

Chapter 3

The Internationalization Process of a Born Global: A Case Study of a Beverage Firm

António Carrizo Moreira
University of Aveiro, Portugal

Mariana Ramos
University of Aveiro, Portugal

Lisa Freitas Ferraz
University of Aveiro, Portugal

Diogo Martins
University of Aveiro, Portugal

ABSTRACT

Although companies seek to export in order to meet the growing importance of international markets, vis-à-vis domestic markets, this chapter presents a case study of a company founded by two former high school teachers who started a beverage company in 2015 and quickly reached an early internationalization. The company produces alcoholic beverages and has won international awards regarding the quality of its product, which has given it an important status and opened the door to a process of rapid internationalization. This will be used to explore the theory of entrepreneurship and how two potential entrepreneurs, with employment difficulties in teaching, began with a project that gave birth to a born global firm.

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INTRODUCTION

Internationalization is very important for small and medium-sized firms (SMEs) as it is a consequence of the exploitation of competitive advantages (Stanisauskaite & Kock, 2016).

Internationalization has been traditionally considered an incremental process, in which companies evolved in closed markets and where they gradually increase involvement with international markets through a series of evolutionary stages (Bell, McNaughton, & Young, 2001; Ribau, Moreira, & Raposo, 2015).

The globalization of markets and production has made the international business world a common business arena for all companies whether large, medium or small. Moreover, as international competition is ever present, even for firms competing in their 'local' markets (Ribau et al., 2015), internationalization is ever present in basically all contemporary business activities even among SMEs.

Nowadays, the internationalization of companies has become widespread, thereby stressing the importance of the concept of the internationalization of born globals and the need of researchers and professionals to understand the factors that have an influence on the success of such companies (Tanev, 2012). Research conducted regarding rapid internationalization and Born Globals highlight the way companies start and grow by meeting customers' and international markets' needs (Cavusgil & Knight, 2009). According to the literature, born globals have been playing a key role throughout the years (Danik & Kowalik, 2015). The literature provides clear evidence of rapid and dedicated internationalization of born globals (Bell et al., 2001), by adopting a global approach since their inception or up to their first three years (Madsen & Servais, 1997). However, the literature on Born Global SMEs is still scant (Ribau, Moreira, & Raposo, 2018)

This chapter aims at providing a study on the internationalization process inherent to a company based in Aveiro, Portugal, which produces liqueur and may be considered a born global. For this purpose, the concept shall be explored by taking into account of several authors in the relevant literature, the types of such companies, understanding the main features of this type of companies, the stages inherent thereto in their internationalization process, the success factors and the obstacles they face. The analysis shall be complemented with a review on the challenges that companies engaged in the production and distribution of liqueur face in light of the alcohol trade and consumption policy, considering the situation affecting the company under study.

The analysis of this case study aims at exploring the company's entrepreneurial standpoint in its internationalization process; for such purpose, a qualitative methodology shall be applied, based on an unstructured interview as the method of secondary data collection.

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