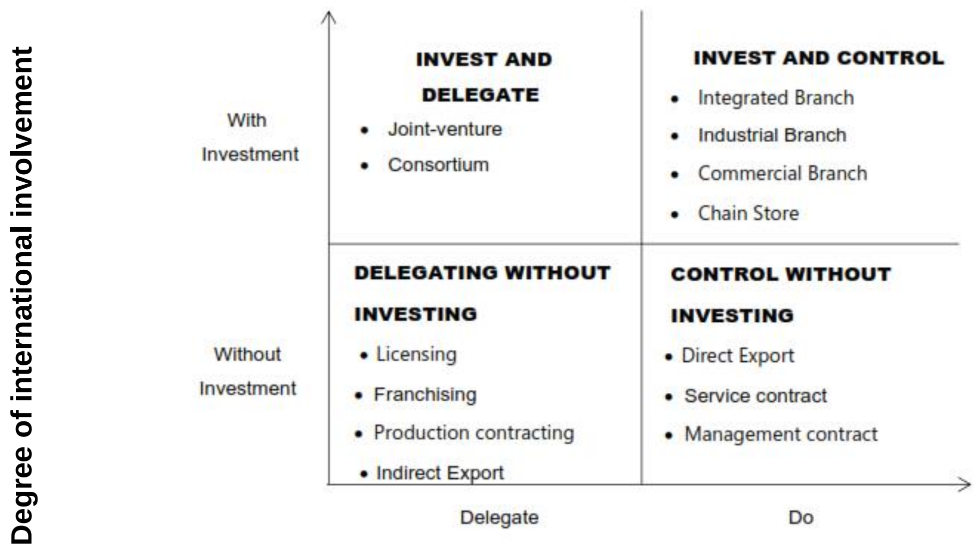
Figure 2.5: Factors to consider when deciding the input mode



Source: Adapted from Monteiro (2016)

When deciding on the entrance mode, there are both internal and external elements that must be taken into account, according to Douglas and Craig (1995) referenced by Monteiro (2016). The features of the country of destination, trade restrictions, governmental policies, and product characteristics are examples of external influences. In terms of organizational internal characteristics, it is emphasized the company's management goals and its market-selection tactics (Monteiro, 2016). Each business's criteria affect how entry modes are categorized. A model by Leersnyder (1986) used by Monteiro (2016), connects the level of global involvement to the level of control over global activities as we can see in figure 2.6 below.

Figure 2.6: Classification of entry modes according to the degree of involvement and international control



Degree of control over international operations

Source: Adapted from Monteiro (2016)

Simões et al. (2013) divides into three major groups the classification of forms of entry into international markets:

1. Exportation:
    a. Direct;
    b. Indirect;
2. Contractual Forms:
    a. Licensing
    b. Franchising
    c. Management Contracts;
    d. International Subcontracting;
    e. Strategic Alliances;
3. Direct Investment:

a. Joint-venture;
b. Sole-venture;
c. Partial Ownership;
d. Total Ownership.

Selling goods and/or services overseas is known as exporting. Organizations frequently employ this straightforward internationalization technique because of the minimal amount of engagement, risk, and control (Mercado et al., 2001).

The most typical types of exporting, according to various scholars, are direct and indirect. Since organizations gradually amass expertise and worldwide experience, these two forms of exporting offer higher learning and lower risk for the internationalization process. In direct exporting, the business sells its goods and/or services to customers in other countries without the use of intermediaries (Lorga, 2003).

By using intermediaries to offer its goods and/or services in international markets, a corporation engages in indirect exporting and avoids dealing directly with foreign consumers (Mercado et al., 2001).

In table 2.2 the benefits and drawbacks of direct and indirect exporting are briefly discussed.

Table 2.2: Advantages and disadvantages of direct and indirect export

		ADVANTAGES	DISADVANTAGES
Exportation	DIRECT	More information about the market Greater control over distribution channels Increased brand protection, patents, and other intangible properties; Better profits	Greater difficulties of penetration Higher structure costs Higher risks More resources Mastery of information and procedural documentation.
	INDIRECT	Easier to penetrate Lower representation costs and resource involvement Minor risk perception;	Less control and information about the market Lack of entry strategy.

Source: Adapted from Simões et al., (2013) In deciding the entrance mode, Root (1994) considers external factors to be important, and he wishes to take into account both those linked to the country of origin (such as market size and growth) and those related to the country of destination.

Regarding internal elements, this author mentions aspects of the product (difference-making ability and technological intensity) as well as aspects of the company's resource commitment (capital, management, technology, production, marketing).

Gao (2004) concluded that in order to accomplish their objectives, businesses with plans to operate in international markets need to be able to influence activities related to such operations as well as be aware of scenarios involving trust and bargaining power.

2.9 International Marketing

A crucial part of the internationalization process is marketing (Knight, 2000; Rundh, 2007). As each country has unique characteristics that provide a challenge for businesses, marketing's role is to equip businesses to compete in the global market.

Keegan (2005) outlines five stages for the development of international marketing, which are dependent on the political, economic, cultural, and legal environments of the various markets where the company operates: (i) domestic marketing, which is characterized by the local market, its consumers, and local competitors, and uses the marketing mix prepared to respond to the domestic market; (ii) export marketing, which starts with the acceptance of orders from abroad, derives its name from the acceptance of orders from other countries; (iii) global marketing, which is characterized by Viana and Hortinha (2005), the firm solely uses its domestic commercial and production capabilities; it does not engage in marketing efforts abroad and only takes orders from clients in other markets.

International marketing, which is a crucial component of the third stage for businesses planning to enter overseas markets, is what defines it. The business works autonomously in these areas despite being aware of the presence of cultural differences in those regions. International marketing is defined by the creation of planning, promotion, pricing, and directing the flow of goods and services from the firm to its consumers in the numerous nations where it is based in order to achieve profit, according to Cateora and Graham (2001).

(iv) The fourth stage is international marketing, where different marketing strategies are used and tailored to the marketing mix based on the market in which the companies operate.

(v) The formulation of the marketing strategy is done from a worldwide viewpoint in the fifth stage, which is global marketing. In order to make adjustments to the product level, communication, distribution, and sales strategies, it should maintain the global scale in technology, manufacturing, and organization (Holt et al., 2004). Kotler and Keller (2006) assert that one should pursue product uniformity while taking the market's culture into consideration. According to Holden (2006), the brand and the product should be international, and the pricing, distribution, and communication should be tailored to meet local demands.

In order to fulfill clients' consumption habits, distribution organizations must determine the routes and the most effective intermediaries (Hill, 2007). The actual handling and distribution of commodities, as well as discussions, are all part of the distribution process, according to Cateora and Graham (2001). These activities take place between the buyer and the ultimate clients via intermediaries. The responsibilities of intermediaries, cost, availability in the target market, and control are some crucial factors to consider when choosing distribution channels. It's also crucial to think about the geographic coverage (Vrontis & Thrassou, 2007).

In terms of communication adaptation, this is done based on the variations in the physical environment, the legal and regulatory requirements, the consumer behaviors and purchasing motivations, as well as the variations in the dissemination channels (Vrontis & Thrassou, 2007). Kotler and Keller (2006) assert that in order to determine if adaptation is required, research in each market is required. According to Kotler (2000), it is crucial to comprehend the consumer from the point at which he decides to make a purchase until afterward. Because the consumer's behavior may be influenced by personal, cultural, social, and psychological factors, it is crucial for the professional to comprehend these elements in order to reduce barriers of communication.

If there is any modification in terms of their competencies, the individuals who work in the export industry are considered part of the marketing mix. The ability to make decisions and respond to the unique characteristics of the target market are both factors in the adaptation of processes; yet the physical evidence is still adjusted in accordance with regional competitive norms (Vrontis & Thrassou, 2007).

The promotion must also be considered, as there are some barriers to communication in foreign markets due to language barriers, cultural differences, attitudes toward advertising, and the oversupply of media in some countries. This makes it challenging for businesses to choose the best medium while still adhering to local laws (Kotabe & Helsen, 2000).

As a result, putting a specific emphasis on international trade shows as a promotional medium opens up new prospects and connections by allowing businesses to network and connect with potential clients (Cateora & Graham, 2001; Viana & Hortinha, 2005).

For instance, the brand or label design of a wine can have a significant impact on its internationalization. Here are a few ways in which it can influence the process:

1- Differentiation: The wine market is highly competitive, and there are numerous brands and labels available in the market. An attractive and unique label design can help a wine brand stand out and differentiate itself from its competitors, which can be crucial in attracting international customers (Velasco & Spence, 2019)
2- Cultural relevance: A wine brand's label design should reflect the cultural values and preferences of its target audience. For instance, a brand targeting customers in China might want to incorporate Chinese symbolism or imagery into its label design to appeal to local customers (Gustafson, 2013).
3- Clarity and simplicity: The label design should be clear and simple to understand, especially if the brand is targeting customers who may not be familiar with the language or culture of the country where the wine is produced (Charters, 2006)
4- Brand recognition: The label design should be memorable and recognizable, so customers can easily identify the wine brand. This is especially important for international customers who may not be familiar with the brand (Velasco & Spence, 2019).
5- Legal requirements: Different countries have different regulations on wine labeling, and the label design must comply with these regulations. Failure to do so can result in legal issues and hinder the brand's internationalization efforts (Bruwer, 2017).

Wine label design can have a big impact on consumer choice and product perception. In the following example, figure 2.7, it is shown the labels of Destalo Wine, and other Vinho Verde Companies. Being the case studies of the wine companies anonymous, the figures 2.8, 2.9 and 2.10 will not present any of the wines from the companies studied.

Figure 2.8: Destalo Wines

Source: Destalo Wine

Figure 2.7: Quinta da Aveleda Wine

Source: Google Images

Figure 2.10: Adega Ponte de Lima Wine

Source: Google Images

Figure 2.9: Quinta do Minho Wine

Source: Google Images

As we can see, the Labels of Destalo Wine are different, this happens because the company invested in a younger and commercial wines, turning the animals, from the Tâmega River in Amarante, into cartoons. Therefore, Destalo Wine has a bigger differentiation in a highly competitive market which also leads to storytelling of the brand itself. In summary, an attractive, culturally relevant, clear, and legally compliant label design can help a wine brand successfully expand its international reach.

2.10 Characterization of the wine sector in Portugal

The wine industry in Portugal has a long history and is one of the Old-World wine producing nations. It is regarded as one of the most important and well-known producers in the world (ranked 33rd in 2017's World Ranking of Wines and Spirits, prepared by the World Association of Writers and Journalists of Wines and Spirits, which counted 3197 distinctions that same year), having been declared in 2018 to have a production of about 6 060 000 hl by the International Organization of Vine and Wine (2018). Approximately 49% of this total production was exported, according to the same source.

According to the Vine and Wine Institute (2018), Portugal has 14 wine regions: Vinho Verde, Trás-os-Montes, Douro, Távora-Varosa, Dão, Bairrada, Beira Interior, Lisboa, Tejo, Península de Setúbal, Alentejo, Algarve, Madeira e Açores, through which it has spread 31 PDOs (Protected Designation of Origin) and 14 PGIs(Protected Geographical Indication) , which represent about 89% of the overall production (PAIFT, 2018), proving the quality of national production.

Despite a rising tendency in the number of businesses and individuals employed in the industry, the majority of the country's farms are small farms. The cooperatives, although their relative representation is a minority, account for about 42% of total wine production, since many small producers choose to join cooperatives.

According to the Vine and Wine Institute (2018), there are currently 11 Wine Routes operating in Portugal, located in different parts of the country, and providing differentiated experiences to visitors.

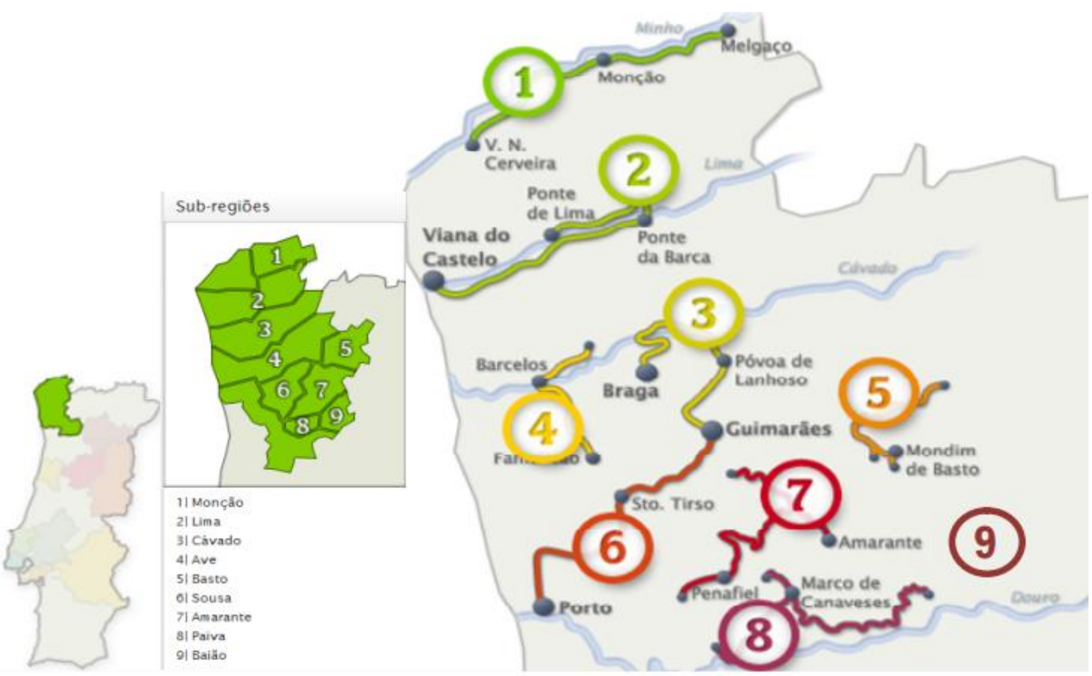
The external promotion of the sector is ensured by “ViniPortugal” (Interprofessional Wine Organization of Portugal), founded in 1997, which is also responsible for the management of the brand "Wines of Portugal", which is present in four continents and 14 main markets. The challenge is made on valuing the quality and differentiation of the product, aimed at specific segments of consumers who are willing to pay a premium value for the difference (PAIFT, 2018).

Currently, the external market is seen as the priority market by most wine companies in Portugal. Traditionally, it was seen as a market only for surplus production, now assuming a significant role in the risk diversification of companies (Vivas & Sousa, 2012).

2.10.1 Demarcated region of "Vinhos Verdes"

Currently, the Demarcated Region of Vinhos Verdes occupies the entire northwest of the country, being one of the oldest regions of Portugal. According to the Commission of Viticulture of the Vinhos Verdes Region (CVVVR) (2012), the demarcated region extends across the area traditionally known as Entre-Douro-e-Minho and is bordered to the north by the Minho River (border with Galiza), to the east and south by mountainous areas that constitute the natural separation between the Atlantic Entre-Douro-e-Minho and the more inland areas of the country with more Mediterranean characteristics and, finally, by the Atlantic Ocean, which represents its western limit. The vineyards, which are characterized by their great vegetative expansion, occupy an area corresponding to 15% of the national vineyard area (CVVVR, 2012). Due to cultural issues, microclimates, types of wine and vineyard management methods, the Demarcated Vinho Verde Region is divided into nine sub-regions - Amarante, Ave, Baião, Basto, Cávado, Lima, Monção e Melgaço, Paiva and Sousa - with each sub-region covering certain municipalities described below (Figure 2.7) (CVVVR, 2012).

Figure 2.11: Demarcated region of Vinho Verde



Source: Adapted from Infovini (2012)

- Amarante: Integrates the municipalities of Amarante and Marco de Canaveses.
- Ave: Covers the municipalities of Vila Nova de Famalicão, Fafe, Guimarães, Santo Tirso, Trofa, Póvoa de Lanhoso, Vieira do Minho, Póvoa de Varzim, Vila do Conde and the municipality of Vizela, except for the villages of Vizela (Santo Adrião) and Barrosas (Santa Eulália).
- Baião: includes the municipalities of Baião, Resende (except the parish of Barrô) and Cinfães (except the villages of Travanca and Souselo).
- Basto: Includes the municipalities of Cabeceiras de Basto, Celorico de Basto, Mondim de Basto and Ribeira de Pena
- Cávado: Covers the municipalities of Esposende, Barcelos, Braga, Vila Verde, Amares and Terras de Bouro.
- Lima: It includes the municipalities of Viana do Castelo, Ponte de Lima, Ponte da Barca and Arcos de Valdevez.
- Monção and Melgaço: It covers the municipalities of Monção and Melgaço..
- Paiva: integrates the municipality of Castelo de Paiva, and, in the municipality of Cinfães, the villages of Travanca and Souselo;
- Sousa: covers the municipalities of Paços de Ferreira, Paredes, Lousada, Felgueiras, Penafiel and, in the municipality of Vizela, the villages of Vizela (Santo Adrião) and Barrosas (Santa Eulália).

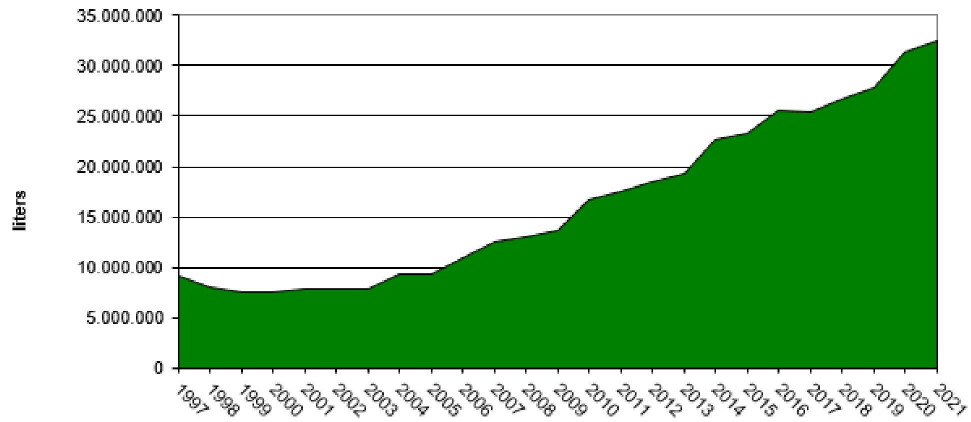
2.10.2 Production and Strategy of "Vinho Verde" Wine

Vinho Verde is synonymous with diversity, because the climate and the native grape varieties allow the production of an infinite number of different wines, of all colors and styles.

In 1908, the quality and genuineness of the Vinho Verde wine region was officially recognized, through the attribution of the demarcation of the respective geographical production area, as result.

In the Demarcated Region of Vinho Verde, between 1999 and 2021 an average of 81 million liters of Vinho Verde were produced annually, corresponding to about 13% of the total wine produced nationally during that period. (CVVVR, 2021)

Figure 2.12: Exports Evolution of Vinho Verde



Source: Commission of Viticulture of the Vinho Verde Region (2022)

As stated in the Figure 2.8, Between 1997 and 2021, the export of wine in the Demarcated Region of Vinho Verd shows a scenario of growth, having reached and exceeded in 2021 the 32 million liters exported to more than 110 international markets.

The Committee of Viticulture of the Vinho Verde region seeks to strengthen their capacity to develop strategies that incorporate differentiating factors in their offer, making them aware of the importance of innovation, marketing and strengthening the brand image, as determining factors for increasing competitiveness and, simultaneously, contributing to strengthening the international visibility of the offer of national wines, and improving the perception of foreign markets regarding these wines.

According to the Commission of Vinho Verde (2020) the effort to renew the vineyards and the constant evolution of oenology in the mentioned regions give consistency and differentiation to the wines produced and sustainability to the strategy of valorization of the collective brand and the producers' brands.

From an immersive training and new business development perspective, the Vinho Verde and Dão regions hosted dozens of professionals - journalists, buyers and influencers - in their production areas, with visits to producers, guided tastings and interactive seminars.

On other hand, the impressive beauty of the Minho region serves as a backdrop for the Vinhos Verdes Wine Route which can also be seen as a tool for networking and exportation.

3. METHODOLOGY

There are three types of research methods in social sciences. The quantitative research method aims to identify and present data, indicators, and observable trends; The qualitative research method aims to understand the issue through the analysis of behaviors, attitudes, or values; and mixed methods research combines both of these types of methods to better understand the issue (Sousa & Batista, 2011).

Three methods of gathering data are used in qualitative research: interview, observation, and document analysis.

The interview is a method of gathering data that may be used by having a conversation with a person or group who has been carefully chosen in order to get reliable and accurate data in order to meet the objectives of the data collection (Ketele & Roegiers, 1999). Observation is a method that involves the systematic and objective observation of a phenomenon or behavior in its natural setting. The goal of observation in qualitative research is to gain an in-depth understanding of the phenomenon or behavior being observed, and to generate rich and descriptive data that can be analyzed and interpreted in order to identify patterns, themes, and meanings (Bogdan & Biklen, 1992). Documentary analysis is the gathering and examination of already-existing material in order to learn more about a subject or issue (Sousa & Batista, 2011).

In the current study, a descriptive qualitative research design is used with the goal of clearly describing a specified study object's structure and operation (Sousa & Batista, 2011).

Qualitative research is a distinct field of inquiry that spans across various disciplines. The term "qualitative" emphasizes the focus on the characteristics and interpretations of entities and processes. A qualitative study values the socially constructed nature of reality, taking into account a constructivist framework, the researcher's relationship with the object of study, and the situational constraints that affect the research (Morse, 2021).

Qualitative methodology is considered a tool for investigating and comprehending the significance that individuals or groups assign to social and human issues (Denzin & Lincoln, 2021).

The following presumptions are listed by Minayo (2022) as those that direct research using the qualitative paradigm:

1. Complexity: Social reality, including its cultural forms, is extremely complicated and cannot be explained by a straightforward collection of factors;

2. Subjectivity: Researchers constantly operate inside a certain reality and environment, bringing their own opinions and values to the research. As a result, subjectivity is assumed and negotiated rather than being suppressed, as is the case with quantitative technique;

3. Contextualization: Because reality is created by taking into consideration a variety of elements, knowing certain contexts is always necessary to perceive a phenomena;

4. Interpretation and Meaning: Because diverse interpretations of the same phenomena may be made when participants' ties to the phenomenon under study are taken into consideration, interpretation and meaning are fundamental to qualitative research;

5. Research Objectives: Causality, control, and prediction-based theories seem implausible. Instead, what's desired is the capacity for interpretative comprehension, which includes the capacity for empathy and the ability to imitate others' experiences in our own lives;

6. Applicability: A thorough comprehension of one context makes it easier to perceive other situations, not via the generalization principle but rather through the transference principle.

Furthermore, in-depth interviews were conducted as the primary method of data collection. The data gathered from these interviews was then analyzed and summarized in section 4.1.2 Presentation of case studies and research results.

4. Research Questions

As stated at the beginning of this paper, the aim of this study is to understand the internationalization strategy of the company in the wine industry, namely,

- Determine the causes and hazards behind why businesses internationalize their operations;
- Which factors are taken into account when entering an international market;
- Examine the methods used in the internationalization process of five case studies of businesses, four of which are wine firms and the other a textile company.

Some questions will be developed for research and comparison of these firms which met the studies specified in the literature review after choosing the study method and information collection strategies to try to answer the objectives.

Question 1 – Which are the main reasons/motivations and obstacles that companies face in the process of internationalization, that are consistent with the literature available? - With this question it is intended to analyze what drives companies to go international and which variables are taken into account by the companies that consistent with the theory of available literature.

Question 2 – Is first Market entry mode a decisive experience that influences the decision of entry mode by which further attempts of entering more markets should be made? - Identify if the first market entrance has influence on the market entry mode through the evolution of the companies and also factors to consider when deciding the input mode.

Question 3 – How does the budgeting process of the market selection affect the success of the internationalization process? – Analyze how the allocation of company resources, such as capital, technology, and human resources, impacts choices in the internationalization process.

Question 4 – The importance of market selection taking into account the singularity of the product and the consumer preferences. – Analyze which factors are considered when selecting a market and if it is taken in consideration the singularity of the products and the market preferences.

4.1 Case Studies

The selection of the case studies and the justification for these decisions are done in this chapter. With a brief mention of their history and an explanation of the things the companies create, the firms are introduced.

There are some key facts about each company's operations included along with an explanation of the internationalization process and its evolution.

In the present dissertation five case studies, being one of them from a different sector (textile) will be addressed.

Destalo Wine was chosen for its importance in the sector, since it is a no more than 10 years brand of Vinho Verde that is already present in 15 countries around the world.

Fashion Fantasy [2] is a company based in India which exports textiles all over the world. It was chosen because it is an international company that already has several decades of existence, thus being able to compare internationalization with a national brand.

The other three wine companies presented, will remain anonymous due to not having authorization to share the name or sensitive data.

4.1.2 Presentation of case studies and research results

In this section, it is possible to observe the presentation, description as well as the products produced from the following companies: Destalo Wine, a textile company and three wine companies, of which these last three will remain anonymous due to company privacy policy.

The results of the research done during the case study to the companies are described, namely the primary data obtained through interviews and the secondary data obtained through specialized magazines, newspapers, websites of the companies and institutions linked to the companies, to obtain important information and statistical data about the sector.

4.1.2.1 Destalo Wine

Created in 2017 and with a Rebranding in 2020, Destalo Wine is a brand of Vinho Verde Wines, having six references being these:

- Destalo Branco
- Destalo Tinto
- Destalo Rosé
- Destalo Alvarinho
- Destalo Loureiro
- Destalo Sparkling

[2] The mention of Fashion Fantasy is made with its complete consent.

Destalo Wine has no production, only a supplier from which it then exports these wines all over the world. Each bottle is identified by a numbered seal to guarantee the quality of all production methods and processes.

These Vinho Verde wines are from Amarante. Proudly made and produced in the city amidst the Tâmega river and the Marão Sierra.

1 - What was the main objective of Destalo Wine's internationalization process and how did they start it?

The main objective of Destalo Wine's internationalization process was to change the image of Vinho Verde and promote it as a unique product from the demarcated region of Vinho Verde. The company started its internationalization process by seeking the help of a consultancy that helped them create an internationalization plan highlighting several potential markets in Asia and Europe. This plan allowed Destalo Wine to identify potential markets and develop strategies for entering them, which eventually led to the company's successful expansion into several international markets.

2 - What are the main reasons behind Destalo Wine's decision to internationalize?

The decision to internationalize is motivated by several factors for Destalo Wine, but the main reasons are to change the image of Vinho Verde abroad and to showcase the unique product that is made from the demarcated region of Vinho Verde. By expanding to new markets, Destalo can also increase its customer base, diversify its revenue streams, and improve supply chain stability. Additionally, internationalization can help the company stay competitive in the global market and gain valuable experience in dealing with cultural and political differences. Overall, internationalization is seen as a key strategy for Destalo Wine to grow its business and increase its brand recognition worldwide.

3 - Strategies that are adopted by Destalo to facilitate its internationalization.

There are many strategies adopted by Destalo Wine to facilitate its internationalization. Some of these strategies could include:

- Establishing partnerships or distributions with local companies: Destalo can work with local partners to help distribute their products in a new market. This can help the company gain a prominent position in the market and establish its brand. This is the method preferred so far by Destalo where it attempted to make a contract with an importer/distributor who in turn already distributes another wines throughout the country.

- Participating in fairs and trade events: Fairs and events are a good way to the company to establish connections and promote its products in a new market, a good example is the annual presence at Prowein Dusseldorf.
- Conducting market research: It is important for Destalo to understand the local market and consumer preferences in a new market before entering it. Conducting market research can help the company adapt its products and marketing efforts to better meet the needs of local customers.

4 - What are the main motivations and obstacles that Destalo Wine faces in its internationalization process?

Destalo Wine is motivated to expand its market and diversify its customer base, which provides access to new customers and increases the size of the market for its products, while also increasing stability through supply chain and revenue stream diversification. However, the company also faces several obstacles when seeking new markets, such as cultural differences, language barriers, and political instability in the destination country. These obstacles can make it difficult to establish a presence and effectively market its products in a new market.

5 - What was the first international market that Destalo Wine entered and how did they enter that market?

The first international market that Destalo Wine entered was Poland. They entered the market through a contact that was given by the internationalization consultancy company. Destalo Wine had developed an internationalization plan with the objective of exporting to countries in Asia and Europe. Through the consultancy company, they were able to identify and establish contacts with potential importers in Poland, leading to their first successful export to this market.

6 - What market entry modes have been used by Destalo Wine in their internationalization process?

Destalo Wine initially entered international markets through networking, but for other markets, the company primarily uses the direct export market entry mode. This involves participating in fairs and events to establish contacts with potential importers and then developing the entire export process directly with these importers. This approach allows Destalo Wine to have direct control over the distribution and marketing of its products in the international market, while also building strong relationships with importers and ensuring that its brand and products are represented accurately. Additionally, by using the direct export mode, Destalo Wine can avoid the additional costs and risks associated with establishing a physical presence in foreign markets, such as setting up subsidiaries or joint ventures.

7 - What are some of the key resources required for a company to successfully internationalize?

Internationalization is a complex process that requires significant investment of resources. Some of the key resources that are needed for a company to successfully internationalize include personnel with the right skills and experience, technology that enables the company to efficiently manage operations across borders, financial resources to fund expansion into new markets and support ongoing operations, cultural resources to help the company navigate the customs and traditions of different countries, and most importantly, market research to understand the unique characteristics of the target markets and develop a strategy that meets the needs of local customers. Without these resources, internationalization can be a challenging and risky proposition for any company.

8 - What are some incentives and supports available for companies to facilitate their internationalization process, and did Destalo Wine any?

There are various incentives and supports available for companies to facilitate their internationalization process. These may include financial incentives such as grants, tax breaks, and access to funding programs. Other types of support may include advice and guidance on how to enter new markets, help with market research, and access to business networks and partnerships.

In the case of Destalo Wine, they chose the Portugal2020 [3] internationalization project, as it was deemed the best-suited option for their specific needs. This project is a funding program provided by the Portuguese government to help Portuguese companies expand and grow their business internationally. The program provides financial support to companies to cover expenses related to market research, marketing, trade shows, and other activities aimed at promoting internationalization. The project also offers business consultancy services to help companies develop their internationalization strategies and provides access to networks and partnerships that can support their expansion efforts. By choosing the Portugal2020 internationalization project, Destalo Wine was able to access these resources and supports, which helped them successfully expand their business to new markets.

[3] As per referred below in the analysis and discussion of the results, Portugal2020 is a internalization project that attributes grants and funding through the government to help companies internationalize.

9 - What are some important factors that a company should consider when selecting a new market to enter?

When selecting a new market to enter, a company should consider a variety of factors to ensure that the decision is economically and strategically sound. One of the most important factors is market research, which should include an assessment of whether there is demand for the company's product in the new market, how much consumers are willing to pay, and how the company's brand will be perceived. Additionally, the company should consider factors such as cultural and religious beliefs that may affect demand for their product, as well as legal and regulatory requirements for operating in the new market. Ultimately, the goal is to identify markets where there is a clear advantage in terms of positioning the company's product and reaching new customers, while minimizing potential risks and challenges.

10 - International Marketing

After entering the market Destalo always asks the importer, distributor or retailer to make a page on social networks. Firstly, Destalo sends a marketing plan to be translated into the official language of the country and after that it is up to the client to manage this page in the international country, but the marketing plan and supervision is outlined by Destalo in Portugal.

In the marketing mix, firstly in the product, depending on the markets, there are countries where a different label is required, but the bottle was designed to have a smaller label than the original one so that a back label can be glued underneath, thus not blocking the primary label.

In terms of pricing, prices are always the same regardless of the market. However, these prices are different when it comes to retailers, in the case of an importer or distributor the prices are always the same, and all prices are set according to profit margins.

Destalo does not use intermediaries, so Destalo Wine's own sales agent directly contact the importing / distributing companies, also facilitating the process by eliminating intermediaries. In terms of getting the product to the customer the preferred option is "Ex works" - The buyer takes care of all the logistics / transport from Destalo’s warehouse to the desired destination. However, Destalo also gives the option of presenting quotes from different local carriers to get the product to the importer or distributor.

And finally, for promotion, Destalo mostly advertises on social networks, but as referred before, Destalo actively tries to participate in fairs for further prospection and, after entering the market, Destalo always asks the importer/distributor or retailer to build a page on social networks, following a thorough marketing plan to be translated into the official language of the country. The management of this page is the client in the international country, but the marketing plan is outlined by Destalo in Portugal.

11 - What are the future prospects for Destalo Wine and its plans for international expansion? Destalo Wine aims to maintain its economically sustainable operations while planning for future growth. The company plans to increase the value of its exports and enter new markets, particularly in the USA, China, and Japan. In 2022, the global export of Vinho Verde wine exceeded 30 million liters, and Destalo Wine contributed to this with the sale of 102287 bottles across all its references. The company is committed to maintaining its position as player in the Vinho Verde wine industry while expanding its global reach through strategic partnerships and innovative marketing strategies.

4.1.2.2 Textile Company

This textile company is a manufacturer and exporter of Ladies Fashion Garments and Fashion Accessories, based in Mumbai (Bombay), India. The company was established in 1982 to assist international fashion houses in sourcing garment manufacture and processing within India. To the simplicity of understanding table 5.3 further, please assume company A as this textile company.

1 - Beginning of the internationalization process

The internationalization process of the textile company had several key milestones. The first one was a rebranding, which allowed the company to position itself as a high-quality supplier of textiles for international fashion houses. The second milestone was the company's participation in a trade show in England, which helped the company to make initial contacts and start exporting their garments to the international market. The third milestone was the development and maintenance of a client base that includes some of the biggest labels in the world of fashion industry. These key milestones helped the company to establish itself as a reliable and successful player in the international market.

2 - What were the main reasons for the textile company's internationalization?

The textile company pursued internationalization for several reasons. Firstly, it aimed to increase its customer base and potentially boost sales by accessing new markets. Secondly, the company sought to benefit from low labor costs in countries like India, allowing for more cost-effective production of its goods. This cost advantage allowed the company to be more competitive in the global market. Additionally, by going global, the textile company could gain access to new resources, such as new suppliers and technologies, which could help to improve the efficiency and quality of its products. The company's internationalization was driven by the desire to gain a competitive advantage over its rivals by expanding into new markets and building a global brand.

3 - What strategies did the textile company adopt to facilitate its internationalization process?

To facilitate its internationalization, the textile company adopted several strategies, with the prime one being the building of partnerships and networks. This involved forming joint ventures with local companies in each destination country, establishing relationships with distribution companies, and participating in trade shows and other networking events. Additionally, the company also conducted market research to identify potential markets, adapted its products to meet the needs and preferences of foreign consumers, complied with local laws and regulations, and invested in financial, human, and intellectual resources to support its international operations. The company also maintained effective communication channels with foreign customers and partners and continually evaluated and adjusted its strategies to stay competitive in each market.

4 - What are the motivations and obstacles in the internationalization process?

One of the primary motivations for companies to internationalize is to gain a competitive advantage by producing goods at lower costs in the international market and selling them at higher prices in domestic markets. Another motivation is to access new resources, such as new suppliers and technologies, which can improve the efficiency and quality of their products. Internationalization also provides companies with the opportunity to diversify their revenue streams, reduce their dependence on domestic markets, and increase their brand recognition and reputation.

However, internationalization also presents several obstacles that companies need to navigate. One significant obstacle is the difficulty of communicating with foreign customers and partners. Companies must overcome language barriers, cultural differences, and time zone differences, which can make it challenging to establish and maintain relationships with foreign customers and partners. Another obstacle is the legal and regulatory compliance that companies need to navigate in foreign markets. These requirements can be complex, time-consuming, and costly, and companies must invest in legal and compliance expertise to ensure they comply with local laws and regulations. Competition is also a significant obstacle, as companies often face competition from other international companies that are already established in the target market. Companies need to differentiate themselves and their products from competitors to gain a foothold in new markets.

5 - What was the process of entering the first international market for this textile company and what was the input mode used?

The textile company's first international market entry was in England, which was made possible through a contact made at a trade show in the country. The company then engaged in discussions with potential partners to manufacture and export their products to England. The input mode used was direct export, with the company itself being responsible for the sales and distribution of their products in the foreign market.

6 - What are the key criteria for market selection for the textile company?

The textile company considers several key criteria when selecting markets to enter, including the market size and growth potential, the level of competition and differentiation, customer needs and buying habits, economic stability and development, and government regulations and trade agreements. Market size and growth potential are crucial to ensure there is enough demand for the product, while an assessment of competition and differentiation helps the company understand how its products and brand will stand out. Understanding customer needs and buying habits allows the company to tailor its products and marketing strategies to the target market. Economic stability and development are important for accessing raw materials and infrastructure, while government regulations and trade agreements play a role in determining the ease of entry and potential barriers to trade. By considering these criteria, the company can make informed decisions about which markets to enter and how to tailor its approach to maximize success.

7 - Market Entry Mode

It involves identifying the most appropriate way to enter a foreign market and achieve business objectives. The choice of market entry mode depends on various factors, such as the target market's cultural, economic, and legal environment, the company's resources, and its level of experience in international trade.

In the case of the textile company, their first market entry was through an international trade show in England. This entry mode can be classified as an indirect export, as the company did not directly engage in sales but rather relied on the trade show's organizers to facilitate the process.

However, the company has two other entry modes, namely direct and indirect exports. Direct export refers to a situation where the company itself is responsible for the sales process in the foreign market. This approach allows the company to have more control over the sales process and customer interactions and can help to establish a stronger presence in the foreign market.

On the other hand, indirect export refers to a situation where a middleman or intermediary is involved in the sales process. This approach can be beneficial for companies that do not have the necessary resources or expertise to handle foreign market sales directly. By relying on an intermediary, the company can reduce its risk and costs, while still accessing new markets and customers.

Overall, the choice of market entry mode depends on various factors, such as the company's objectives, target market, resources, and capabilities. Companies must carefully evaluate each entry mode option and select the most appropriate one based on their unique needs and circumstances.

8 - What are the different types of resources needed for a textile company to successfully internationalize its operations?

Internationalization requires a range of resources for a textile company to succeed in foreign markets. Financial resources are crucial to invest in market research, product development, advertising, and marketing. Human resources, such as managers, sales representatives, and marketing specialists, are also needed to navigate the cultural and linguistic differences of foreign markets. In addition, legal and compliance experts are necessary to ensure the company is meeting all the complex legal and regulatory requirements of foreign markets. Finally, protecting intellectual property is another critical resource needed for successful internationalization, as trademarks, patents, and copyrights must be safeguarded to prevent infringement. A comprehensive approach to internationalization requires careful consideration of a range of resources, including financial, human, legal, and intellectual property, to ensure success in foreign markets.

9 - How does the textile company approach international marketing to promote and sell their goods in overseas markets?

The textile company adopts various tactics and actions to approach international marketing, including adapting their products to meet the specific needs and preferences of foreign consumers. This may involve modifying product designs, packaging, and labeling to meet local regulations and cultural preferences. Additionally, the company develops a promotional strategy that takes into account the cultural and linguistic differences of the target market. This involves developing localized advertising and marketing materials and using local media and influencers to reach the target market. The company also complies with local laws and regulations by obtaining necessary licenses and permits as well as meeting any other requirements specific to the target market. In order to effectively execute their international marketing strategy, the company needs to have a deep understanding of the target market, engage in careful planning, and be willing to adapt to local conditions and cultural differences.

10 - What is the textile company's focus from an evolutionary perspective?

The textile company is focused on developing sustainable and eco-friendly production methods, exploring new technologies, diversifying its product offerings, and expanding into new markets. They aim to use organic or recycled materials, implement energy-efficient processes, and reduce waste to meet the increasing demand for sustainable and eco-friendly products. Additionally, the company is exploring new technologies such as 3D printing or digital textile printing to improve efficiency and product customization/personalization. To stay competitive, the company is also diversifying its product offerings and expanding into new markets.

4.1.2.3 Wine Company B

Because of non-allowance of revealing any identity of this wine company and to the simplicity of understanding table 5.3 further, please assume company B as this wine company.

1 – Description of the company's process of internationalization, including the factors that led to the decision to internationalize.

In 2008, the company initiated the internationalization process, aimed at expanding its business beyond its domestic market. The company's decision to target the German market was primarily driven by the country's strong purchasing power and its reputation as a hub for the wine industry, with the annual wine fair held in Dusseldorf attracting a significant number of international visitors.

By expanding into the German market, the company sought to increase its brand visibility and market share, while also gaining access to a wider customer base. The internationalization process involved adapting the company's marketing strategies, product offerings, and operations to meet the needs and preferences of German consumers, as well as complying with local regulations and standards.

Over time, the company's internationalization efforts extended beyond the German market, with the company expanding into other key wine markets across Europe and beyond. Through its internationalization strategy, the company has been able to establish a global presence and become a leading player in the wine industry.

2 - What were the primary reasons for the company's decision to pursue internationalization?

The company's decision to pursue internationalization was driven by several key factors. Firstly, the unfavorable economic environment within its domestic market, which presented significant challenges for the company in terms of growth and profitability. Secondly, the limited domestic demand for its products, which made it necessary for the company to explore new markets and customers to sustain its business. Finally, the company identified several opportunities for growth and expansion through partnerships and collaborations with key industry bodies, such as the Portuguese Agency for Investment and Foreign Trade (PAIFT) and the Commission of Viticulture of the Vinhos Verdes Region (CVVVR).

In addition to these factors, the company recognized the potential benefits of internationalization, including increased revenue, market diversification, and enhanced brand recognition. By expanding into new markets, the company was able to access a wider customer base and tap into new sources of revenue, reducing its reliance on its domestic market. Through partnerships with industry bodies such as PAIFT and CVVVR, the company was able to leverage their expertise and networks to facilitate its entry into new markets and establish itself as a leading player within the wine industry.

Overall, the company's decision to pursue internationalization was driven by a combination of internal and external factors, reflecting the challenges and opportunities facing the company within its domestic market and the wider wine industry. Through its internationalization strategy, the company has been able to successfully overcome these challenges and establish itself as a global player within the industry.

3 - What strategies did the company adopt to facilitate its internationalization efforts?

The company implemented several key strategies to facilitate its internationalization efforts. One of the primary strategies involved seeking the assistance of external organizations such as the Portuguese Agency for Investment and Foreign Trade (PAIFT), the Commission of Viticulture of the Vinhos Verdes Region (CVVVR), and ViniPortugal. These organizations provided the company with valuable market research, insights, and advice on how to enter and succeed in new markets. This enabled the company to better understand the target markets, including local consumer preferences, regulations, and business practices.

In addition to market research, the company also participated in key industry events and fairs, including those organized by the above-mentioned organizations, to showcase its products and connect with potential customers and partners. This helped to increase the company's visibility and brand recognition in new markets.

Another key strategy adopted by the company was to leverage financial support available for internationalization projects. The company sought and secured funding for approved projects through PAIFT, which provided financial assistance for the company's internationalization efforts. This support was critical in enabling the company to invest in key areas such as marketing, distribution, and logistics to support its expansion into new markets.

4 - What were the key motivations and obstacles faced by the company during its internationalization process?

The company's decision to pursue internationalization was motivated by several factors, including weak domestic demand and the potential for greater economic opportunities in international markets. By expanding into new markets, the company was able to access a larger customer base and reduce its reliance on the domestic market, which was facing significant challenges at the time.

However, the internationalization process also presented several significant obstacles for the company. One of the primary obstacles was the lack of financial resources to support its internationalization efforts. Expanding into new markets requires significant investment in areas such as marketing, distribution, and logistics, which can strain the financial resources of any company.

Another major obstacle was adapting the product to the needs and preferences of customers in new markets. Different markets have different tastes and preferences when it comes to wine, and the company had to invest in research and development to adapt its products to meet these new demands.

Cultural differences also posed a significant challenge for the company. Different markets have different cultural norms and business practices, which can make it difficult for a company to navigate and succeed in new markets.

Finally, a major obstacle faced by the company was the perception of Portuguese wines in international markets. Portuguese wines were often seen as low-value wines, and the company's decision to produce premium range wines and price them higher than the average was initially met with skepticism in some markets. This required the company to invest in marketing and branding to change the perception of Portuguese wines in international markets.

5 - Which was the company's first international market, and what input mode did it use to enter that market?

The company's first international market was Germany. The decision to enter the German market was motivated by several factors, including the high purchasing power of German consumers and the fact that the main wine fair, ProWein, is held in Dusseldorf.

To enter the German market, the company opted for a direct export input mode. This involved exporting its products directly to German importers or distributors, who would then sell the products to local retailers and consumers. Direct export is a common entry mode for small and medium-sized enterprises (SMEs) looking to enter new markets, as it allows them to maintain control over their products and distribution channels.

However, direct export also presents several challenges, such as the need to comply with local regulations and navigate cultural differences. To overcome these challenges, the company worked closely with external organizations such as the Portuguese Agency for Investment and Foreign Trade (PAIFT) and the Commission of Viticulture of the Vinhos Verdes Region (CVVVR) to better understand the German market and its regulations, as well as to adapt its products to meet the tastes and preferences of German consumers.

6 - What criteria does the company use to select new markets for internationalization?

The company considers several criteria when selecting new markets for internationalization. One of the key considerations is the size and growth potential of the market. The company assesses the market size by examining factors such as population, GDP, and wine consumption patterns. It also looks at the growth potential of the market by analyzing trends and projections for wine consumption and economic growth.

Another important consideration is consumer preferences and buying habits for wine. The company conducts market research to understand the tastes and preferences of consumers in the target market, as well as their preferred price points, packaging, and labeling.

In addition, the company evaluates the level of competition in the market, as well as the distribution channels available for the products. It assesses the strength and reach of local distributors, retailers, and importers, and considers the feasibility of establishing its own distribution channels in the market.

The company also takes into account the economic stability and development of the market, as well as any government regulations and trade agreements related to the wine industry. It evaluates factors such as tax rates, tariffs, and import/export regulations, as well as any trade agreements that may affect the competitiveness of its products in the market.

The company's market selection process is driven by a combination of quantitative and qualitative factors, including market size and growth potential, consumer preferences and buying habits, competition and distribution channels, and economic and regulatory factors. By carefully evaluating these criteria, the company is able to identify markets with the greatest potential for success and tailor its internationalization strategy accordingly.

7 - What is the preferred market entry mode for the company?

The company's preferred market entry mode is to participate in fairs and events, where it can establish contacts with potential importers and distributors. By attending these events, the company can showcase its products to a large number of potential buyers and network with key players in the target market.

Once the company has established contacts with importers and distributors, it typically deals with them directly to arrange for the distribution of its products in the market. This allows the company to maintain greater control over its distribution channels and ensure that its products are properly represented in the target market. The company's market entry strategy is focused on building relationships with key players in the target market and leveraging those relationships to establish a strong foothold in the market.

8 - What kind of resources are used in the internationalization process?

The internationalization process requires a range of resources to be successful. One of the most important resources is financial capital, as exporting wine can be a costly endeavor. The company must invest in the production, packaging, and shipping of its wines, as well as in customs clearance fees and other expenses related to exporting to a new market.

In addition to financial resources, the company also requires human capital to successfully internationalize its operations. This includes skilled staff who can oversee the production and packaging of the wines, as well as experts in international trade who can help navigate the complexities of exporting to a new market.

Distribution resources are also critical to the internationalization process. The company must establish relationships with distribution partners in the new market, such as importers and wholesalers, to get their wines to retailers and restaurants. This requires significant investment in marketing and sales efforts to build these relationships and promote the company's brand in the target market.

Finally, the company must also invest in research and development to adapt its products to the preferences of consumers in the target market. This may require changes to the taste, packaging, or branding of the wines to better appeal to the local market.9 - Market Selection Criteria

The prime selection criteria is the market size and its growth level where this company looked for markets that are large and growing, as these markets have the potential to generate significant revenue and profits.

10 - International Marketing

The company makes a marketing plan every year. At the end of each year, company B holds meetings to prepare the marketing plan for the following year. The main features of this plan are: (i) terms of presentation of the wines; (ii) dinners with specialists - to get feedback from the wines; (iii) sending samples to specialty magazines and contests in which the company participates - to see if the wines meet the characteristics of consumers; (iv) Advertising in some specialty magazines and websites to promote the wine are also made.

For the marketing mix strategy, the company follows the following guidelines:

Product: The most popular types of wines are taken into account as well as an adaptation according to the target market. For example, if the company is targeting a market that prefers red wine, they might focus on producing and exporting red wine varieties.

Price: The company considers the pricing slots that are competitive in the target market, and fit their pricing accordingly. Also, the company would have to consider any tariffs or import taxes that would affect the final price of the product.

Place: The company identifies the most effective distribution channels for reaching their target market. This could include working with local importers and distributors, setting up their own retail outlets, or still using online platforms to reach consumers directly.

Promotion: A promotional strategy is tailored to the target market. This includes advertising, trade shows, and events, as well as social media and digital marketing. The company considers any cultural differences that might affect how their message is received.

11 - What are the future perspectives for the wine company in terms of internationalization and market expansion?

The wine company aims to increase the value of its exports and enter new markets to strengthen its growth and portfolio. Specifically, the company plans to target markets such as the USA, Russia, Eastern countries, Belgium, and Europe in general. This reflects the company's ambition to expand its reach and increase its presence in key global markets, while also diversifying its customer base and revenue streams. To achieve these objectives, the company will likely need to continue investing in its marketing and distribution strategies, while also adapting its products to meet the specific preferences and demands of these new markets. Overall, the future perspectives for the company in terms of internationalization and market expansion are positive, as it seeks to capitalize on its strengths and competitive advantages in the wine industry to achieve sustained growth and success.

4.1.2.4 Wine Company C

Because of non-allowance of revealing any identity of this wine company and to the simplicity of understanding table 5.3 further, please assume company C as this wine company.

1 - How did the internationalization process began and evolved over time, considering historical, political, economic, and technological factors that influenced the globalization of business and the search for opportunities in foreign markets?

internationalization process began in the 1980s, when the company began its expansion into international markets, primarily in Europe and North America. This internationalization strategy was motivated by the desire to increase the company's customer base and to promote its high-quality wines in foreign markets.

The emergence of trading companies, which have established global trading networks, including the Port wine trade is an example of a historical factor as it greatly aids the development of international trade, thus easing governmental and regulatory restrictions on international trade.

Regarding the technological factor, this wine company is always looking for new technological developments in order to make its estates more sustainable. The development of transportation and logistical technologies is also very important because it allows for greater efficiency in the movement of goods between countries.

This internationalization process will evolve even further, due to the fact that by the end of 2022, the company acquired a Vinhos Verdes estate that has 27.4 hectares of excellent vineyards planted exclusively with the Alvarinho grape variety.

2- What are the main motivations for the company to decide to go international and what are the main obstacles they face in this process, including factors such as regulatory and cultural barriers, political and economic instability, costs of entering new markets, and challenges in adapting products and services to the needs of local consumers?

The main motivations for the company are to seek new business opportunities in foreign markets, diversify its markets and reduce its dependence on a single market, access new resources and technologies, reduce risks associated with economic and political fluctuations in a specific market, and increase the efficiency and scale of its operations.

Obstacles include regulatory and cultural barriers, political and economic instability in certain markets, high costs associated with entering new markets, such as high import duties in some countries, challenges in adapting products and services to the needs of local consumers, and intense competition with established local companies.

3 - What are the specific strategies adopted by this wine company to facilitate its internationalization and expand its business in foreign markets, taking into consideration factors such as participation in international wine fairs, advertising in industry magazines and newspapers, introduction in social networks, and other marketing and customer relationship actions?

This wine company adopts several strategies to facilitate its internationalization and expand its business in foreign markets. Among the main strategies are participation in international wine fairs, advertising in industry magazines and newspapers, introduction in social networks, and other marketing and customer relationship actions.

Participation in industry fairs and events is an important strategy, as it allows the company to introduce its products to potential customers and partners around the world, as well as increase brand visibility and demonstrate its expertise in viticulture and winemaking.

Advertising in trade magazines and newspapers is also an important strategy for the company, as it helps to strengthen the brand's image and spread information about its products and innovations.

In addition, social media is an effective way to reach new audiences around the world and to communicate with customers in a more direct and personalized way. The company can also offer exclusive content and relevant information about its products and its history, which can help create a stronger connection with consumers.

In summary, a variety of strategies are adopted to expand its business in foreign markets and stand out from the competition by taking advantage of the marketing and customer relationship opportunities available through different channels.

4 - How does the company prospect for customers in international markets and what is the process used to identify business opportunities in different regions, taking into account factors such as culture, consumer habits, distribution channels, and competition? Are there significant differences in the approach adopted for each market or is the process similar in all the regions where the company operates?

The company uses different strategies to prospect for clients in international markets, which include market research, participation in fairs and industry events, direct contact with local importers and distributors, and the creation of strategic partnerships. The process of prospecting for customers can vary according to the characteristics of each market, such as culture, consumption habits, and distribution channels.

To identify business opportunities in different regions, the company carries out detailed market research, with data analysis on consumer profile, competition, distribution channels, and prices. The company can also count on the support of consultants specialized in each region, who provide information and insights about the peculiarities of each market.

Upon identifying business opportunities in a given market, the process of client prospecting begins, which can include participating in fairs and industry events, holding tastings for importers and local distributors, and direct contact with potential clients through visits, e-mails, and phone calls. In addition, the company also seeks to establish strategic partnerships with local distributors and importers that can help expand its business in each market.

5 - In terms of differentiation, how is the international marketing mix carried out in:

5.1 – Product

It is a company that values the differentiation of its products through their quality, authenticity and distinctive character. To this end, the company seeks to adapt its product portfolio to the specificities of each market, with labels and packaging that take into account the preferences and habits of local consumers. For example, the company's wines have different labels for different brands and ranges, which are suitable for each market. In addition, the company is always looking for new market opportunities, creating new wines and segments that meet the needs of each specific market.

5.2 – Price

The company adopts a flexible and adjusted pricing policy for each market, taking into consideration the exchange variations, import taxes and tariffs, as well as the differences in the cost of living in each country. The company seeks to offer a fair and competitive price in each market, but without compromising the quality of its products.

5.3 – Place

The company works with importers, distributors and retailers to ensure that its products are accessible to consumers in different international markets. The company has a vast network of international partners and uses different distribution channels for each market, such as specialized importers, local distributors, specialized stores and department stores. The company seeks to be present in the markets where its products have the greatest potential, working in partnership with local importers and distributors to ensure that its wines are widely distributed.

5.4 – Promotion

Hie company uses a variety of communication channels to promote its products in different international markets, including advertising in trade magazines and newspapers, presence at wine fairs, tastings, in-store promotions, and social media campaigns. In addition, the company also runs local promotional campaigns after entering a new market, using the official language of the country. The management of the promotion is done both by the company itself and by local partners.

6. What was the 1st market to which you went international? What was the selection criteria for this market?

It all began in the 20th century when it began exporting its wines to the United Kingdom, which became its first international market. The UK was chosen as the first export market largely because of its geographical proximity to Portugal, where the company produces its wines, which made logistics and transportation easier and more accessible. In addition, the UK has a strong wine drinking culture, which presented a great opportunity for the company to expand its business and increase its international presence. A careful market analysis was also conducted, assessing consumer needs and preferences, as well as the characteristics of the UK market, before entering it.

7.1 How was this market approached? What entry mode was used?

To address the UK market, it was used a direct export strategy, meaning that it sold its wines directly to importers and distributors in the UK market. This strategy allowed the company to establish direct business relationships with its customers in the overseas market and more effectively control the process of distributing and selling its products.

In addition, the company sought partnerships with experienced distributors and importers in the UK market in order to take advantage of their knowledge and experience in the local market. This strategy helped the company to overcome initial barriers to entry, such as cultural differences and import regulations, and increased the visibility of the company and its products in the UK market.

8 - What resources does the company use in its internationalization process, such as human, technological and information resources and which is the most important?

The company uses several resources in the internationalization process being the financial resource the main concern. In terms of human resources, the company has a team of experienced international trade and marketing professionals who are responsible for managing the entry into new markets and adapting marketing and sales strategies to local demands. The company also works with consultants specialized in international trade and business management, who offer insights and knowledge about the target markets.

With regard to technological and information resources, the Company invests in advanced technologies to monitor and analyze consumer behavior in the target markets, to identify market trends and opportunities, and to optimize production and logistics processes. The company uses customer relationship management (CRM) software to manage contacts with customers and suppliers worldwide and to monitor sales and marketing performance. The Company also makes use of communication technologies, such as video conferencing and online collaboration platforms, to communicate with business partners around the world and to coordinate international trade operations.

9- Besides internal resources, what types of external support are considered important by the company in the internationalization process and why?

The Company considers important the support of government and foreign trade entities, such as PAIFT and the Douro Regional Wine Commission, which provide information and logistical support for the entry into new markets. In addition, the company also seeks partnerships with local importers and distributors, who have knowledge of the market and can facilitate the entry of their wines. When it comes to vinho verde, contacts and help are also at work through the Regional Commission of Vinho Verde and through global trade networks.

10 - Considering the globalization of business and the search for opportunities in foreign markets, how does the Company choose the foreign markets for its internationalization?

The most important criteria in the choice of foreign markets include factors such as political and economic stability, culture and traditions regarding wine consumption, market demand and growth potential, competition, regulations and trade barriers, availability of distribution channels and logistics, among others.

The political and economic stability of the market is very important, because these factors can directly affect the company's activities, from logistics to product sales. In addition, it is important that the market has a culture and traditions related to wine consumption, since this can directly influence the acceptance of the product by consumers.

11- What are the preferred entry strategies for the Company when approaching new foreign markets?

The Company, when approaching new foreign markets, uses an entry approach that is customized for each market, based on the specific characteristics of the market as well as the company's capabilities and resources. The Company generally prefers to work with local partners, such as importers and distributors, who have knowledge and experience in the target market. In addition, the Company may also choose to acquire or partner with local companies to increase its presence in the market.

Another preferred strategy of the Company is to participate in international trade fairs, where it can come into direct contact with potential customers and learn about the latest market trends. The Company also uses advertising in industry magazines and newspapers, and more recently has introduced digital marketing strategies, such as social media advertising, to increase brand awareness.

12 - In general, what is necessary for a company to internationalize successfully?

For a company to internationalize successfully, it must have a clear and strategic vision for expanding its business into foreign markets. This involves careful planning, including the analysis of opportunities and risks in each target market, as well as the identification of internal and external factors that may affect the success of internationalization.

In addition, the company needs to have a strong capacity to adapt to the cultural differences, regulations, and business practices of each country where it intends to operate. It is important to have qualified human resources trained to operate in international environments and with the ability to communicate in different languages and adapt to different cultures.

Another important aspect is to have a well-defined organizational structure, with clear processes and procedures for making decisions and managing international operations. The company also needs to be able to adapt its products, services, and marketing strategies to meet the specific needs of each market.

Finally, it is important that the company has access to adequate financial resources to support international expansion, whether through financing, strategic partnerships, or in-house investments. Financial management must also be careful, taking into account issues such as exchange rates, operating costs, and international cash flow.

4.1.2.5 Wine Company D

Because of non-allowance of revealing any identity of this wine company and to the simplicity of understanding table 5.3 further, please assume company D as this wine company.

1 - How did the company consolidate its presence in the international market?

In the case of the farm in question, the internationalization process began in 1998 in a punctual way. Starting in 2001, the farm began to make exports in a regular and consistent way. The company invested in strategies to consolidate its presence in the international market and increase its production capacity to meet the demands of foreign markets.

The first country to receive the Vinho Verde from company D was Belgium, as a result of a contact made by a company that was looking for a supplier of Vinho Verde for a distribution chain. This experience of exporting to Belgium was an important milestone in the international trajectory of the company D, as it allowed the company to improve its export processes and strategies and opened new doors to other international markets.

2- What are the main motivations for the company to decide to go international and what are the main obstacles they face in this process, including factors such as regulatory and cultural barriers, political and economic instability, costs of entering new markets, and challenges in adapting products and services to the needs of local consumers?

The company decided to start the internationalization process for several reasons. First, market diversification was a priority for the company in order to reduce dependence on the domestic market and thus increase its resilience in the face of economic fluctuations and other risk factors. Although the domestic market was still growing at the time, the company recognized that it could not sustain long-term growth at a level that met its objectives.

Second, the search for greater profitability in foreign markets was one of the main motivations for internationalization. The company recognized that there were many opportunities for investment in new markets and that consolidation of existing markets could be a source of additional growth.

In terms of obstacles, was the need to invest increasingly in foreign markets to consolidate the company's presence and conquer new markets. In addition, the company had to deal with different cultures, languages, and bureaucratic processes in each market it was active in.

Still, the company managed to overcome many of these challenges and consolidated its presence in several international markets. However, in some markets, such as China, it still faces significant challenges due to a lack of wine knowledge, which requires a different approach in terms of marketing and consumer education.

3 - What are the strategies adopted by the company for an easier internationalization?

As a Portuguese wine producer that has stood out for its internationalization strategy, to facilitate its global expansion, the company adopts several strategies, among which: (i) a strong focus on product quality - The company invests in high quality wine production techniques, which contributes to its reputation and international recognition. In addition, (ii) the company soughs access to international markets investing in distribution and sales channels in several countries, creating partnerships with local importers and participating in international fairs and events.

(iii) Another strategy adopted by the company is the adaptation of the product to the consumer preferences of each market. To this end, the company develops customized products to meet local needs and tastes.

(iv)The company also invests in marketing and communication to increase its visibility and relevance in international markets, using digital platforms and social networks to promote its products and services.

(v) Investments in innovation, developing new products and processes to differentiate itself from the competition and increase its competitiveness internationally are also in motion.

(vi) The company also resorted to the Common Market Organization and The National Strategic Reference Framework projects, after approved, the company has a co-participation of the State and the European Community. The company also resorts to the CVVVR and ViniPortugal, organizations which participate in fairs and tastings organized for the promotion of wines and for the knowledge of the various markets.

4 - How does the company prospect for customers in international markets and what is the process used to identify business opportunities in different regions?

The company's main strategy is to participate in international fairs and events, which allow contact with potential customers and partners in different regions. During these occasions, the company has the opportunity to present its products, get to know the competition and get feedback from local consumers. The company also uses market analysis and competition studies to identify business opportunities in different regions. Market research to gain insights into consumer behavior, preferences, and trends in specific markets is also made. This involves analyzing demographic data, economic indicators, and consumer surveys, as well as gathering information on regulatory and cultural factors that may impact the success of a product or service in a given market.

5 - In terms of differentiation, how is the international marketing mix carried out in:

5.1 – Product

This wine company offers a range of wines, including white, red, and rosé, made from local grape varieties such as Alvarinho, Loureiro, and Vinhão. The company focuses on producing high-quality wines with distinct flavors and aromas that reflect the region's terroir. In addition, the company has a line of sparkling wines that are popular for celebrations.

5.2 – Price

The wines are positioned as premium products, and the prices reflect their high quality. The company's pricing strategy is based on the value that its wines offer to the consumers, as well as the production costs and competitive prices of other similar wines.

5.3 – Place

These wines are distributed through a variety of channels, including online sales, direct-to-consumer sales, and partnerships with wine distributors and retailers in Portugal and international countries. The winery's physical location in the Vinho Verde region of Portugal also serves as a destination for wine tourism.

5.4 – Promotion

A variety of marketing and promotional tactics is used to promote its wines to the target market. The company leverages its website and social media platforms to showcase its products and engage with consumers. It also participates in trade shows and events, hosts tastings and tours at its winery, and works with influencers and bloggers to reach a wider audience. In addition, the packaging and labeling designs are visually appealing and help to differentiate the products from competitors.

6 - What are the different modes of entry into international markets and how do they work?

The most common mode of entry is direct export, which involves a company exporting its products to foreign markets on its own. This mode of entry typically involves participation in trade fairs, establishing contacts with importers, and developing the entire export process directly with these importers. Another option is to establish a joint venture with a local company in the target market. This approach allows for the sharing of resources and knowledge between the two companies, while also enabling the foreign company to better understand the local market and culture.

7 - What investments has the company made in its resources to improve production efficiency and product quality?

The company recognizes the importance of investing in its resources to ensure the production of high-quality wines. The company has invested in various resources, including human resources and technological resources, to improve its production efficiency and product quality. The company understands the importance of having skilled workers and provides training to its employees to enhance their knowledge and skills. In seasons of higher work, such as grape harvests, the company hires additional labor to ensure that the workload is managed efficiently.

In addition to investing in human resources, the company has also invested in technological resources. The acquisition of fully automatic bottling lines is one example of the company's investment in technology. Moreover, the company's investment in technological resources is not limited to bottling lines. The company has also invested in other technologies that improve production efficiency and product quality, such as grape processing technology and fermentation management systems. By utilizing these technologies, the company can control the winemaking process more effectively and ensure that its products meet the highest standards.

8 - What criteria does the company use to select new international markets to enter?

Company D uses a variety of criteria to select new international markets to enter. The company looks for markets where there is a high demand for wine, as well as markets where there is potential for growth. The company also considers factors such as the local wine culture, consumer preferences, and purchasing habits when evaluating new markets. The regulatory environment and the logistics of exporting its wines to the target market are also taken into account. Ultimately, the decision to enter a new international market is based on a comprehensive analysis of these factors to ensure that the company's resources are being used effectively.

9 - What future plans do the company have for expanding its presence in international markets, and what factors are driving these plans?

The company has ambitious plans to expand its presence in international markets. The company aims to increase its exports to existing markets and to enter new markets where there is potential for growth. The factors driving these plans include the growing global demand for wine, increasing recognition of the quality of Portuguese wines, and the company's desire to diversify its customer base and reduce its reliance on any single market. The company also recognizes the importance of adapting to changing consumer preferences and trends and will continue to invest in innovation and technology to ensure that its products meet the needs of customers in international markets.

Next, table 5.3 is presented for comparison of key aspects, which will respond to the objectives outlined about the internationalization process of companies in the Vinho Verde sector.

Table 5.3: Company Analysis

	Company				
	DESTALO	A	B	C	D
Question 1 - Motivations and Obstacles	Changing the image of the Vinho Verde Wines; Market expansion and Diversification.	Customer Base increase and sales boost; Competitive Advantages.	Market Demand with purchasing power; Weak domestic demand and bigger economic power internationally.	Market expansion and Diversification; Access to new resources; Reduce the risk associated to economic fluctuations	Market Diversification; Reduce the risk associated to economic fluctuations; Growth Opportunity.
	Cultural Differences, Language Barriers and Political Instability	Legal Compliance, Language Barriers and Competition	Higher Price Requirement, Financial Resources, Product adaptation	Legal Compliance, Language Barriers; High costs associated with entering new markets; Challenges in product adaptation	Financial Resources; Cultural and Language Barriers Lack of Knowledge; Legal Compliance.

	Company				
	Destalo	A	B	C	D
Question 2 – First market entry mode	Market mode entry does not Influence.	Market mode entry does not Influence.	Market mode entry does not Influence.	Market mode entry does not Influence.	Market mode entry does not Influence.
Question 3 – Company's resource Concern	Financial resource is the main concern	Financial resource is the main concern	Financial resource is the main concern	Financial resource is the main concern	Human resource is the main concern
Question 4 – Market selection Criteria	Where the company wants to be seen and the level of competition.	How does the brand differentiate from other products.	Consumer demographic and the level of competition.	Political and economic market stability.	High Demand of Wine and where there is Potential Growth.

Source: Own Elaboration

As a reminder to the simplicity of understanding table 5.3, please assume company A as the textile company and company B as the second wine company interviewed, company C as the third wine company interviewed and company D as the fourth wine company interviewed.

After analyzing the primary and secondary data obtained on each company studied, it is necessary to compare and draw assertive conclusions concerning the most important points and that should meet the proposed objectives.

Regarding to question 1 - Which are the main reasons/motivations and obstacles that companies face in the process of internationalization? - Silva et al, (2018) state that there can be Proactive and Reactive motivations. Destalo Wine's main reason to internationalize is to leverage the country's image. This is in agreement with Silva et al. (2018) description of companies that decide to internationalize in markets having a particular reputation in a defined sector. Thus, Destalo Wine's motivation stands in both proactive and reactive motivation as the company has a particular reputation of Vinho Verde, being this type of wine from a demarcated region in Portugal. Leveraging a country's image can be a good reason for a brand to be motivated to internationalize itself, because it can help the brand to build a positive reputation in the global marketplace. By associating itself with the positive attributes and strengths of the country, the brand can benefit from the positive image of the country and use it to differentiate itself from its competitors. This can also help the brand to gain consumer trust and loyalty, and ultimately increase sales and profits.

Market expansion and Diversification is also stated earlier in the topic 4.1.2.1 Destalo Wine as motivations to go international. Cuervo-Cazurra and Genc (2020) suggest that firms are more likely to consider market expansion and diversification motives when they are faced with high levels of competition in their home market, when they have excess capacity, when they have developed new products and when they have reached saturation in their domestic market. Therefore, internationalization through market expansion enables companies to take advantage of new market opportunities, increase their customer base, and generate higher revenues. Diversification, on the other hand, enables companies to reduce their dependence on a single product or market, and spread their risks across multiple product lines and geographic markets.

Destalo Wine faces obstacles when they seek a new market, some of which are cultural and language differences or political instability. This happens because of the specificness of the product itself, as for example it is hard to enter the United Arab Emirates market, as the demand is not high due to the law that Muslim people should not drink alcohol, so United Arab Emirates only sells alcohol to tourists being this a cultural difference. In terms of the language barrier, it is difficult to approach some markets because of the language being different and the English being rarely used. In a study conducted by the European Commission (2011), language barriers were found to be one of the most significant obstacles to cross-border trade in the European Union.

The study found that over half of the companies surveyed identified language barriers as a significant problem when doing business with other EU countries. The study also highlighted that companies that were able to communicate effectively in the language of their business partners were more likely to export their products and services.

On the other hand, company A's main reason to go international is to increase customer base and to boost sales. Therefore, internationalization is seen as a proactive motivation in the category of growth strategy, which according to Silva et al (2018) is the outcome of companies' ongoing attempts to increase their market shares, strengthening the market overall. By entering new markets, firms can tap into larger customer bases and generate additional revenues, thus fueling growth. Moreover, expanding into international markets can help firms reduce their dependence on a single market and diversify their revenue streams, which can be particularly beneficial during times of economic uncertainty or market volatility. As such, increasing the customer base and boosting sales through international expansion can be an effective growth strategy for firms looking to expand their operations and achieve sustainable growth on the long term.

Another motivation stated by company A is the gaining competitive advantages by producing the goods at lower costs in the international market and selling it in domestic markets at higher prices. Although this specific motivation is not comparable with a product as wine due to the fact of terroir and origin denomination being part or the product, this motivation is common among many companies, particularly in industries with high production costs. In the case of this textile company in India, this strategy can be particularly effective due to the country's relatively low labor costs. By leveraging these cost advantages, the company can improve its profit margins and gain a competitive edge over domestic rivals. Moreover, by entering international markets, the company can gain access to new sources of raw materials, expand its customer base, and reduce its dependence on the domestic market.

While company A also states that communicating in different markets is one of the obstacles, company A also asserts that legal compliance is a barrier to internationalization as these regulations can be complex, costly, and time-consuming, and non-compliance can result in financial penalties, legal disputes, and damage to a company's reputation. Aside from these obstacles, company A also states that global international competition is also a big obstacle. Competition can be a barrier to internationalization because companies entering new markets face competition from established local firms and other international companies. Competitors may have greater brand recognition, established customer bases, and better knowledge of local market conditions, making it difficult for new entrants to gain a foothold.

Although company B started its internationalization process directed to the German market due to their purchasing power, the reason that lead this company to internationalization is the economic environment, low domestic demand and assistance of local institutions. As stated by Peng (2008) informal institutions despite not being formalized by legislation, can have a substantial impact on corporate behavior if they are broken through human cognitive power. Formal Institutions Companies are impacted by institutions and respond to them, modifying their tactics in accordance with the laws and regulations of the domestic and international markets (Krull et al., 2012; Oliver, 1991; Scott, 1995). Therefore, we can observe that Company B has adopted the Uppsala Model, developed by Johanson and Vahlne (1990), as the main motivation of company B to go international was the weak domestic demand and the opportunity that a bigger international economic power may allow company B to tap into larger and more lucrative markets. By expanding their business internationally, companies can reduce their reliance on the domestic market, which may be affected by economic downturns, political instability, or other factors.

Company B highlighted financial resources and adapting products to new markets as some of the obstacles on the internationalization process, and this occurs because companies need to invest in market research, in product development, and in marketing to ensure that their products or services are well-suited to the needs and preferences of customers in different countries. This requires a significant financial investment, which can be challenging for businesses, especially small and medium-sized enterprises (SMEs).

Adapting products to new markets can be challenging for businesses, as cultural differences and local regulations can impact product design and development. For example, in Thailand people are not used to drink Vinho Verde wines, they are more familiar with the traditional red wine. Another big obstacle for company B is the price of wines, since Portuguese wines are seen as low value wines and therefore the price can’t be high as it could lead to a misimpression that the price is above average. This obstacle can be seen as internal barrier - Product-related barriers and their prices as stated in the table 2.1.

Concerning company C, another wine company, one of the main motivations was the company to seek new business opportunities in foreign markets. This aligns with the literature as seen before, once more, a Proactive motivation on opportunities in new markets as stated by Silva et al. (2018). This motivation refers to the drive to pursue and capitalize on potential business opportunities in a new or untapped market before they become widely known or exploited by competitors. It involves being proactive in identifying and pursuing opportunities that have the potential to generate significant returns.

Company C also states market diversification and reducing the dependence on a single market, which leads us to growth strategy, being these motivations also proactive motivations, this nor only involves taking steps to expand the company's business beyond its existing market and product lines to create new opportunities for growth but also to invest in research and development, exploring new markets, or developing new products or services to meet changing customer needs and preferences. This growth strategy can also help the company to remain competitive and resilient in the face of economic uncertainty, market disruptions or changes in consumer behavior.

Access new resources and technologies, reduce risks associated with economic and political fluctuations in a specific market, and increase the efficiency and scale of its operations are also stated as motivations of company C. Accessing new resources and technologies can help companies to improve their products or services, increase operational efficiency, and reduce costs. For example, by investing in research and development, a company may be able to develop new products or services that are more efficient, more environmentally friendly, or have greater functionality.

Reducing risks associated with economic and political fluctuations in a specific market is also a proactive motivation for companies. By diversifying their operations, companies can reduce their exposure to risks associated with a single market, such as changes in government policies, economic downturns, or geopolitical risks.

Increasing the efficiency and scale of operations is another proactive motivation for companies to pursue growth strategies. By expanding into new markets or product lines, companies can take advantage of economies of scale and increase their operational efficiency, thereby reducing costs and improving profitability.

Likely to the other companies presented above, Company C does not escape the obstacles encountered. Company C states regulatory and cultural barriers, Regulatory barriers refer to laws, regulations, or policies that restrict or prohibit certain business activities or products in a given market. These barriers can take many forms, including import/export regulations, licensing requirements, environmental and safety standards, and intellectual property protection. Cultural barriers refer to differences in language, customs, values, and beliefs between different countries or regions. These barriers can make it difficult for companies to establish relationships with potential customers or partners in new markets. Overcoming regulatory and cultural barriers requires proactive measures such as investing in market research, building relationships with local partners, and engaging with local communities.

Political and economic instability in certain markets are also significant obstacles for company C when seeking to pursue growth strategies in those markets. These factors can make it challenging for companies to establish a stable and predictable business environment, which can hinder growth and profitability. Political and Economic instability can take many forms, including civil unrest, political turmoil, and changes in government policies or regulations, currency fluctuations, inflation, and recession. These factors can impact the purchasing power of local consumers, affect the cost.

Lastly, High costs associated with entering new markets, challenges in adapting products and services to the needs of local consumers, and intense competition with established local companies are also obstacles that need to be considered. High import duties can make it difficult for companies to compete with local producers who are not subject to the same import taxes. Companies may need to invest in local production facilities or seek alternative distribution channels to overcome these barriers. Company C must conduct market research and develop localized marketing strategies to ensure their products and services resonate with local customers. This can be time-consuming and expensive, particularly for companies operating in diverse cultural and linguistic environments. To overcome these challenges, companies must be proactive in identifying and mitigating risks, building strategic partnerships, and investing in innovative products and services that address the unique needs of local consumers.

For company D, the main motivation is the market diversification as it reduces the dependence on the domestic market. A greater profitability in foreign markets is also a motive for company D, Likely to the other companies stated before, this is aligned to the proactive motivation as said in the literature review. Regarding the obstacles and compared to company B and C, company D also states the need to invest increasingly in foreign markets consolidate the company's presence. While expanding into new markets can bring significant benefits, such as increased revenue and market share, it also requires significant resources and can be a complex and challenging process. In addition to this being a major obstacle for company D, cultural and language barriers and also bureaucratic process also are stated as being obstacles for internationalization being these obstacles similar to the other companies stated before.

To facilitate some of these obstacles, Company D nor only makes investments in top-notch wine production methods, which helps to build its reputation and get it international recognition, but also the modification of the product to suit the tastes of the market's consumers. To do this, the business creates specialized goods to satisfy regional demands and tastes.

Internationalization can provide numerous benefits to companies, including increased market share, access to new resources, and economies of scale. However, it also poses significant challenges, such as cultural differences, legal and regulatory barriers, and operational complexities. Therefore, and answering to Question 1, companies should carefully evaluate the potential benefits and risks of internationalization before embarking on the process. By considering both the main motivations for internationalization and the potential obstacles they may encounter, companies can make informed decisions and develop effective strategies for global expansion.

In terms of the Question 2 - if the market entry is influenced from the first market entrance, the first market that Destalo Wine went international was Poland, where the entry mode was through networking, it is possible can relate this theory of internationalization through the Network Theory where Pereira (2019) states that due to the power of the network of relationships, the connections made within a company's local network can facilitate the development of connections in other nations. Although the first market entrance mode was through networking, Destalo Wine seeks their way into other markets through direct export in this case, Destalo Wine sells its goods to customers in other countries without the use of intermediaries (Lorga, 2003). Networking as a first step to enter an international market is advantageous for a company because it provides access to local knowledge, reduces risk, increases legitimacy, provides access to resources, and offers flexibility. By building relationships with local partners, companies can increase their chances of success in a foreign market. Direct export is also advantageous as it allows direct control, and there will have better access to a range of importers or buyers, as for example, in a trade fair where there are many importers or visitors from many markets.

Although direct exporting presents us with a greater control and better profits, it also has some challenges such as, among other, the navigation through complexities of international trade regulations and logistics - Companies may face currency fluctuations, political instability, and other risks associated with doing business in foreign countries.

Knowing this, Destalo adopts some strategies to facilitate the internationalization, such as establishing partnerships or distributions with local companies. This approach can help companies overcome some of the barriers to internationalization, including cultural differences, legal and regulatory challenges, and logistical complexities. Some of the key benefits of partnering with local companies are local expertise and brand recognition, where local partners can provide valuable insights into the local market, including consumer preferences, market trends, and cultural norms. These local partners can also help companies to build brand recognition and credibility in the local market.

However, it is important to note that establishing partnerships or distributions with local companies is not without its challenges. Companies must choose their partners carefully and invest time and resources in building strong relationships. They should also be prepared to navigate the complexities of cultural differences, legal and regulatory requirements, and other challenges that may arise in the course of doing business in a new market, to which Hill and Hult (2020) agree with.

Participating in fairs and trade events is also a strategy adopted by Destalo Wine to facilitate its internationalization. This approach allows Destalo Wine greater exposure to global audience, further networking opportunities and increasing brand building. Nonetheless, It's crucial to remember that participating in trade fairs can also be costly and time-consuming, and may not always lead to immediate results. Companies should carefully consider their goals and objectives before deciding to participate in a trade fair, and should be prepared to invest the necessary resources to make the most of the opportunity.

Although company A's entrance mode on the first market which was through an international trade show in England, the textile company has two entry modes which is the direct exports - exports being themselves doing the sales directly to importers, and the indirect exports - when they have a middleman during the sale. This intermediary in the indirect exports should be a distributor, a trading company, or an agent who has established networks and expertise in the target market. As stated earlier, direct exports can give us advantages and disadvantages, and the same happens in indirect exports. Indirect exports bring lower risk and investment, access to a local expertise but at the same time limited control over marketing and sales and lower profit margins. Overall, indirect export proves to be a good strategy for companies looking to test a new foreign market, or for those who do not have the resources or expertise to establish a physical presence in the market. At the same time, it has proven to be important to carefully consider the advantages and disadvantages of this approach, and therefore engage in choosing intermediaries who have who have a strong reputation, expertise, and a proven track record of success in the target market.

The same happens with company B regarding the direct export, which was the first market entry mode used to internationalize. Company B has key considerations on the external factors presented in figure 2.5 such as the factors of market, environment and destination country.

According to Root cited by Monteiro (2016) the internationalization decision should be analyzed taking into account factors internal and external to the company, which is not a current procedure in company B's case. Company B is only taking into account the external factors such as economic conditions, political stability, cultural differences, and regulatory environment which can significantly affect a company's ability to expand internationally. Internal factors should also be considered as the company's mitigating factors, such as its financial resources, management expertise, and product or service offerings, which can strongly influence its ability to enter and succeed in a new international market.

Therefore, to make a well-informed decision about internationalization, companies need to carefully analyze both internal and external factors and consider how they interact with each other. This analysis will help companies identify the risks and opportunities associated with international expansion and develop a strategy that leverages their internal strengths while navigating the external challenges.

For instance, company B seeks assistance of local institutions to help them internationalize, this can be valuable through trade associations or chambers of commerce as they have knowledge of the market, networking opportunities, access to funding and also assistance with regulatory compliance.

As stated in the table 5.3, once more, the first market entry does not influence the entrance mode for company C. Company C started exporting in the 20th century to United Kingdom, which was chosen nor only for the geographical proximity to Portugal but also because of the owners being British, which made the internationalization process easier. Nonetheless, company C made a careful market analysis to assure consumer needs and preferences are met with the company's products. Company C in generally uses direct export but is also open to indirect export, key considerations on the external factors presented in figure 2.5 such as market country factors are carefully analyzed when entering a market. Contrary to the other companies presented above, Company C also asses factors referring to the company's products, as it considered if the products characteristics will be met in the market to all the consumers expectations.

This study, considering both internal and external factors, will assist company C in identifying the threats and benefits of globalization and in formulating a plan that takes use of internal strengths while addressing external obstacles.

Company C also considers that the support of government and foreign trade entities such as PAIFT and the Douro Regional Wine Commission is very important as it provides information of logistical support for the entry in new markets. Regarding the Vinho Verde Region, contacts and support with CVVVR are also in motion to start a successful internationalization of this type of wines.

In the case of company D the internationalization process began in a punctual way in 1991, starting in 2001 in a consistent way. As a result of a contact made by a company in Belgium, it was the first market to go international through direct export, as it allowed the company to improve its export strategies, company D also explores joint venture with local companies in the target market, likely to company B. A joint venture is a business partnership where two or more companies come together to form a new entity and share the ownership, profits, and risks of a particular project. In the case of a wine company looking to expand internationally, a joint venture could be a good option for entering a new market while sharing the costs and risks with a local partner. As stated by Simões et al. (2013) a Joint-Venture is seen as Direct Investment. While joint ventures can be a great way for companies to share costs and risks and expand into new markets the main drawback of joint venture is the shared control and decision making- in a joint venture, both parties have a say in how the business is run and decisions are made. This can sometimes lead to disagreements and conflicts over strategy, operations, and other important issues.

Company D also seeks for support from organizations which participate in fairs and tastings organized for the promotion of wines and for the knowledge of the various markets. To facilitate

Overall, the assistance of local institutions can be a valuable strategy for companies seeking to expand internationally. By leveraging the knowledge, networks, and resources of these institutions, companies can, yet again, more effectively navigate the challenges of entering a new market and increase their chances of success.

Regarding Question 3 on how company resources affect internationalization strategies, Destalo, Company A, Company B and Company C stated a financial resource as the main resource used in the internationalization process. The availability of financial resources can impact a company's ability to enter and expand into new markets. For example, companies with limited financial resources may need to prioritize markets where they can achieve the greatest return on investment or consider alternative entry modes such as non-equity contractual methods stated earlier by Pan and Tse (2000). Conversely, companies with ample financial resources may be able to enter multiple markets simultaneously or pursue more aggressive expansion strategies such as mergers and acquisitions. As stated earlier in the barriers of internalization, financial resources play a particularly important role (McNaughton & Bell, 2004). For example, in the

International Marketing of Destalo Wine, all the marketing is carried out by the importer or distributor in the destination country, and even though Destalo Portugal has an established plan, due to diligence does not occur as a result of lack of available resources to invest in marketing. According to the topic 2.9 International Marketing this stage of development of international marketing is met in the stage iii – global marketing where the firm does not engage in marketing efforts abroad (Viana & Hortinha, 2005). Even though there isn't much investment in marketing after the sale, Destalo Wine invested on the design of the labels and on the imaging of the brand itself, which lead the company to gain competitive advantage instead of having a traditional wine label, this was also made to make the wines more younger as this generation is rising in the wine consumption. According to a survey conducted by the Wine Market Council in 2015 with people aged 21 to 38 in the United States, 159.6 million cases of wine were destined for the young public, representing 42% of the wine consumed in the country that year. The types of labeling Destalo Wine provides is an effort to cater to the needs of a public used to gathering for parties and barbecues in more laid-back settings and in need of a more convenient format for consumption which is not seen in other Vinho Verde Labels. Contrary, company A and company B have a careful marketing plan, and a willingness to adapt to local conditions and cultural differences. This stage of development is the fourth stage where different marketing strategies are used and tailored based on the market in which they operate. Company C states that they are always in work with local distributors or importers to have a guideline of the marketing that has to be done, having a special team for marketing in the Headquarters of Company C, as stated before this is also the fourth stage of development in international marketing. Having a specialized team for marketing this leads us to the human resources, The business's staff of skilled international trade and marketing specialists is in charge of overseeing the company's entry into new markets and customizing marketing and sales plans to meet regional needs. Having a team of experts in international trade and marketing is a smart investment for any company looking to expand globally.

Contrary, the Human resource is the main importance to company D human resources are critical to the success of a wine company's internationalization efforts. By recruiting and developing the right talent, managing compliance and risk, and building a strong employer brand, human resources can help the company achieve its growth and expansion goals. According to Peng (2008), this resource is an example of an intangible asset and is essential to the administration of the business.

In addition to investing in human resources, company D also has invested in technological resources such as a fully automatic bottling lines. These bottling lines help to ensure that the bottling process is efficient and consistent, which improves the quality of the final product. By using advanced technology, the company can also minimize the risk of errors and increase production efficiency, which helps to reduce costs and increase profitability.

By leveraging their expertise, businesses can increase their chances of success and establish a strong presence in new markets. To counter the financial resource obstacle stated by the companies studied, incentives for internationalization should be considered as there are various incentives given by the government for internationalization, for example, Destalo Wine chose the Portugal2020 internationalization project, as it was the best suited for the wine company in that moment, being grant with financial resources to boost this internationalization.

Generally, company resources can significantly impact internationalization strategies. Companies that are well-resourced may be able to pursue more aggressive expansion strategies, while those with more limited resources may need to pursue a more cautious approach. An example is the comparison of company C which has a specialized marketing team and Destalo Wine where it doesn’t interfere with international marketing. Understanding the company's resources and capabilities is an essential first step in developing an effective internationalization strategy. Another example is company D which had the financial way to invest in technology to make its production more efficient.

Finally concerning Question 4 – Regarding the importance of market selection taking into account the singularity of the product and the consumer preferences, it is essential to consider the characteristics of the product when choosing a target market. Some of the reasons for which they become essential are product demand, cultural fit, regulatory environment and competitive landscape. All the companies stated that market research has to be conducted in their market selection criteria. When deciding which market to enter, Destalo Wine considers factors such as its desired image and the level of competition in the market. As a result, the company conducts thorough market research. Destalo Wine's chances for the future include carrying on in an economically sustainable manner. The long-term goals of Destalo Wines include expanding their exports and trying to break into new markets including the USA, China, and Japan.

For company A, extensive market research is also conducted to internationalize, assessing market size and growth, level of competition and the manner in which the brand differentiates itself from other products. The type of textile product offered will significantly impact the target market. As an example, high-quality silk fabrics are typically geared towards high-end markets, while cotton and polyester are more affordable and appeal to a broader range of customers. The trade agreements in the market are also crucial to consider for company A, even though, being a mass product as textiles are, the intellectual property must also be protected in order to prevent infringement – The trademarks, patents and copyrights. From an evolutionary standpoint, the textile business is concentrated on creating eco-friendly and sustainable production techniques, such as employing recycled or organic materials, putting energy-efficient procedures in place, and minimizing waste. The business is concentrating on broadening its product offerings and entering new markets to maintain its competitiveness.

For company B, market research should also be conducted in order to understand the consumer preferences, buying habits and the level of competition in the market. In the case of Vinhos Verdes, which is a type of Portuguese wine that is known for its freshness and acidity, there are several factors to consider when selecting a market, and an important factor is the consumer demographic.

Vinhos Verdes is generally more popular among younger consumers who appreciate its unique taste and lighter style. Therefore, it most surely is more effective to target markets with a younger demographic, such as college towns or urban areas with a vibrant nightlife scene.

In markets with a large number of established wine producers, it may be more difficult to break into the market with a new and lesser-known product like Vinhos Verdes. Although it may be expected that wine consumption habits are installed and therefore there would be a greater interest in experimenting new products.

To boost the company's growth, company B's future plans include increasing the value of exports and aggressively pursuing new markets including the USA, Russia, Eastern European nations, Belgium, and Europe as a whole.

To company C, the political and economical stability of the market is stated as a important criteria when choosing a market. For example, sudden changes in government policies or economic conditions can disrupt supply chains, increase costs, and affect consumer demand. By choosing a market with a stable political and economic environment, a company can reduce the risks associated with operating in foreign markets. A stable political and economic environment can provide a conducive business environment that is favorable for investment and growth. In a stable market, there are fewer barriers to entry, lower levels of corruption, and better protection of property rights, which can lead to a more favorable investment climate. It is also likely to be a better-educated workforce, better transport and communication infrastructure, and more stable financial institutions, all of which can be important for businesses looking to expand internationally. Company C states that to internationalize successfully careful planning, including the analysis of opportunities and risks in each target market, as well as the identification of internal and external factors that may affect the success of internationalization, is necessary.

It is crucial to have qualified human resources who have received the necessary training to work in multicultural settings, can communicate in a variety of languages, and can adapt to various cultural norms.

Lastly, to company D, it is used a variety of criteria to select new international markets to enter, mainly if there is high demand of wine and markets where there is potential growth.

High demand for wine in a market indicates that there is a large and growing customer base for the product. This can create opportunities for the wine company to sell more wine and increase its revenue and profitability. In addition, markets with high demand may be less competitive, as there may be fewer players in the market, which can create a greater opportunity for the wine company to capture market share.

The potential for growth in a market is also an important consideration. Markets with strong economic growth, expanding middle classes, and changing consumer preferences may offer opportunities for the wine company to increase its sales and market share over time. By selecting markets with strong growth potential, the wine company can position itself for long-term success and profitability.

The choice to join a new overseas market is at first based on a thorough examination of these elements to make sure that the company's resources are being utilized efficiently.

In order to enable worldwide expansion, the organization must have access to sufficient financial resources, whether through external finance, internal investments, or strategic alliances. Careful financial management is also necessary, taking into consideration aspects like operating costs, exchange rates, and global cash flow.

In summary, today’s highly competitive business environment, businesses must understand the unique characteristics of both the product and its target market to develop effective marketing strategies. By selecting the right market and tailoring their message to the preferences of the consumer, businesses are more likely to increase sales, customer loyalty, and gain a competitive advantage. Moreover, understanding the singularity of the product and the consumer preferences should help businesses to differentiate themselves from their competitors and create a unique brand identity. Therefore, market selection is a critical factor that businesses must prioritize to achieve their objectives and sustain long-term success.

6. CONCLUSION

According to the study, there are a number of internal and external factors that influence whether a company decides to go global, including internal factors like organizational and person characteristics and external factors like market factors like domestic and global market features. It was discovered that businesses have a variety of reasons for wanting to expand internationally, including the desire to change the image of a current sector, the international market's high purchasing power, the desire to reduce risks by expanding their business into new markets rather than relying solely on one, opportunities presented by other institutions, and, of course, the desire to increase sales volume and make a profit.

However, internationalization is a process that comes with significant risks, challenges, and various ways of entry, forcing businesses to draw lessons from past mistakes and routinely reevaluate their operational strategies. Through the work with these businesses, an understanding of how challenging and many the hurdles to internationalization are, was acquired.

In addition to potential cultural barriers, the challenge of managing teams in global environments forces businesses to adapt their marketing strategies and products to the various destinations. These challenges include language barriers, which are typically overcome with the help of translators, bureaucratic and legal considerations that surround sales to certain countries, product customization for the customer, and a lack of knowledge or culture surrounding the consumption of wine in certain markets.

In conclusion, the internationalization of a Vinho Verde company presents both opportunities and challenges, being the core advantage being a unique product. Through careful market research, formulation of a solid export strategy, and effective execution, a company with such unique product such as the Vinho Verde should allow to successfully expand into new international markets. However, factors such as cultural differences, regulations, and competition must be carefully considered and addressed. By staying adaptable and proactive, a company from the demarcated region of the Vinho Verde should overcome these challenges and capitalize on the growth potential offered by international expansion. Overall, the internationalization of a wine company is likely to lead to increased revenue, brand recognition, and a wider customer base.

A qualitative approach that aims to comprehend the issues and examine actions and attitudes was used to complete the objectives outlined at the start of this dissertation and arrive at these results. As a result, the study concentrated on the examination of several examples, notably those involving four businesses, four of which are engaged in the Vinho Verde trade and one of which manufactures and markets textiles. This was chosen to compare a unique product with a mass product. The approach employed during the study process was secondary data collecting through in-depth bibliographic research and analysis of the internationalization process, followed by the researcher's own primary data collection.

For the Destalo Wine case, we may conclude that, being the financial resource the main one used in the process of internationalization, Destalo Wine, should consider the costs on internationalizing to a new market when performing the market research. For instance, it proves to be cheaper to export within the European market in opposition to the Asian Market. As the company is recent, it would probably prove safer to withhold a larger portfolio before entering bigger and more global markets such as the USA, China and Asia.

Regarding the language barriers and cultural differences - obstacles of the internationalization process, it is recommended that Destalo Wine should seek for assistance from government institutions such as commerce chambers to get guidance and help for the target market, and others. Developing a targeted marketing is also a strategy that should be taken into account as it allows the company to tailor their marketing efforts to the specific preferences and behaviors of consumers in each market.

The choice of market entry mode is a crucial decision that can significantly impact the success of a company's internationalization strategy. Companies must carefully consider a range of factors, such as the target market's cultural, economic, and political environment, the company's resources and capabilities, and the level of control and risk it is willing to accept. The available market entry modes, including export, licensing, franchising, joint ventures, and wholly owned subsidiaries, each have their own advantages and disadvantages, and companies must evaluate them carefully to select the mode that best fits their needs.

Additionally, companies should continuously evaluate the performance of their entry mode strategies and make adjustments as needed based on market feedback and changing circumstances. Therefore, while the first market entry experience can provide valuable insights, it should not be the sole factor influencing future entry mode decisions.

Ultimately, the success of a company's internationalization strategy depends on its ability to effectively navigate the complexities of the foreign market, build strong relationships with local partners and customers, adapt to the unique characteristics of each market and having a strategic design of the brand that meets the company’s vision. Choosing the right market entry mode can help companies achieve these goals and establish a strong presence in new markets, but it is only one part of a broader strategy that requires careful planning, execution, and ongoing monitoring and adjustment.

For example, as stated before, Destalo Wine has a younger type of labeling which turns into a storytelling of the brand and the region itself. In ProWein the investigator, who was present exhibiting Destalo Wine, could witness that people would stop in the booth just for the brand's design, being in a hall where there are only Vinho Verde producers the design stood out itself comparing to other brands who have a traditional labeling.

In conclusion, this thesis has explored several important questions related to the process of internationalization. The first question examined the main reasons/motivations and obstacles that companies face in the process of internationalization. Through an analysis of available literature, it was found that companies are often motivated to internationalize in order to expand their markets, reduce costs, and gain access to new resources. However, the process of internationalization also presents significant challenges, such as cultural differences, political and economic instability, and legal and regulatory issues.

The second question focused on whether the first market entry mode is a decisive experience that influences the decision of entry mode for future market entries. The analysis suggests that the first market entry mode won't influence future decisions, as companies often learn from their initial experiences and adjust their strategies accordingly. Additionally, factors such as the company's resources and capabilities, the target market's characteristics, and the level of control and risk involved must be carefully considered when choosing a market entry mode.

The third question examined how the budgeting process of market selection affects the success of the internationalization process. We found that the allocation of company resources, such as capital, technology, and human resources, can significantly impact the choices made during the internationalization process. A thorough analysis of available resources, along with a realistic assessment of the costs and risks involved in each market, is essential for making informed decisions.

Finally, the fourth question addressed the importance of market selection, taking into account the singularity of the product and the consumer preferences. The analysis suggests that companies must carefully consider a range of factors when selecting a market, including cultural and linguistic differences, economic and political stability, and consumer preferences. Additionally, not only the singularity of the product and it's fit with the local market, but also the design of the brand and labeling must be evaluated to ensure successful market entry and long-term growth.

This thesis has highlighted the importance of strategic planning, careful consideration of available resources, and a realistic assessment of costs and risks when embarking on the internationalization process. Through analysis of available literature, key factors have been identified which companies must consider when selecting a market, choosing a market entry mode, and allocating resources. By following these guidelines and adapting to the unique characteristics of each market, companies can successfully navigate the challenges of internationalization and establish a strong global presence.

In summary, it is considered that the dissertation presented met its objectives, assuming that the companies, when internationalizing, will have to overcome obstacles to expand more and better in the international market as well as better planning, especially regarding the internal factors when choosing a market; Nevertheless, acknowledging that this unique product has high quality and is valued globally, it offers intriguing components for a larger globalization of the Vinho Verde sector.

7. LIMITATIONS OF THE STUDY AND FUTURE LINES OF RESEARCH

While this study provides valuable insights into the research topic, there are several limitations that need to be acknowledged. Due to a higher emphasis on research and business marketing studies, one of the primary drawbacks of this study is the dearth of studies in the national territory on internationalization as well as recent references, another big limitation was the fact that many companies wouldn't accept being interviewed by someone who works in a company that has direct competition.

Additionally, there are limitations in the tools and methods employed, preventing generalization across firms. Thus, the findings might only be relevant to the situations that were investigated. A small sample selected for convenience and availability that is not typical of the population is the result of the difficulties in getting in touch with all the companies and the lack of time for academic work or a response from them.

It would be necessary to conduct more thorough research on the suggested approaches in the future to increase and improve the production and commercialization of Vinho Verde. Another area for future research would be to examine other national and international regions and conduct comparative studies of their strategies in order to determine whether if it differs and the causes of these differences, a thorough study in buying patterns can also be important when interviewing companies as consumer preferences can rely on buying repetition in the terms of wine, while textiles consumers normally buy one time giving use to it for a long time. This will make it simpler to understand which routes the companies should take in the process of internationalization.

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