Cycles and waves of firms' internationalization: An Event System Theory perspective

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by

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Glossary of key terms

Big Emerging Markets	Large emerging economies generally characterized as volatile markets experiencing periods of rapid growth, governmental policy regarding trade and foreign investment attractiveness that can change with little notice, unmitigated levels of corruption that lead to unpredictable business decisions, and ongoing environmental disruption (Bangara et al., 2012; Garten, 1996; The Economist, 2022).
Born Global	"Business organizations that, from or near their founding, seek superior international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries (Knight & Cavusgil, 2004, p. 124).
Critical Incident Technique	"A set of procedures for collecting direct observations of human behavior in such a way as to facilitate their potential usefulness in solving practical problems and developing broad psychological principles" (Flanagan, 1954, p. 327).
Events	'Interactions' or 'happenings' bounded in space and time with a non-routine character (Morgeson et al., 2015).
Foreign exit	Addresses circumstances when firms exit one or more foreign markets (Benito & Welch, 1997; Ozkan, 2020).
Foreign re-entry	"process comprising initial international experience, exit, time-out without any international involvement and eventual re-entry" (Welch & Welch, 2009, p. 568).
International New Venture	"a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and sale of outputs in multiple countries" Oviatt and McDougall (1994, p. 49).
Internationalization pathways	Refers to firm internationalization over time, not implying predictability or a prescribed way to internationalize (Kontinen & Ojala, 2012).
Systematic combining	An "abductive approach" which implies "a continuous movement between an empirical world and a model world" (Dubois & Gadde, 2002, p. 554).

List of acronyms

ABIMAPI	The Brazilian Manufacturers Association of Biscuit, Pasta, Industrialized Bread and Cakes
APEX-Brasil	The Brazilian Trade and Investment Promotion Agency
BEM	Big Emerging Market
BG	Born Global
BRIC	Brazil, Russia, India, and China
CAGE	Cultural, Administrative, Geographic and Economic
CIT	Critical Incident Technique
COVID-19	Coronavirus Disease
DM	Developed Market
EM	Emerging Market
EMNEs	Multinationals from EM
EST	Event System Theory
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
HREC	Human Research Ethics Committee
IB	International Business
IE	International Entrepreneurship
INV	International New Venture
ITC	International Trade Centre
MERCOSUR	Southern Common Market
MNEs	Multinational Enterprises
R&D	Research and Development
RQ1	Research Question One
RQ2	Research Question Two
SINDVEL	The Electronic Industry Association
SME	Small and Medium-sized Enterprises
UN	United Nations
WTO	World Trade Organization

Declaration

I declare that:

This thesis presents work carried out by myself and does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any university; to the best of my knowledge it does not contain any materials previously published or written by another person except where due reference is made in the text; and all substantive contributions by others to the work presented, including jointly authored publications, is clearly acknowledged.



Luisa Antunes Garcia de Campos 03/04/2023

Research output

Conferences Papers:

Campos, L., Freeman, S., Cavusgil, T., Axinn, C., (2018), "Evolution of smaller early internationalizing firms: A critical events approach" Academy of International Business (AIB), US West Chapter Annual Conference in Denver, U.S., October 2018.

Campos, L. Freeman, S., Cavusgil, T., Axinn, C., (2022), "Irregular internationalization pathways: An event system theory perspective" Atlas -AFMI Conference in Nice, France, May 2022.

Campos, L., Freeman, S., Cavusgil, T., Axinn, C., Goxe, F., (2022), "How events shift firms' internationalization: Evidence from Brazil" Academy of International Business (AIB) Oceania, Annual Conference in Brisbane, Australia, November 2022

Campos, L., Freeman, S., Cavusgil, T., Axinn, C., (2022), "Cycles and Waves of firms' internationalisation: An Event System Theory Perspective" Annual European International Business Conference (EIBA) 2022 in Oslo, Norway, December 2022

Journal Articles:

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Dedication

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Abstract

Numerous studies have explored the antecedents and outcomes of firm internationalization in the International Business (IB) field. Yet, limited knowledge of events impacting exporting firms' long-term behavior reflects a dearth of research exploring firms' internationalization over time. This research investigates the following broad research problem:

How do events influence exporting firms' internationalization?

Most studies on the internationalization of firms imply a linear internationalization process, overlooking the fact that such activity may often be interrupted, stopped, and re-started (Aguzzoli et al., 2021; Vissak et al., 2020). Such irregular and interrupted internationalization pathways are the focus of the current study. Despite previous calls to observe irregularities in firm internationalization pathways, particularly in settings where such irregularity is likely to be more common, such as Big Emerging Markets (BEMs), our understanding remains limited. Most IB studies have been conducted in Developed Market (DM) settings, where the stability and reliability of external factors do not provide the same context for understanding disruptive and unpredictable change. Specifically, the context of BEM frequently features more prominent challenging business conditions and events prompting sudden or urgent changes in firms' internationalization process. Overall, BEMs are distinguished by a constantly changing environment where unique institutional conditions (Shi et al., 2019) and institutional dysfunction (Aguzzoli et al., 2021) prevail, which can elicit unstable, risky, and turbulent business environments (Meyer & Peng, 2016). For this reason, the present study focuses on Brazil as an appropriate business environment for examining the triggers of cycles and waves in firm internationalization (Kafouros et al., 2022). Located in Latin America, a region increasingly known for its international activities, Brazil is a BEM undergoing rapid change, with institutional factors that influence the process in ways that, at times, are characterized as turbulent, disruptive, and unexpected (The Economist, 2022). This can make it difficult for managers to navigate internal and external factors in the internationalization process of their firms. As a large economy with a long history of environmental disruption reflecting complex economic, political, and social turbulence, Brazil is not only under-examined but also represents a source of empirical drivers that can build theoretical insights.

The existing internationalization literature has supported firm pathways as not always constant, and decision-makers may alter their commitment to a foreign market over time (Cavusgil & Godiwalla, 1982). The present study further extends the understanding of exporting firms' internationalization and development by providing increased awareness of the business context of BEMs, and in particular in Brazil. Hence, this research explores the internationalization pathways of exporting firms by investigating the first research question:

Research Question 1 (RQ1): How can we explain exporting firms' internationalization pathways?

Such increased attention captures firm growth (i.e., phases and pathways of development, post-entry performance, and survival) but also raises an extended neglected area in *the role of events* in a firm's *post-establishment* phase (Ibeh et al., 2018). To shed light on the internationalization puzzle, the present study introduces the Event System Theory (EST) (Morgeson et al., 2015) from the management discipline to the IB field to examine the role of events in shaping firm internationalization pathways. EST offers a fresh lens to address some of the theoretical and empirical limitations of the internationalization phenomenon. To date, the majority of the research conducted on firms' internationalization over time has not focused on *events* or *critical event frameworks*. The present study addresses this gap by drawing from EST to explain how *events* shape exporting firms' internationalization. Due to the nature of process theorizing, an EST perspective provides a novel, unique, and suitable theoretical lens to explore the temporal sequence of events as the basis for tracing *why* and *how* exporting firms oscillate behaviors and characteristics during their internationalization pathways. The second research question extends theoretical knowledge by deepening the understanding of the impact events may have upon exporting firms entering and exiting markets:

Research Question 2 (RQ2): How do events influence exporting firms' entering, exiting, and re-entering foreign markets?

A qualitative research design using the abductive approach was adopted (Dubois & Gadde, 2002, 2014) that drew upon case study design (Welch et al., 2022; Welch et al., 2011). Multiple interviews involving fourteen Brazilian firms revealed the subjective viewpoint and experiences of representatives expressing their understanding of the effects of events on Brazilian firm internationalization. By gathering insights from firm decision-makers and

industry experts (including government representatives, academics, and IB specialists), this study provides a robust analysis to extend meaning and understanding of firm internationalization pathways (Nyamrunda & Freeman, 2021). The semi-structured in-depth interviews applied the Critical Incident Technique (CIT) (Flanagan, 1954) from the psychology discipline. CIT is appropriate for identifying the critical events responsible for shaping firm internationalization. The present study relies on an in-depth observation of exporting firms' internationalization pathways (Vissak et al., 2020). Data collected at different time periods provide a more nuanced understanding and deeper reflection on *why* and *how* exporting firms change their internationalization over time (De Mello et al., 2019; Nummela et al., 2014; Vissak et al., 2020; Welch & Paavilainen-Mäntymäki, 2014).

The findings of the present study observed that firm involvement with international markets could be continuous or sporadic (proactive and reactive internationalization approaches). This suggests that oscillation between low and high levels in export activities was exhibited depending upon time and context. By adopting an EST explanation, this study shows *how* events affect exporting firm internationalization pathways that can prompt changes and induce firms to continually adjust and adapt to emerging realities. In particular, firms can be confronted with several events that require them to exit and (re)enter foreign markets. The findings expand the IB field by suggesting that various dimensions of events (strength, space, and time) may interact with a firm, resulting in cycles and waves of internationalization. The study advances knowledge by demonstrating how: (i) strength: novel, disruptive, and critical events influence firms' pathways; (ii) space: events at the environmental level (e.g., both in host and home countries), organizational level, and individual level cause irregular export patterns; and (iii) time: the timing and duration of events affect firm internationalization.

To further understand firms' internationalization over time, the current study develops a new theoretically grounded conceptual model building on recent IB studies and empirically applying it to a BEM context. The model integrates various dimensions involved in firm internationalization featuring firm exits from and (re)entry into foreign markets and moving abductively through internationalization using two approaches (reactive and proactive) over time. Moreover, the model provides edification regarding the role played by events on exporting firms' internationalization pathways. It offers new knowledge and unique insights into various dimensions of events (strength, space, and time). This is extended to the ways in which events may interact with firms' pathways causing interruptions and irregularities observed in the form of cycles and waves of internationalization.

The present study contributes to the IB field, offering new theoretical and methodological contributions and practical implications. By building on the most recent literature by Kafouros et al. (2022), the new *'cycles and waves'* pathways appears increasingly relevant to comprehending BEM exporting firms' internationalization over time. Such context is dynamic and exerts influence on BEM exporting firms; therefore, their international journeys are profoundly influenced by the events to which they are exposed.

Chapter 1: Introduction

This chapter provides an overview of the present study.The objective of this chapter is five-fold. First, the chapter begins by outlining the background and scope of the study (Section 1.1). It then offers justifications, providing context to comprehend the broad research problem (Section 1.2). Thirdly, it exposes research questions (Section 1.3), highlighting the relevance of this study to the International Business (IB) field. Fourthly, the chapter demonstrates the selection of research methodology (Section 1.4) and the research objective of this study (Section 1.5). Finally, the chapter concludes with an outline of this research (Section 1.6).

1.1 Background and scope of the study

Predominantly, the extant IB literature offers two dominant theoretical approaches for understanding the complexities involving the internationalization pathways of firms (Paul & Rosado-Serrano, 2019): The process approach, represented by the Uppsala Model (Johanson & Vahlne, 1977; Vahlne & Johanson, 2020) and the International Entrepreneurship (IE) approach, including the Born Global (BG) and International New Venture (INV) theoretical models (Cavusgil & Knight, 2015; Jones & Coviello, 2005; Knight & Cavusgil, 2004; Oviatt & McDougall, 1994). They are primarily distinguished by the speed with which firms reach foreign markets. While the first theoretical approach suggests that firms gradually and slowly commit to international markets (Johanson & Vahlne, 1977), the second advocates an accelerated internationalization process where firms enter foreign markets at a faster pace (Knight & Cavusgil, 2004; Zander et al., 2015). Initially, both approaches implicitly assumed that firms continually increase their commitment towards international market(s) and successfully internationalize (Vissak et al., 2020). However, research has evolved substantially over the years, and new contextual oscillations were captured to adjust to the current reality that is constantly changing (Welch et al., 2022). For instance, the Uppsala Model has been revised over the years; their model essentially proposed the evolution and growth of the firm (Johanson & Vahlne, 1977, 1990, 2006, 2009; Vahlne & Johanson, 2017). The present study extends theoretical knowledge by deepening our understanding of *'events'* affecting exporting firms' internationalization over time.

To shed light on the internationalization puzzle, the present study differentiates from previous research by employing the Event System Theory (EST) from the management discipline (Morgeson et al., 2015). EST offers a fresh lens to address the theoretical and empirical limitations of the internationalization phenomenon. To date, the majority of the research conducted on firms' internationalization lacks focus on events nor it is oriented towards critical events' frameworks. Accordingly, the present study addresses this gap by drawing from EST to explain the process through which events shape firms' internationalization pathways. The current research advocates that the extension of EST to the IB field complements other extant theories.

Due to the nature of process theorizing, EST provides a novel and appropriate theoretical lens to develop a nuanced understanding of temporal sequences of events upon internationalization pathways. This study advances theoretical knowledge by demonstrating how novel, disruptive and critical events influence firms' pathways. In particular, by adopting an EST explanation, this study shows how novel, disruptive and critical events at various hierarchical levels (environmental, organizational, and individual) affect firms' internationalization triggering changes and inducing firms to continually adjust and adapt to emerging realities. Furthermore, this study demonstrates that the timing and duration of events reflect firms' internationalization pathways.

1.2 Research context and broad research problem

IB scholars have recognized the influence of context-specific experience on firms' internationalization (Kahiya, 2020; Niittymies, 2020). Context matters in the internationalization domain (Reuber & Fischer, 2022). Therefore, selecting the appropriate and suitable context setting is crucial. Despite previous calls suggesting avenues for further research observing irregularity in exporting firms' internationalization pathways, especially in regions where this is likely to be more pronounced, such as those undergoing rapid change, namely, Emerging Markets (EMs), our understanding remains limited. While numerous studies focused on EM in Asia and Europe (e.g., Ciszewska-Mlinarič et al., 2020), far less is known about other world regions outside of those aforementioned contexts. Hence providing an empirical and potential theoretical gap with respect to Latin America given its very long, complex and disruptive economic and political history (Brenes et al., 2019).

The present study selects Brazil, a Big Emerging Market (BEM), as the context to drive this research due to its complexities and disruptive environment that evoke changes in firms' internationalization pathways. Brazil is a key player in Latin America, a region increasingly known for its international activities, and a market undergoing rapid change with a long history of economic, political, and social turbulence; thus, it is deemed an appropriate context to apply this research (The Economist, 2022). Moreover, a proper context would be expected to find significant events triggering change and potential disruption to firms' international activities in order to highlight the events explained by EST. Institutional factors influence Brazilian firms that regularly face critical, disruptive, unpredictable events, forcing firms to make rapid changes in response. For instance, the opening of the Brazilian economy in the 1990s, and the recent global pandemic of Coronavirus Disease (COVID-19), among other events (The Economist, 2022). These events frequently force firms to make changes in response, creating difficulty for managers when navigating various external factors in the internationalization of their firms. For these reasons, the present study selects Brazil (De Mello et al., 2019) for a more context-bound, single country analysis to develop a context-driven theoretical contribution (Teagarden et al., 2018).

The broad research problem of the current study was developed based on a critical review of the internationalization literature. This study aims to further understand exporting firms' internationalization pathways by bringing more awareness of the business context of BEMs, with an emphasis on Brazil. It offers a nuanced understanding of events and their consequences on exporting firms' internationalization. To date, prior research has not adequately examined the impact of events on exporting firms' internationalization over time. As a result, this study seeks to answer the following broad research problem:

How do events influence exporting firms' internationalization?

1.3 Research questions

A comprehensive literature review on firms' internationalization (exposed in Chapter 3) provided direction on the research questions that aim to address the broad research problem. This study's specific research questions are outlined below and seek to extend understanding regarding exporting firms' internationalization pathways. As presented in Chapter 3, the internationalization literature indicates that firms' pathways are not constant, and decision-

makers may change their commitment to the international market over time (Cavusgil & Godiwalla, 1982). Firms might serve and be involved with foreign markets continuously or sporadically, indicating that over time, they exhibit oscillation between low and high levels in export activities (Ciravegna et al., 2019; Freeman et al., 2013).

Empirical evidence has demonstrated that firms alter their strategy and adapt their internationalization practice according to the moment and context in which they are exposed (Axinn & Matthyssens, 2002; Freeman et al., 2013). Previous studies have consistently reported that while firms may be fully committed to international markets, later, they might choose to adjust their business model. For example, following initial international forays, firms might focus on survival and slow their sales in foreign markets, or subsequently, aim to grow their global position (Ciravegna et al., 2019). Firms might exhibit intermittent exporting (Bernini et al., 2016). Alternatively, firms might choose to envisage their exports as an opportunity or a sporadic activity rather than as part of an overall strategic plan (Bernini et al., 2016; Freeman et al., 2013).

This study builds upon the recent research by Kafouros et al. (2022), to suggest that internationalization should be viewed as *'cycles and waves'.* Heeding omnipresent calls to study the temporal phenomenon and observe firms' internationalization pathways, this study aims to respond to the following research question:

Research Question 1 (RQ1): How can we explain exporting firms' internationalization pathways?

The extant IB literature reveals firms' exiting or partially exiting foreign markets for a variety of reasons (Kafouros et al., 2022; Ozkan, 2020; Tang et al., 2021). Later, they might re-enter these foreign markets (Aguzzoli et al., 2021; Vissak et al., 2020; Welch & Welch, 2009). However, despite the burgeoning studies on firms' internationalization, the impact of events remains underexplored. The second research question of the present study builds on EST as a theoretical underpinning to provide new insights into events affecting exporting firms' internationalization. Hence, the current study posits the following research question:

Research Question 2 (RQ2): How do events influence exporting firms' entering, exiting, and re-entering foreign markets?

1.4 Research methodology

The current study adopts a constructivist research paradigm (Creswell & Creswell, 2018) to understand the phenomenon through the participants' perspectives drawn from their previous experiences. As the choice of the research approach primarily depends on the philosophical stance, this study selected a qualitative research design (Creswell, 2013) to address the broad research problem and research questions. A qualitative approach is appropriate as it explores an under-investigated phenomenon (Ghauri et al., 2020). Extant research exploring *'how'* and *'why'* firms' internationalization changes over time has primarily employed qualitative designs given the nature of the questions examined (e.g., Kriz & Welch, 2018; Vissak et al., 2020), supporting the justification of the selection in the current study.

Studies exploring firms' internationalization predominantly apply multiple case study methods among qualitative research (Welch et al., 2011). Accordingly, this present study devised multiple case studies involving 14 Brazilian exporting firms to explore and highlight firms' essential and underexplored internationalization pathways (Carneiro et al., 2018; Da Rocha et al., 2012; Welch et al., 2011). Employing in-depth case studies, this study identifies contextual richness (Welch et al., 2022). The selection of key participants and case studies were based on various sampling strategies, including intensity sampling, snowball sampling, and opportunistic sampling (Patton, 2015). This study relied on multiple informants based on Brazilian exporting firms' decision-makers and industry experts, represented by government representatives, academics, and IB specialists (Nyamrunda & Freeman, 2021). Therefore, a qualitative multiple case study method was applied to reveal the subjective viewpoint and experience of the actors involved (Eisenhardt, 1989; Nyamrunda & Freeman, 2021), thereby drawing inferences constructing and expressing their understanding of events that interact with the reality of Brazilian exporting firms' internationalization.

This research pursued a qualitative research design using the abductive approach (Dubois & Gadde, 2002, 2014), also referred to as 'systematic combining' (please refer to Section 4.4). The abductive approach is deemed suitable in nascent and less explored research (Biesenthal et al., 2019; Odlin & Benson-Rea, 2017), this current research applies it to address the study's objectives and to shed light on an underexamined phenomenon. The foundation of the abductive approach aims to match theory with reality and is not a linear path-dependent process and is appropriate to study firms' internationalization over time (Ong et al., 2022). Instead, it is a process involving direction and re-direction of the four interrelated cornerstones:

Empirical observations, theories, the analytical framework, and the case that gradually evolves (Dubois & Gadde, 2002, 2014). In the internationalization domain, the abductive approach is increasingly attracting the attention of qualitative studies IB scholars (Paavilainen-Mäntymäki et al., 2020) in a range of studies (e.g., Crick et al., 2020; Da Rocha et al., 2012; Hallbäck & Gabrielsson, 2013; Ong et al., 2022; Trudgen & Freeman, 2014; Vissak et al., 2020).

The present study relies on an in-depth observation of firms' internationalization pathways (Vissak et al., 2020), providing a more nuanced understanding and deeper reflection on *why* and *how* firms change their internationalization over time (De Mello et al., 2019; Nummela et al., 2014; Vissak et al., 2020; Welch & Paavilainen-Mäntymäki, 2014). Drawing from diachronic and synchronic data (Soulsby & Clark, 2011), the present study identified the presence of events in the course of firms' internationalization and constructed firms' pathways in international markets, and captured the dynamism and contextual changes. To ensure a complete understanding of the phenomenon, primary data were collected via semi-structured in-depth interviews in two phases (2017/2018 and 2021), guided by an interview protocol. In addition, follow-up interviews occurred throughout the entire research process to track firms, assuring participants were continuously engaged, and clarifying uncertainties that were not clear. Furthermore, secondary data from multiple sources such as industry reports, firms' websites, social media, export reports allowed triangulation of data confirming the international pathways of the firm and provided crucial contextual information.

The data were analyzed and coded in Nvivo Pro Version 12 software. Within case study analysis and a cross-case analysis were conducted to enhance the findings of the research questions. This study applied the Critical Incident Technique (CIT) (Flanagan, 1954) to identify critical incidents influencing firms' internationalization pathways. Analyzing the data was an ongoing process that involved data condensation, data display, data drawing, and conclusion (Miles et al., 2014). Details of the research methodology of the current study are discussed in Chapter 4.

1.5 Research objectives

This study adopts the following research objectives to address the broad research problems and research questions listed above and to fulfill the purpose of this study to:

1. provide a deep and comprehensive understanding of exporting firms' internationalization with qualitative evidence from a BEM, more specifically, Brazil;

2. explore *'how'* and *'why'* firms' internationalization pathways change over time;

3. contribute to the IB literature by applying EST theoretical lens, oriented primarily towards dimensions of events to study firms' internationalization;

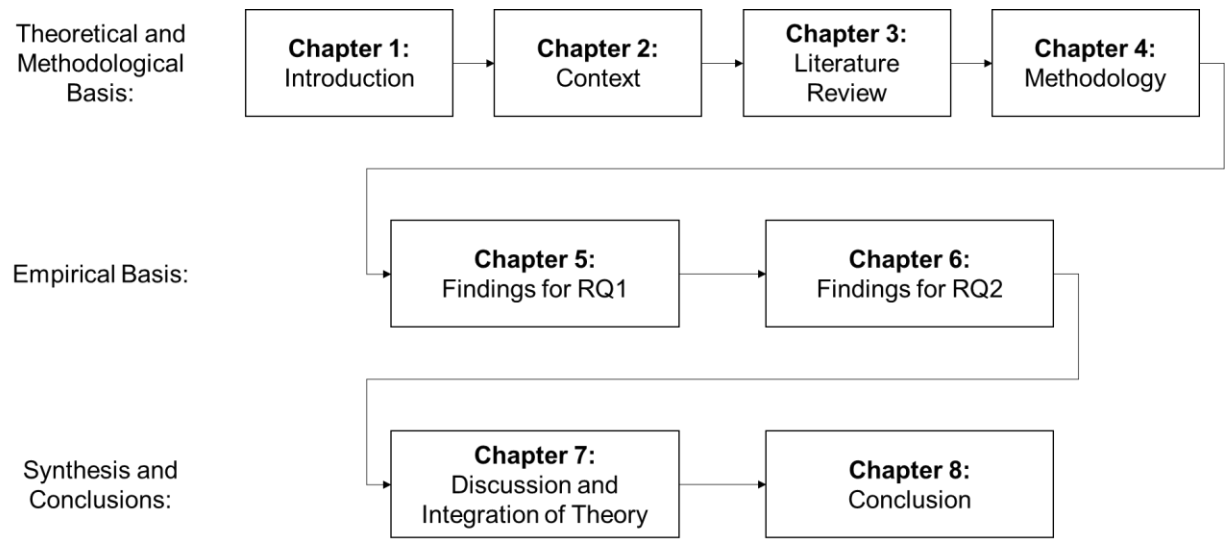
4. develop and present a conceptual model with theoretical implications based on research findings that identify and reflect firms' internationalization pathways;

5. identify theoretical, methodological contributions, and practical implications of the study, acknowledging limitations and providing directions for future research.

1.6. Outline of the study

This section briefly outlines the structure of the overall thesis and the scope of each chapter, as presented in Figure 1.1 below:

Figure 1.1 Structure of the thesis



Chapter 1: Introduction – This introductory chapter provides an overview of the relevant research background and scope of the present study. The chapter presents the

significance of this study, delineating the research context and the broad research problem, followed by a discussion regarding the two research questions of the current study. Chapter 1 also outlines the methodological basis and the objectives of the study, concluding by showing the structure of the complete thesis.

Chapter 2: Context – This chapter provides an in-depth discussion of the contextual setting and the justification for selecting Brazil to apply this research. The chapter begins with a discussion regarding the importance of context-setting and how context matters in the IB field. The chapter explores the significance of EMs, in particular, BEMs. It presents Latin America as a potential research context to apply the current study. The chapter highlights the importance of understanding the peculiarities of the Brazilian context and how it affects firms' internationalization. To demonstrate this, the chapter presents Brazil's historical background and discusses how Brazil is an adequate context setting to apply the current research.

Chapter 3: Literature Review – This chapter examines and reviews the past research conducted in IB field. The literature review on the internationalization of firms provides a theoretical base to address the broad research problem of this study. The chapter explores internationalization models and extant research on internationalization pathways. A review of the most recent literature indicated an underexplored opportunity to discuss the internationalization of firms over time. This forms the basis for introducing a novel theoretical lens to this research, namely EST. This chapter discusses and outlines the development of the two research questions and presents the conceptual framework of the study.

Chapter 4: Methodology – This chapter begins with a discussion regarding the research paradigm chosen for the study. The chapter then highlights the choice of a qualitative research approach, offering details regarding the research design, selection of the key participants, sampling strategy, and the methods of investigation. The chapter explains the rationale for selecting qualitative, multiple case studies, drawing from an abductive approach. The data analysis employed in this study is presented, followed by the rigor and quality. The chapter concludes with a discussion regarding the study's methodological limitations and ethical considerations.

Chapter 5: Findings for Research Question One (RQ1) – This chapter identifies and examines the findings relevant to RQ1. It discusses exporting firms' internationalization pathways. The empirical evidence provided in this chapter suggests that Brazilian exporting firms undergo two internationalization approaches in their pathways: the reactive and the

proactive. The chapter provides an in-depth discussion regarding why firms tend to change their approach over time and the impact of events. The chapter highlights the role of external institutions in affecting firms' internationalization.

Chapter 6: Findings for Research Question Two (RQ2) – This chapter identifies and examines the findings relevant to RQ2, exposing the impact of events on Brazilian exporting firms. The chapter discuss firms' irregular and interrupted internationalization, in which firms exit and re-enter foreign markets. It provides an in-depth discussion on how events' dimensions (space, strength, and time) play a role in firms' internationalization.

Chapter 7: Discussion and Integration of Theory – This chapter discusses the findings of both research questions and relates these findings to the relevant theoretical underpinnings. It provides a theoretical explanation of the empirical observations. The chapter integrates the findings of the present study with the underlying theoretical aspects of EST. The chapter develops and presents a new conceptual model that captures a comprehensive essence of exporting firms' internationalization pathways, illustrating the cycles and waves of internationalization.

Chapter 8: Conclusion – This chapter provides a concluding overview of the current study. It discusses the implication of this study by highlighting the theoretical contributions, methodological contributions, and contributions to policy and practice. The chapter further outlines the limitations of the present study and future research directions.

1.7 Chapter summary

This chapter has established the foundation of this study that devised a guide for the thesis. The chapter first discusses the background and scope of the present study, followed by highlighting the research context and broad research problem. It presents the two key research questions and justifies the research methodological approach employed by this study to address the phenomenon under investigation. Then, the chapter delineates the objective of the current research and presents the structure and description of the remaining chapters of the thesis.

Chapter 2: Context

2.1 Introduction

This chapter underscores the importance of context as a driver for building theoretical insights central to IB studies (Reuber & Fischer, 2022; Teagarden et al., 2018; Welch et al., 2022). For instance, to increase the theoretical impact of IB research, scholars could develop new theoretical insights based on a country's specific context (Bello & Kostova, 2012; Welch et al., 2022). The present study explores exporting firms' internationalization pathways, which needs to be understood within the specific setting (Welch & Paavilainen-Mäntymäki, 2014) that accounts for temporal influence (Ahlstrom et al., 2004; Levasseur et al., 2020).

Whilst the predominance of research in the IB field focuses on Developed Markets (DMs), scholars have been drawing increasing attention to EMs (Romanello & Chiarvesio, 2019), in particular, BEMs (Garten, 1996). Moreover, the extant literature reveals that firms from BEMs behave differently from firms from DMs (De Mello et al., 2019). Unlike DMs, the socio-economic situation in BEMs is unstable, suggesting contextual peculiarities and local nuances. Scholars have been calling for research and empirical evidence from EMs to advance the IB field (Ibeh et al., 2018), particularly BEMs, which remain widely misunderstood (Bangara et al., 2012). In response, this study purposefully selects Brazil, an under-investigated BEM located in Latin America (Ciravegna et al., 2019; De Mello et al., 2019; Manoel & Moraes, 2022; Pino et al., 2021).

This chapter clarifies the rationale behind choosing a BEM as an appropriate site to apply this research, highlighting the relevance of Brazil within the Latin American region and globally. Furthermore, it examines the contextual conditions underlying Brazil to improve understanding of firms' internationalization pathways. It offers an overview of Brazil's peculiarities, specific attributes that appear to affect firms' pathways. For a long time, the interplay of Brazilian geography, demographic, economic, and political historical background has caused volatility and instability for Brazilian firms to operate internationally (The Economist, 2022). To conclude, the chapter illustrates Brazilian firms' internationalization historical background, explaining how context configuration influences firms by stimulating and constraining exports over time.

2.2 The relevance of context-setting in IB studies

Theoretically, the present study builds on the assumption that context generates theoretical explanations of the empirical world (Kahiya, 2020; Ong et al., 2022). In the IB field, context maps boundary conditions engendering nuances, providing a basis for building theoretical insights (Kahiya, 2020). Context lies at the core of the IB field; therefore, a more robust contextualization can result in theoretical explanatory power reflecting meaningful social relevance (Reuber & Fischer, 2022; Teagarden et al., 2018; Welch et al., 2022). Context is regarded as dynamic, multi-layered, and is recently recognized as essential, not a hindrance to theorizing (Welch et al., 2022). Hence, an inadequate contextualization in terms of context setting and temporal influence aspects is unwarranted and impoverishes theoretical insights (Welch et al., 2022).

Bello and Kostova (2012) suggest that context elements are not frequently considered in the research model. Thus, "a major omission in this type of research is that authors most often fail to specify the conceptual distinctiveness of the phenomenon under study and to utilize this distinctiveness for theory development" (Bello & Kostova, 2012, p. 541). In this line, Jiang et al. (2020) suggest that context-based factors, including different countries, sizes of the home market, and industries, may lead to diverse findings. For instance, the internationalization process of a firm in two different countries will be distinct, as they are exposed to two divergent conditions and realities of their home country (Ramamurti, 2012). Firms are presumably able to adapt and adjust their business to a specific international context as they recognize differences among countries (Domurath et al., 2020). While some home countries offer a more munificent business ecosystem, others present a weak business ecosystem, impacting firms' commitment towards international markets and their performance (Santangelo & Meyer, 2017). Hence, some contexts may offer opportunities to firms to facilitate internationalization, while others might encounter challenges in penetrating markets (Paul et al., 2017). In other words, the applicability of the site selection where current research has been applied offers an understanding of the phenomenon under investigation.

In addition, IB scholars have noticed that development in the changing world needs to be captured (Knight & Liesch, 2016). It is essential to heed temporal influences on context, which constantly change and require firms to adjust to these new conditions (Axinn & Matthyssens, 2002; Levasseur et al., 2020). The context in which "firms are embedded is by no means static", with ongoing changes occurring in its environment, directly exerts influence

on firms' internationalization development (Ahlstrom et al., 2004, p. 267). Given the extent of change provoked at different times, firms may experience possible constraints to grow in the international market (Ahlstrom et al., 2004), alter their strategy, and exit and re-enter markets (Aguzzoli et al., 2021; Vissak et al., 2020).

Notably, as context changes and environmental conditions evolve, new research is necessary to capture exporting firms' recent behavior. For example, recent scholarly work has incorporated research context to foster theoretical advancements in the internationalization domain (Deng et al., 2020; Kahiya, 2020; Ong et al., 2022; Reuber & Fischer, 2022; Welch et al., 2022). In other words, there are opportunities to learn from a specific context with its particularism, homogeneity, and complexity to enrich theoretical knowledge (Bello & Kostova, 2012; Hernandez & Guillén, 2018). The present study recognizes that context is crucial to understanding how the real world is perceived in firms' internationalization pathways. Correspondingly, this study is embedded in a specific research setting (Welch & Paavilainen-Mäntymäki, 2014; Welch et al., 2022) to observe the temporal aspects of the phenomenon under analysis (Aguzzoli et al., 2021).

2.3 BEMs as a potential research context setting

2.3.1 Defining BEMs

IB studies recognize context settings as country or region of origin, which "determines the contextual settings regarding institutions and other country-/region-specific characteristics" (Paul et al., 2017, p. 337). Scholars have been categorizing countries according to their level of development (Hernandez & Guillén, 2018). Countries with a higher level of development are referred to as DMs, also known as advanced economies, whilst countries with a lower level of development are addressed as EMs, also referred to as emerging economies. Furthermore, to advance the IB field, Hernandez and Guillén (2018, p. 28) suggest:

> Instead of using the level of development of the home country (emerging vs. developed) as the distinction, it may be wiser to place our theories in the context of the international conditions at the time they were developed and update them as those conditions change. Put differently, we must be careful while accounting for cohort and contextual effects.

The peculiarities of EMs are acknowledged in the IB literature. Despite the different definitions of EMs, most scholars agree that EMs share similarities and characteristics that distinguish them from DMs, namely an uncertain environment with "infrastructure limitations,

less developed socioeconomic performance, higher political risk and administrative barriers" (Falahat et al., 2018, p. 937). On the one hand, Meyer and Peng (2016, p. 5) suggest that compared with DMs, EMs have 'less sophisticated institutional frameworks,' meaning poorly enforced property rights, weakly developed capital markets, deficiencies in transportation infrastructure, and human capital. On the other hand, Deng et al. (2020, p. 51) emphasize other distinctive aspects of EMs: "inadequate institutional support, strong home government influences, nascent internationalization, scarce technological and managerial resources, and close ties to their origin". For instance, Brazil and other EMs encounter significant challenges from their unstable institutional and business environment.

Research involving BEMs (Garten, 1996) is becoming mainstream (Bangara et al., 2012). These markets are generally characterized as volatile markets experiencing periods of rapid growth, governmental policy regarding trade and foreign investment attractiveness that can change with little notice, unmitigated levels of corruption that lead to unpredictable business decisions, and ongoing environmental disruption (The Economist, 2022). Overall, BEMs encounter continuous changes in the environment where prevails unique institutional conditions (Shi et al., 2019), which give rise to an unstable, risky, and turbulent business environment (Meyer & Peng, 2016; Persinger et al., 2011). Moreover, due to their institutional, social, economic, and political oddities, BEM firms are provided with experiences dissimilar to firms based in DMs, and consequently behave differently (De Mello et al., 2019).

Significant differences exist between BEMs and are not represented as a 'homogenous cluster' (Bangara et al., 2012). In other words, the presumed homogeneity among BEMs does not manifest the directiveness of countries (Meyer & Peng, 2016). The heterogeneity and complexity of the context expand existing theories (Bello & Kostova, 2012). In this sense, even though firms from BEMs share similarities, they also differ and demonstrate peculiarities based on the context to which they are exposed (Bangara et al., 2012; Hernandez & Guillén, 2018; Meyer & Peng, 2016). For example, firms from two different BEMs, China and Brazil, will be exposed to a distinct environment (Bangara et al., 2012; Meyer & Peng, 2016). Hence, research on country-specific and accounting for contextual factors enhances our understanding of the internationalization phenomenon (Bangara et al., 2012).

The present study builds on Bangara et al. (2012) to contribute to the IB field by acknowledging and recognizing the distinctiveness of BEMs, suggesting considerable value to studying them separately and focusing on a single market. Hence, the current study deliberately

selects Brazil, a BEM in Latin America, to properly explore exporting firms' internationalization pathways. IB studies exploring the Brazilian context have developed considerably in publications recently, as the Brazilian government is financially investing and encouraging scholars to engage in research activities (Rodrigues et al., 2012). However, these studies are not reflected in top-tier international journals (Rodrigues et al., 2012). A possible reason for this could be the excessive reliance on imported knowledge from DM countries, such as Anglo-Saxon countries. For instance, internationalization theories developed in DM assume firms internationalize to exploit their existing competitive advantage overseas (Kogut et al., 2020). However, empirical evidence from Brazil, a BEM, suggests internationalization as a means of creating a competitive advantage (Kogut et al., 2020). Therefore, scholars should additionally focus on the uniqueness of a particular context, rather than relying only upon the DMs paradigm. Each context has its own institutional and local practice that enforces the assumption that imported theories "are not capable of explaining the idiosyncrasies of the local context" (Rodrigues et al., 2012, p. 216).

2.3.2 Theoretical perspective employed by previous studies

Theories were developed to explain firms situated within a specific context (Hernandez & Guillén, 2018). Not surprisingly, changes in the context and its reflection to advance research have been admittedly well represented in one of the most cited models in the IB field (Hult et al., 2020): The Uppsala Model by Johanson and Vahlne (Johanson & Vahlne, 1977, 2009; Vahlne & Johanson, 2017) has been extensively used by IB scholars to explain firms' internationalization process (Hult et al., 2020). Initially developed in 1977, the model has been revised since its creation, as global contextual conditions have evolved tremendously (Vahlne & Johanson, 2020). The seminal model and its revisions were adjusted based on the scenario reflected by the current time and specific context (Hult et al., 2020; Vahlne & Johanson, 2017).

IB theories developed based on empirical observation of DM firms may be insufficient to clarify the behavior of EM firms (Deng et al., 2020; Kogut et al., 2020). In the past decade, scholars have asked how firms based in EM differ from DM firms (Bello & Kostova, 2012; Contractor et al., 2007). More specifically, "how do these differences show up in their internationalization strategy?" (Contractor et al., 2007, p. 405). Ramamurti (2012) suggests that firms' internationalization from EMs differs from those from DMs, and their behavior is not exclusively related to their roots in EMs. Instead, three contextual variables implicate on firm's internationalization strategy and process, such as: the global context for

internationalization; the evolution of the firm; the industry in which this firm operates (Ramamurti, 2012). These contextual variables accompanying idiosyncratic firm factors shape firms' internationalization process and strategy and consequently affect their behavior and characteristics (Ramamurti, 2012). In this sense, the author found that firms from EMs use different strategies and tend to explore overseas differences across countries rather than similarities (Ramamurti, 2012). In the same vein, Yan et al. (2018) point out three main macrolevel institutional factors impacting EM firms' internationalization: home country government, host country risk, and EM institutional voids.

EM firms are typically smaller, younger, and recently privatized, and their domestic market is smaller with higher risk and subject to more uncertainty compared to DMs (Contractor et al., 2007). Moreover, EM firms often rely on technology imitation and do not invest in Research and Development (R&D) capabilities, thus facing difficulties in competing internationally (Cahen et al., 2017). Most internationalized EM firms operate in niche markets, where a peculiar demand might not attract competitors (Cahen et al., 2017; Dib et al., 2010). Predominantly, EM firms suffer institutional obstacles to internationalize (Falahat et al., 2018) and are likely to seek international markets to minimize their dependency on home market resources and supplies, diminishing their risks and failure by focusing on a single market (Contractor et al., 2007). Moreover, Contractor et al. (2007, p. 406) argue:

> The harsh environmental conditions such as a weak institutional context, demanding yet price sensitive consumers, and challenging distribution networks in their home markets, instead of acting as impediments, have helped emerging market firms to develop unique competencies, to be later used to compete successfully in foreign markets.

Comparing multinationals from EM (EMNEs) with multinationals from DM, Luo and Tung (2018) report that EMNEs have cost and speed advantages; learning and linkage advantages; and the skill to convert institutional disadvantages into advantages. Even though a considerable number of IB studies focused on comparing firms from EMs with DMs, Hernandez and Guillén (2018, p. 30) believe that literature should move beyond this comparison and suggest:

> …making appropriate comparisons across firms from emerging and developed markets to disentangle what is unique about "emerging" markets from what is simply driven by differences in firm or country experience. That is, some differences between emerging and developed markets are real in the sense that they represent distinct ways of doing things. But other differences may simply be driven by the fact that some firms and countries

have had a longer runway to develop the capabilities and ecosystem to support internationalization.

BEMs are attracting scholarly attention because of the sheer volume of internationalizing firms operating in environmental contexts that are difficult to understand and navigate as they explore different strategies and build competencies to survive (De Mello et al., 2019; Deng et al., 2020). BEMs offer opportunities to facilitate theoretical insights as they "allow for the observation of the genesis and evolution of social, political, and economic conditions that create the requisite ecosystem for firms to be globally competitive" (Hernandez & Guillén, 2018, p. 30). Hence, the present study selects Brazil, a key BEM player in Latin America. This is because empirical evidence from this region is underrepresented in the IB field (Aguilera et al., 2017; Carneiro et al., 2018; Ciravegna et al., 2019; Pino et al., 2021).

2.4 Latin America as a research setting

Research exploring exporting firms' internationalization over time is predominant in Asian markets (Pino et al., 2021). However, research on Latin American exporting firms is limited despite their prominence (Manoel & Moraes, 2022). One of the reasons for this is "the fact that there are relatively few firms from Latin America ranking amongst the largest or most valuable firms in the world" (Aguilera et al., 2017, p. 447). Latin America is a large but relatively unknown yet dynamic region and offers significant potential as its economic development differs from other BEMs (Pino et al., 2021; Teagarden et al., 2018). This is reflected in their turbulent and diverse histories that provide new theoretical settings to refine conceptual development (Aguilera et al., 2017; Ciravegna et al., 2019; De Mello et al., 2019; Manoel & Moraes, 2022). Even though many Latin American companies are endowed with a long history, they only ascend and gain recognition when they internationalize (Aguilera et al., 2017).

Latin America "is a resource-rich region of the world in terms of natural resources" lacking technology, education, and human resources (Kogut et al., 2020, p. 178). Latin American markets display analogous aspects and common characteristics, sharing equivalent realities and similarities among "culture, religion, language, weak unions, and lax labour laws"

(Aguzzoli et al., 2021, p. 425). For this reason, despite their difficulties, they remain attractive markets for other Latin American firms to expand their business[1].

Latin American firms suffer institutional voids, such as: "uncertainty in the regulatory frameworks, inefficient rule-enforcing mechanisms, malfunctioning factor markets, excessive red tape, and suboptimal protection of property rights" (Brenes et al., 2019, p. 346). Institutional voids produce different effects on firms: they can increase transaction costs (i.e., firms have to pay taxes and need to obtain permits), and they can increase the risk of opportunism (i.e., firms are more vulnerable and less protected from fraud and contractual breaches) (Brenes et al., 2019; Doh et al., 2017). In this sense, institutional voids evoke systematic responses in firms' behavior and individuals within these firms (Doh et al., 2017; Liedong et al., 2020). Firms respond to institutional voids based on their national context and differ their strategy and structure to meet the country's particular environment (Doh et al., 2017). Hence, Latin American firms combine various mechanisms to manage institutional voids, including vertical integration, network collaborations, and family governance (Brenes et al., 2019).

Latin American firms face bureaucracy, political instability, and corruption (Kogut et al., 2020). Firms operating in Latin America encounter various challenges and are "affected by inefficient regulation, weak rule of law, lack of transparency with regard to food safety standards, and unethical corporate behavior" (Brenes et al., 2019, p. 346). This suggests that Latin American markets are unstable and suffer environmental disturbances where disruptive events are more likely to occur, impacting firms' internationalization over time (De Mello et al., 2019).

2.5 Brazil

The present study purposefully chooses Brazil, a country that, despite the similarities shared among Latin American markets, exhibits some attributes that distinguish it from its neighboring countries (Rodrigues et al., 2012). The research objectives and broad research problem guided the site selection; examining exporting firms' internationalization over time under a rapidly changing business environment, typical in BEMs such as Brazil, provides an

[1]To illustrate Aguzzoli et al. (2021, p. 11) quote a director regarding a Brazilian firm penetrating the Mexican market: "It is easier to go to developing countries. We share the same realities from a business point of view. It is a lack of infrastructure, populous cities, traffic jams, and poor public transportation.

opportunity to advance the IB field. Brazilian exporting firms' internationalization pathways have been ascribed to distinctive aspects of the Brazilian environment that affect foreign activities. This section provides a brief historical background on Brazil which can help to better understand the Brazilian firms' business environment. Hence, the present study grounds and explores the Brazilian institutional ecosystem that affects Brazilian firms' international activities (Hernandez & Guillén, 2018). The following sections discuss Brazil as a fruitful locus to explore firms' internationalization pathways.

2.5.1 Brazil as one of the BRIC countries

O'Neill (2001) reported in 2001 that the real economic growth of BEMs would exceed that of G7 countries[2]. Jim O'Neil introduced the acronym BRICs to represent Brazil, Russia, India, and China, acknowledging the four most emerging players on the world stage (Wilkins et al., 2020). BRICs are relevant countries to the world's Gross Domestic Product (GDP), and their economic growth was reflected in the last decade of the 20th century (O'Neill, 2001; Wilkins et al., 2020). Over the last two decades, BRIC countries have played an essential role in the economy, attracting inward and outward trade and investments (Ray et al., 2018). The significance of BRIC countries draws the attention of IB scholars worldwide, who have commenced exploring these countries. In this sense, a vast body of literature has witnessed an increase in research exploring the internationalization of Chinese firms (e.g., Shi et al., 2019; Yan et al., 2018; Yang et al., 2020). However, few attempts have been made to investigate this phenomenon in Russia (e.g., Islankina & Thurner, 2018), India (e.g., Contractor et al., 2007; Panicker et al., 2019; Ray et al., 2018; Singla et al., 2014), and Brazil (e.g., Aguzzoli et al., 2021; Da Rocha et al., 2012; De Mello et al., 2019; Dib et al., 2010; Kogut et al., 2020).

BRIC countries share similarities; they are continental and large countries, essentially commodities exporters (e.g., mining, agricultural and industrial commodities) instead of sophisticated high-tech products and service exporters (Cahen et al., 2017). Brazil, India, and China have experienced economic structural changes and reforms to achieve economic growth, investing in energy, telecommunications, transportation, water, and sanitization (Persinger et al., 2011). Even though BRIC countries are perceived as similar (due to their economic relevance), they differ in several aspects. Each context offers its particularities and distinctiveness embedded in circumstances in which firms operate (Meyer & Peng, 2016). Estrin and Prevezer (2011) confirm the aforementioned by highlighting different outcomes

[2] Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.

when they compared 'the role of informal institutions in corporate governance' in the four BRIC countries. Further, Deng et al. (2020, p. 53) suggest that firms from "Brazil or India face different challenges and contexts" compared to Chinese firms. Additionally, Brazil differs from other BRIC countries in other aspects, such as economic and cultural distance (Da Rocha et al., 2012), providing an opportunity to generate theoretical contributions.

2.5.2 Geography of Brazil

Brazil, officially known as 'República Federativa do Brasil', is the fifth largest country in territorial size in the world and the largest country in South America[3], bordering ten countries: French Guiana, Suriname, Guyana, Venezuela, Colombia, Peru, Bolivia, Paraguay, Argentina, and Uruguay (Brazilian Government, 2021; CIA World Factbook, 2022; GlobalEdge, 2022). Chile and Ecuador are the only two South American countries that do not share borders with Brazil, as shown in Figure 2.1.

Figure 2.1 Brazil map



Source: (CIA World Factbook, 2020)

[3] Brazilian territory is 8.515.707 sq km of land (CIA World Factbook, 2022)

Comprising the largest continental landmass in South America, Brazil shares its borders with most South American countries. This would suggest that Brazil would be geographically in a good position for trade with its neighboring countries. However, due to the mountainous highlands of Brazil, "the country is insulated within its borders" (Da Rocha et al., 2012; Dib et al., 2010, p. 236). In other words, access to most countries is "blocked by insurmountable natural barriers", such as mountainous formations and inhospitable precipitous passes, with the exception of the southern borders with Argentina and Uruguay (Da Rocha et al., 2012; Dib et al., 2010, p. 236). These natural borders increase the Cultural, Administrative, Geographic and Economic (CAGE) distance[4] (Ghemawat, 2001) restraining business within the region. This explains why most Brazilian firms focus on business domestically and expand to their south neighboring countries.

Despite its boundless size, Brazil has ample fertile land and natural resources, mainly agricultural and mining, which have been extensively explored as a competitive advantage. Thus, traditionally, Brazil is known as a commodities exporter and is not competitive in the high technology industry (De Mello et al., 2019; Dib et al., 2010). With the exception of some large firms, an array of BEM firms, including Brazilian firms, do not possess global competitive advantages in the high technology area (De Mello et al., 2019; Luo & Tung, 2018). This explains why historically, Brazil was recognized as a commodities exporter in the IB arena (Dib et al., 2010).

2.5.3 Demographic and cultural aspects of Brazil

The size of a country and its population affect the firm's decision to move beyond borders (Cahen et al., 2017; Cahen et al., 2016). Firms from large domestic markets are presumably discouraged from seeking opportunities overseas (Cahen et al., 2016). According to the CIA World Factbook (2022), the population of Brazil is estimated to be 213.4M, representing the seventh highest population[5] in the world. Thus, despite being a large country in territorial size, Brazil also has an enormous population and a very large consumer market. In addition, the growing middle class with rising economic and societal aspirations embodies the Brazilian market as an attractive target market for firms to invest in (Cavusgil et al., 2018; Liu et al.,

[4] The CAGE distance refers to Cultural, Administrative, Geographic and Economic differences between countries. It assesses the effects of distance that act as barriers to exports (Ghemawat, 2001).
[5] The rank of population: China (1.397M), India (1.339M), United States (334M), Indonesia (275M), Pakistan (238M), Nigeria (219M), Brazil (213M). Country comparison population data from https://www.cia.gov/the-world-factbook/field/population/country-comparison/.

2021). The aforementioned facts collectively enable many Brazilian firms to design their efforts to focus on the large and lucrative home (domestic) market to meet the demands of a rapidly growing middle class that represents formidable purchasing power (Cavusgil et al., 2018). Not surprisingly, most Brazilian firms are primarily oriented to the domestic market, and internationalization is often not in Brazilian firms' core business. In other words, the home country environment is the predominant influence on the patterns of Brazilian firms' internationalization.

Historically, the establishment of the Brazilian state can be traced back to the 17th century by a European colonizing state: Portugal (Liu et al., 2021). Consequently, Brazil is a Portuguese-speaking country, which distinguishes the country from the neighboring countries colonized by other European nations, with a prevalence of Spanish colonization. This Portuguese heritage is reflected in Brazil's business environment. Like most BEMs, Brazilians rely on their personal contacts and network to grow their business. However, doing business in Brazil has a peculiar difference compared to other BEMs. In Brazil, business is often conducted with a 'jeitinho brasileiro' a particular way to solve problems and 'get things done' through the business bureaucracy (Liu et al., 2021). In other words, it is an informal mechanism to counteract the bureaucracy that involves business. This suggests that Brazilian entrepreneurs navigate better in their home market, indicating their preference to do business locally rather than globally. Furthermore, most of the population in Brazil does not speak a foreign language. Being able to communicate exclusively in Portuguese restrains decision-makers from seeking other foreign markets. For instance, the home country environment is conducive for Brazilian firms to operate in due to familiarity with language and doing business in their home country As a consequence, Brazilian firms are oriented primarily towards the domestic market, lacking an export culture.

2.5.4 Brazilian's political and economic history

Understanding the Brazilian context and political and economic historical background is essential to comprehending firms' internationalization pathways (Rodrigues & Dieleman, 2018). The Brazilian economic and political system has changed significantly over the years. Brazil has experienced several turning points shaping its political evolution and reflecting historical key events, which have triggered significant changes in the Brazilian economy (Nassif & Castilho, 2020; Rodrigues & Child, 2003). The country has undergone periods of

democracy and militarism (Rodrigues & Child, 2003, 2008; Rodrigues, 2006; Wilkins et al., 2020).

Historically democracy has prevailed chiefly in Brazil, but it was interrupted by a dictatorship military government from 1964 to 1985. When the military regime seized power in 1964, the Brazilian economy was unstable (Rodrigues & Child, 2003). During the military regime, the Brazilian population suffered from "severe restrictions on civil liberties. The media were tightly controlled, as was the right to form associations. Union activities were also highly regulated" (Rodrigues, 2006, p. 544). The military government was based on nationalism (national development and integration) and protectionist policies to develop local industry and thus enhance Brazilian economic growth (Nassif & Castilho, 2020; Rodrigues & Child, 2003, 2008; Rodrigues, 2006). According to Rodrigues and Child (2003, p. 2145):

> The regime's socio-economic ideology was that development and an equal distribution of income could be achieved only through an interventionist and entrepreneurial state. The country had to be protected from foreign ideologies that could challenge the current distribution of power and from foreign interests aiming to exploit the country's resources.

The military regime experienced two phases: the 'economic miracle' (the 1970s) and the 'lost decade' (the 1980s). The former was characterized by economic development, whilst the latter encountered economic and political instability (Rodrigues & Child, 2003). The 1970s decade symbolized national boundaries protection (Rodrigues, 2006), centralized political and economic power, emphasizing import substitution policies to develop industrialization (Nassif & Castilho, 2020). Rodrigues and Child (2003, p. 2146) explain:

> A country should protect its own industry and be able to create endogenous capabilities. International exposure of the sector was very low, as service provision was closed to foreign entrants. Internal competition was also controlled; each company operated as a monopoly within the limits of its own regional state.

The last military government in 1978 announced a political amnesty, signaling a more flexible regime (Rodrigues & Child, 2003; Rodrigues, 2006). However, this government "ended up economically weaker and politically unstable" (Rodrigues & Child, 2003, p. 2148). Thus, in the late 1970s, Brazil begins to show signs of halting economic development (Rodrigues & Child, 2003). The oil crisis in the late 1970s, the boost in international interest rates, and the sharp inflation precluded the country from maintaining elevated economic growth, losing government legitimacy (Rodrigues & Child, 2003). The labor unions gained

strength, increasing the number of strikes (Rodrigues & Child, 2003, 2008), and state enterprise profitability decreased (Rodrigues & Child, 2003). The decline of military legitimacy was associated with "the deconstruction of the alliance that supported the regime at different levels of society[6]…and the growing popular demand for democracy" (Rodrigues, 2006, p. 544).

The military governance also reflected in the Brazilian IB environment. This period was characterized by the government establishing various export incentives[7] to stimulate the Brazilian economy (Christensen et al., 1987). These incentives induced numerous firms to initiate export activities, as, until this time, most Brazilian firms were oriented primarily to the domestic market. The government economic plan emphasized the expansion of exports by volume, by diversifying markets and product portfolios (Christensen et al., 1987). The Brazilian government switched the export-focus on commodities to stimulate exports of manufactured products. In addition, during this period, the government invested in infrastructure (Christensen et al., 1987, p. 62):

> The government encouraged the formation of trading companies, made large investments in the infrastructure of ports, warehousing and transportation and simplified the bureaucratic process of exporting. In response to these policies, the number of firms engaged in exporting increased rapidly.

From 1976 to 1979, the protectionist reaction was evident, in which import countries started to question the Brazilian government's export incentives (Christensen et al., 1987). As a result, in the 1980s, Brazil significantly reduced its export benefits. Consequently, several firms discontinued exporting, as they were relying on the government incentive, questioning the long-term efficiency of the government export program. In this sense, Christensen et al. (1987, p. 75) suggest:

> It appears that government incentives in Brazil may not necessarily prepare firms for a continuance of export activities even if they might encourage the initiation of exporting. These incentives may have stimulated some companies to enter international markets prematurely without having developed quality products and efficient managerial systems which temporarily masked the need for reforms, thus leading to subsequent frustration and failure.

[6] MNEs, government bureaucrats, and the private sector.
[7] Initially, the government offered tax exemption for export products (from 1964 to 1968). From 1969 to 1975, the government extended this benefit by adding fiscal incentives (credit subsidies) for exporting companies (Christensen et al., 1987).

Brazil returned to its democracy in 1985, after 21 years of dictatorship, with a new constitution adopted in 1988, ending military governance (Wilkins et al., 2020). Brazilian elections in 1985 recorded the end of the military regime, the return of democracy, and the recovery of civil liberties (Rodrigues & Child, 2003, 2008; Rodrigues, 2006). Democracy rescued political rights, leading to the re-emergence of trade unions and the creation of the labor party[8] and the Central Labor Union (Rodrigues, 2006). During the first years of democracy, Brazil continued to persist under highly volatile economic and political conditions (Rodrigues & Child, 2003). The military economic model relied upon an interventionist state and a closed economy which conflicted with the prevailing international context of growing liberalization and globalization (Rodrigues & Child, 2003).

Accordingly, Brazilian international trade was severely restricted until the introduction of significant government measures adopting neo-liberal ideas and a re-opening or re-establishment of the Brazilian economy at the beginning of the 1990s (Nassif & Castilho, 2020; Rodrigues & Child, 2003; Rodrigues, 2006; The Economist, 2022; Wilkins et al., 2020). In this sense, from March 1990 to December 1994, Brazil adopted economic reforms targeting trade liberalization: the privatization of state companies, the opening of the capital account, and liberalizing the domestic financial system (Nassif & Castilho, 2020; Persinger et al., 2011). Nassif and Castilho (2020, p. 672) state:

> In the case of Brazil, for instance, between 1990 and 1994... the Brazilian government adopted a unilateral and ambitious trade liberalisation programme, which eliminated most non-trade barriers (NTBs) and reduced average nominal tariffs for all goods from 32.2% in 1990 to 11.2% in 1995.

Brazil has moved from a closed economy with a regulated state to an open economy with an entrepreneurial state, reducing the state's role (Rodrigues & Child, 2003). The Brazilian economy liberalization process eliminated most NTBs and reduced trade tariffs (Nassif & Castilho, 2020), producing two main consequences: A tremendous increase in foreign direct investment (Rodrigues & Child, 2003; Wilkins et al., 2020); and the privatization of various state-owned enterprises[9] (Nassif & Castilho, 2020; Rodrigues & Child, 2003, 2008; Rodrigues, 2006; Wilkins et al., 2020). As a result, international market forces began to play an essential role in the country, and Brazil had to "adopt new (or newly retooled) legal regimes

[8] Labor party: 'Partido dos Trabalhadores', commonly referred as PT.
[9] According to Rodrigues and Child (2003, p. 2152) the privatization program resulted in US$85 billion being transferred to private ownership.

in areas such as investment and trade, mergers and acquisitions, securities regulation, and competition policy" (Wilkins et al., 2020, p. 287).

The return of democracy shifted the country toward a more market-driven and open economy, driving an escalating demand for international trade and investment by firms (Barretto & Da Rocha, 2001; Wilkins et al., 2020). In other words, 'the Brazilian re-opening' in the 1990s resulted in rapid growth in international business and was a primary driver of Brazil's significant economic performance. Brazil was under a more politically and economically stable period and moving toward greater openness to the global economy (Rodrigues & Child, 2003; Rodrigues, 2006). In the 1990s, various countries moved "significantly forward with, a process of transforming from a mostly "closed"[10] economic model to one that is increasingly "open" to the global economy" (Wilkins et al., 2020, p. 285). However, comparing Brazil with other EMs, "the Brazilian trade reform represented a deep microeconomic shock for three reasons" (Nassif & Castilho, 2020, p. 680):

1. Brazilian trade liberalization reform was conducted in a shorter time compared to other EMs (i.e., five years for South Korea, more than ten years for India)

2. The non-tariff and tariff barriers were eliminated and reduced, respectively, at the same time as the liberalization of the capital account, when the Brazilian currency was overvalued.

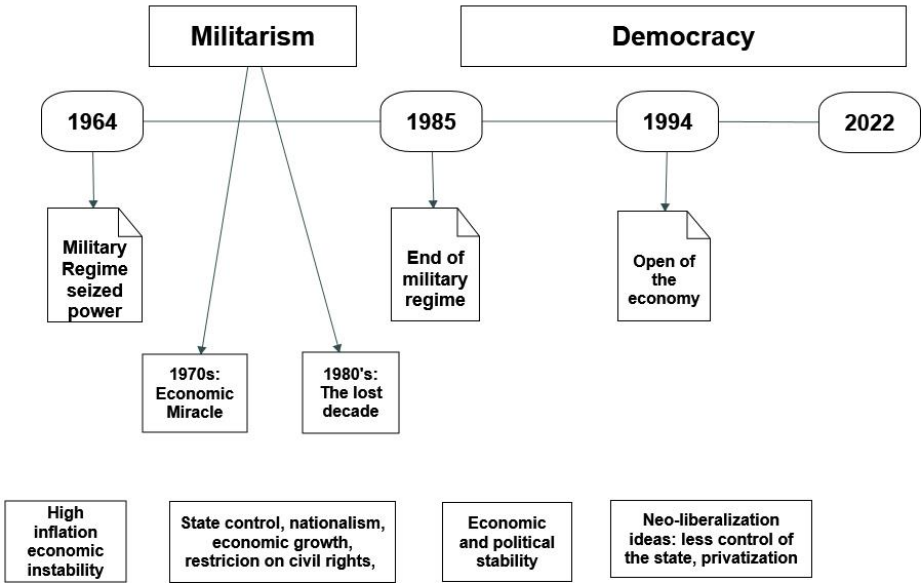
3. The Brazilian government no longer focused on the industrial policy compared to other countries (i.e., South Korea and India preserved their industrial policy during their trade liberalization reform).

This implies a reduction in the pervasiveness of the Brazilian government's interventions, commonly observed in BEMs. Until the 1990s, Brazil remained close to foreign competition (Da Rocha et al., 2012), and the majority of Brazilian firms have yet to experience expanding their business overseas (Barretto & Da Rocha, 2001). The opening up of the Brazilian economy in the 1990s provided new opportunities for firms in various industries to reach international markets and facilitated and allowed firms with few resources and

[10] The authors further explain that "The quotation marks around "closed" and "open" are significant since no country was completely closed in the period before the global shift, nor fully open thereafter" (Wilkins et al., 2020, p. 285).

international experience to begin their international journeys. Figure 2.2 illustrates and summarizes the Brazilian historical political and economic scenario described in this section.

Figure 2.2 Brazilian historical political and economic scenario



2.5.5 Brazil's national competitiveness

According to the World Economic Forum (2019), the Global Competitiveness Index 4.0 (GCI) offers insights into national competitiveness by examining 141 economies around the world, ranking countries according to their performance and institutional quality (World Economic Forum, 2019). Among the BRIC, China is the top performer (28th), followed by Russia (43rd), India (68th), and Brazil (71st), the lowest ranked. In the Latin American region, Chile is the leading country (33rd) due to its stable macroeconomic context and open markets. Led by Chile, Mexico (48th), Uruguay (54th), and Colombia (57th) are featured as the top Latin American country, while Venezuela (133rd) and Haiti (138th) are the worst performers in the region. Brazil is ranked in the 8th position in the Latin American and Caribbean region.

The GCI is calculated based on four categories, namely enabling environment, human capital, markets, and innovation ecosystem. The category of enabling environment includes Institutions (1st), infrastructure (2nd), Information and Communication Technology (ICT) adoption (3rd), and macro-economic stability (4th). The human capital category involves health (5th), and skills (6th). The market category contains product market (7th), labor market (8th), financial system (9th), and market size (10th). The last category of innovation ecosystem

consists of business dynamic (11th), and innovation capability (12th) (World Economic Forum, 2019). Based on the average score and aggregate of the 12 indicators, Brazil is ranked in the 71st position out of 141 countries. Table 2.1 presents Brazil and other four EM's[11] score and the Brazilian ranking on each of the components of the GCI.

Table 2.1 Brazil's score on the GCI

Index Component		Country Score (0-100)					Brazilian Rank/142
Category	Pillars	China	India	Chile	Mexico	Brazil	
Enabling environment	Institutions	57	57	64	48	48	99
	Infrastructure	78	68	76	72	65	78
	ICT adoption	78	32	63	55	58	67
	Macro-economic stability	99	90	100	98	69	115
Human capital	Health	88	61	90	82	79	75
	Skills	64	50	70	58	56	96
Markets	Product market	58	50	68	58	46	124
	Labor market	59	54	63	56	53	105
	Financial system	75	69	82	62	65	55
	Market size	100	94	63	81	81	10
Innovation ecosystem	Business dynamic	66	60	65	66	60	67
	Innovation capability	65	51	42	44	49	40
Overall score		**74**	**61**	**71**	**65**	**61**	**71**

Adapted from (World Economic Forum, 2019)

Table 2.1 suggests that even though innovation capacity is growing in Brazil, the country is still experiencing economic slowdown or stagnation. Therefore, Brazil "need to strengthen their skills and labour market to minimize the risks of negative social spillovers" (World Economic Forum, 2019, p. 8). Table 2.1 shows the 'market size' pillar's excellent performance, with a score of 81 and a rank of 10th. This result confirms the relevance of the Brazilian market, justifying the interest of Brazilian firms in targeting the home market.

Furthermore, the 'Institution' first pillar rates the quality of the country's institutions, reflecting the country's institutional voids (Brenes et al., 2019). The severity of institutional voids and the effect of institutions on society, economies, and business varies across countries (Doh et al., 2017; Liedong et al., 2020). The low result of Brazil in institutions indicates that institutional voids play an essential role in Brazil, similar to other Latin American economies.

[11] EMs score forms the basis for comparison. The selection of China and India are based on the BRIC for being BEM, and the selection of Chile and Mexico are based on their location in Latin America.

More so, institutional voids[12] generate opportunities and challenges for firms. On the one hand, institutional voids lead to higher transaction costs[13] for firms, which need to concentrate their effort on mitigating institutional deficiencies (Doh et al., 2017). On the other, institutional voids offer a competitive advantage to firms that possess the skills, capabilities, and resources to overcome them (Doh et al., 2017). BEM firms overcome institutional barriers and their lack of resources (financial, human, and tangible) by leveraging their networking capability[14], entrepreneurial orientation, and marketing strategy (Falahat et al., 2018).

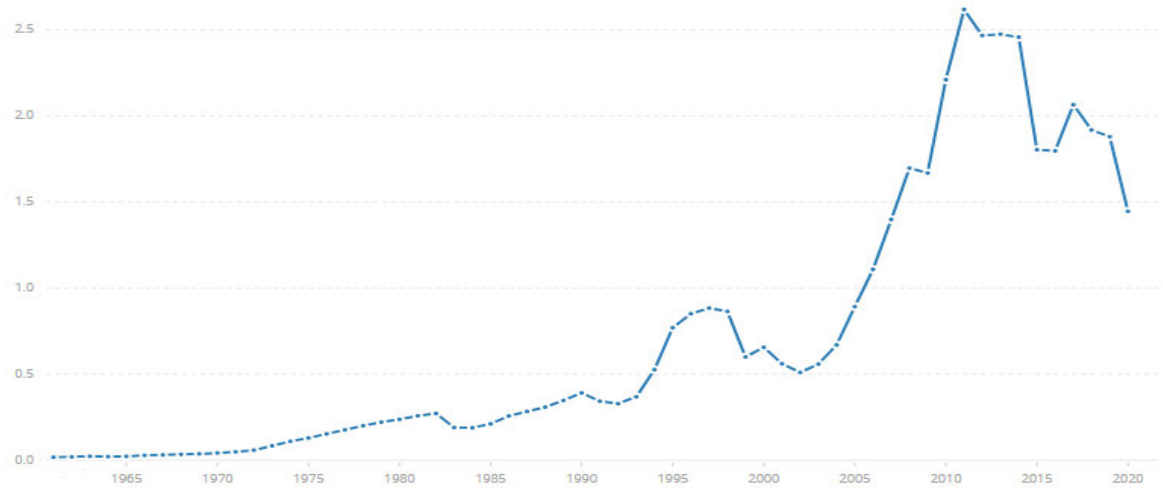
Moreover, Aguzzoli et al. (2021, p. 4) recognize that BEMs "are hampered by institutional dysfunctions such as lax regulatory systems, weak judicial systems, corruption and generally low levels of trust in public institutions". This suggests that Brazilian firms are subject to liabilities of origin[15] (Marano et al., 2017), and consider the poor institutional conditions in their home country (e.g., Brazil) as a motivator to engage in export activities. For instance, distancing themselves from the effects of the institutional voids observed and experience in the home country environment that affects their firm performance

2.5.6 Brazil's relevance in the global arena

Brazil has been gaining economic relevance worldwide. The Brazilian GDP has been increasingly significant in the past twenty years. According to the World Trade Organization (WTO), Brazil's GDP in 2020 represented 1,434 trillion US dollars, and the GDP per capita was 8.298 US dollars (WTO, 2021). Since 1970 Brazil has been experiencing a minor increase in GDP. However, after the opening of the Brazilian economy, the GDP meaningful growth was present (see Figure 2.3).

[12] "Institutional voids can occur in any of a number of institutional arenas, including political, legal and social systems, foreign investment and trade-related institutions, and product, labor and capital markets" (Doh et al., 2017, p. 296).
[13] "These costs not only affect the connections between producers and consumers, they also dampen incentives for innovation and the leveraging of unique knowledge, talent and skills" (Doh et al., 2017, p. 296).
[14] According to Falahat et al. (2018) network capability is important to EMs to succeed in the complex foreign environment.
[15] Liabilities of origin are disadvantages faced in host countries because of poor institutional conditions in the home country (Marano et al., 2017).

Figure 2.3 The Brazilian GDP



Data retrieved from (The World Bank, 2022)[16]

Data from The World Bank, reflected in Figure 2.3, indicates that Brazil's economy has experienced moments of crisis over the years (The World Bank, 2022). For instance, Brazil's GDP stagnated from 2010 onwards as a reflection of the global financial crisis. Recently, the world pandemic COVID-19 also impacted the Brazilian economy, reducing the GDP in 2019 and 2020 (The Economist, 2022). According to The World Bank (2021), Brazil was the second country worldwide in absolute death rates due to COVID-19[17]. Furthermore, "COVID-19 exposed Brazil to an unprecedented health, social and economic challenge, leading to a 4.1 percent GDP decline in 2020" (The World Bank, 2021, p. 1).

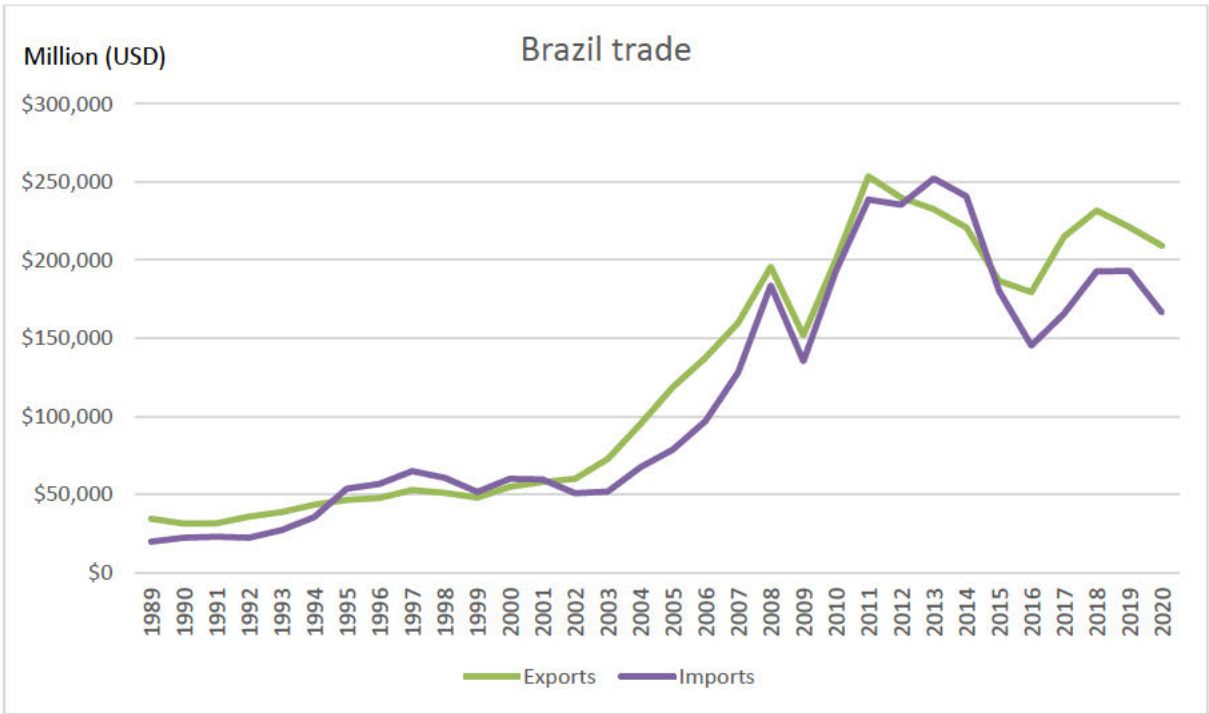
In line with its economic relevance, Brazil has been increasing its presence in the global arena. Brazil is a member of the Southern Common Market (MERCOSUR). MERCOSUR is a regional integration agreement initially established by: Argentina, Brazil, Paraguay, and Uruguay, and subsequently involved Venezuela and Bolivia (MERCOSUR, 2022). MERCOSUR was founded during the period in which Brazil opened its economy and increased trade with neighboring countries. The agreement was established in 1991 with the objective of encouraging economic development by facilitating and promoting the flow of trade and investment among the member states (WTO, 2022). Not surprisingly, the International Trade

[16] The Brazilian GDP is exposed in trillions of US dollars.
[17] Brazil is only behind the U.S. in deaths rates and it's ranked 8 in terms of per capital deaths. "By end-September 2021, Brazil has reached more than 590,000 confirmed COVID-19 deaths, and more than 21 million cases (third worldwide, behind US and India)" (The World Bank, 2021).

Centre (ITC) confirms that Argentina has been one of the top five countries trading with Brazil in the past twenty years[18] (ITC, 2022).

According to WTO, in 2020, Brazil represented a 1.19 share of world exports and 0.93 in world imports (WTO, 2021). In the world trade rank, Brazil was ranked 26 (merchandise export) and 33 (commercial service) in 2020 (WTO, 2021). Over the years, Brazil has been increasing its performance in international trade, however not at a significant level. Data from the United Nations (UN) Comtrade database displays that Brazil has been undergoing periods of growth and reduction in its imports and exports over the years (UN, 2022). Figure 2.4 shows the Brazilian trade scenario represented by imports and exports over the years. Figure 2.4 indicates that Brazilian exports have not been constant over the years, reflecting the context in which the country was exposed. For instance, the overvaluation of the Brazilian currency in the 1990s produced higher imports compared to exports. From 2000 on, the Brazilian trade flow increased significantly, and exports grew faster than imports (Nassif & Castilho, 2020).

Figure 2.4 Brazil trade: imports and exports



Data retrieved from (UN, 2022)

[18] For Brazilian trade partners details, access: https://www.trademap.org/Country_SelProductCountry_TS_Graph.aspx?nvpm=1%7c076%7c%7c%7c%7cTOTAL%7c%7c%7c2%7c1%7c1%7c2%7c2%7c1%7c2%7c1%7c1%7c2.

The interplay of worldwide events has caused volatility and instability in Brazil. For instance, in 2009, during the global financial crisis, Brazil reduced its exports and imports. In addition, the Brazilian domestic economic crisis in 2015 and 2016 negatively impacted the country's trade (The Economist, 2022). Recently, the pandemic (COVID-19) has also affected trade worldwide, reducing Brazilian imports and exports. The pandemic restricted economic activities, resulting in decreased domestic and external demand, bringing uncertainties to the macroeconomic scenario (The World Bank, 2021). An emerging recovery in demand, and the rising vaccination rates contribute to the expected improvements in Brazil, despite its pre-existing structural and fiscal vulnerabilities.

2.6 Brazilian firms' internationalization historical background

The internationalization trajectory of the firm is profoundly influenced by context (De Mello et al., 2019). Worldwide, firms are confronted with many events that enable them to change their internationalization pathways. Temporal and spatial dimensions of context at multiple levels indicate that internationalization is not a result of a single event that should be considered (Deng et al., 2020). Instead, a series of events determine firms' behavior and characteristics. In this sense, "as contexts change over time, there are different phases and dimensions in the internationalization process" (Deng et al., 2020, p. 60). Accordingly, it is critical to identify events and their impact on Brazilian firms' international journeys. EM firms "within their respective contexts develop over time from historical patterns and processes" (Deng et al., 2020, p. 60). Thus, Brazilian firms alter their strategic choices, augment resources, and adapt their capabilities based on environmental change over time (Rodrigues & Child, 2003). This suggests that not all Brazilian firms continue to export after their initial involvement overseas (Christensen et al., 1987) and may experience cycles and waves of internationalization (Kafouros et al., 2022).

Historically, Brazilian firms focused on their domestic market and internationalize late (Barretto & Da Rocha, 2001; Carneiro et al., 2018; Da Rocha et al., 2012). In line with other BEMs, Brazil indicates growth in terms of economic development, population, and income expenditure. Due to this rapid growth, domestic consumption is significantly high in the Brazilian context. Additionally, Brazilian geographic limitations (Dib et al., 2010), lack of export culture, and the high potential of the domestic market hinder Brazilian firms from expanding their business overseas. Thus, Brazilian firms' first international activity trigger is "unsolicited orders from foreign clients" (De Mello et al., 2019, p. 154). In other words,

Brazilian firms' initial attitudes towards the international market were not proactively and strategically aiming for a global expansion (De Mello et al., 2019). According to Barretto and Da Rocha (2001, p. 80), historically:

> The majority of Brazilian companies, even large ones, did not enter foreign markets, except through exporting. Even in this case, only a few companies became truly dedicated to the export activity; most of them considered exporting as an alternative to diminishing demand in the domestic market or as an outlet for excess production.

Brazil has been known as a commodity exporter, represented by Multinational Enterprises (MNEs) and large corporations. Although Small and Medium-sized Enterprises (SMEs) are particularly pervasive in the Brazilian economy, traditionally, the Brazilian exports mainly involved MNEs. This is because SME firms from BEMs lack the scale and scope advantages compared to larger firms and face difficulties competing overseas (Luo & Tung, 2018). In this sense, SMEs need to acquire and develop resources and capabilities to succeed globally (Shi et al., 2019). To overcome these challenges, SMEs rely on external finance sources, such as bank loans, which are more accessible to larger firms than SMEs (Estrin & Prevezer, 2011). The bureaucracy and complexity of granting loans discourage more than half of Brazilian firms from applying for financial assistance (Estrin & Prevezer, 2011, p. 52):

> In Brazil in particular, terms are more severe for SMEs with low volumes of credit given, higher interest rates, and high default rates and terms are more favorable to incumbent, established firms in older industries than newly created firms.

In addition, SMEs suffer from institutional voids in BEM and face obstacles to competing internationally (Brenes et al., 2019). This explains why historically, MNEs and large corporations focusing on commodities were responsible for most of the Brazilian export. This scenario changed in the military regime (the 1970s) with the introduction of the government's export incentives policy. These incentives triggered an export debut among Brazilian firms and a stimulus on exporting manufactured goods, diversifying the Brazilian export portfolio. However, once these incentives were no longer offered in the 1980s, most firms discontinued their exports (Christensen et al., 1987).

A different trend emerged in the 1990s with the opening of the Brazilian economy (The Economist, 2022). The Brazilian trade liberalization promoted foreign competition and induced Brazilian firms to seek foreign markets (Barretto & Da Rocha, 2001). During this time, a rising movement of SMEs and family firms was observed to be focusing their attention on

foreign markets (Barretto & Da Rocha, 2001; Da Rocha et al., 2012). In Brazil, ninety percent of the SMEs are family firms, accounting for a staggering sixty-five percent of the Brazilian economic growth (i.e., GDP) and almost 75% of the workforce in the country (Liu et al., 2021; PwC, 2019). Brazil, among other EMs, has "a long history and ubiquitous presence of family firms… Many of these firms nurture the aspiration not only to dominate domestic markets, but also to emerge as global giants" (Ray et al., 2018, p. 74). Interestingly, most Brazilian firms follow an export-oriented model to enter foreign markets, exploiting government policies to stimulate Brazilian exports. According to the data by Brazilian Government (2022), in 2021, 30.959 firms were listed as exporting firms in Brazil[19]. Consequently, the selection of 'exporting firms' as the focus of the present study is due to the majority of firms using exports as the primary mode of international business.

In the last two decades, the Brazilian government, jointly with private entities, has promoted innovation, entrepreneurship, and firms' internationalization (Cahen et al., 2016). Thus, understanding the role of government "play in creating an ecosystem that supports the globalization and firms internationalization" (Hernandez & Guillén, 2018, p. 30) is exceptionally relevant for the Brazilian context. After the opening of the Brazilian economy, international trade was characterized by a strong dynamism with an unstable exchange rate (Nassif & Castilho, 2020). The fluctuation of exchange rates impacted firms' decision to target the domestic or foreign markets. De Mello et al. (2019, p. 161) argue that "Brazilian firms operate in a hostile environment, at least to some extent: volatile exchange rates and very high interest rates". Additionally, with the trade liberalization, Brazil became part of the MERCOSUR trade agreement, offering trade advantages and opportunities for firms to expand business within neighboring countries. The creation of MERCOSUR encourages firms to internationalize in an environment that is no longer protected. In this sense, Brazilian firms "were both pushed and pulled to international markets by challenges and opportunities presented in the early 1990s" (Barretto & Da Rocha, 2001, p. 80).

Brazil, like most BEMs, has experienced periodic crises. The institutional environment in which Brazilian firms operate poses additional challenges and constraints that affect their internationalization pathways (Kogut et al., 2020). Therefore, EM firms follow different international pathways compared to their DM counterparts (Cahen et al., 2016). This explains

[19] A full list of exporting firms provided by the Brazilian Government can be found here: https://www.gov.br/produtividade-e-comercio-exterior/pt-br/assuntos/comercio-exterior/estatisticas/empresas-brasileiras-exportadoras-e-importadoras

why firms' course is not linear. Currently, there are many challenges Brazilian firms face in competing effectively abroad, including overcoming a domestic market crisis, the pandemic, high currency fluctuation, and an unstable political scenario. Despite Brazilian potential for rapid growth in international trade, political and economic obstacles can impact firms' internationalization pathways (Child et al., 2012). Table 2.2 summarizes the historical events that impact Brazilian firms' internationalization.

Table 2.2 A summary of historical events and their impact on Brazilian firms' internationalization

Events	The impact on Brazilian firms' internationalization	Reference
Commodities demand worldwide (1950-1970)	* Natural resources availability in Brazil and government support for exporting induced large corporations to engage in the export of commodities * Majority of firms focused on the domestic market	(Christensen et al., 1987; Dib et al., 2010)
Government incentive to diversify the export portfolio and markets (military regime 1970-1980)	* Government established various export incentives to stimulate Brazilian firms to begin export activities. The export program emphasized the expansion of exports by volume by diversifying markets and product portfolio, including manufactured products.	(Christensen et al., 1987)
Protectionist reaction (1980-1990)	* The protectionist reaction among import countries questioned the Brazilian government's export incentives. Consequently, the Brazilian government ceased its incentives, and therefore, most firms discontinued their exports.	(Christensen et al., 1987)
Opening of the Brazilian economy (1990)	* Attracted foreign competition became a real threat to Brazilian firms, increasing rivalry and price war. Thus, Brazilian firms were facing challenges and had to reduce their margins. * Brazilian consumers perceived foreign products as superior quality and were more eager to purchase these products, regardless of brands or country of origin * Foreign competition stimulated Brazilian firms to search for new opportunities overseas.	(Barretto & Da Rocha, 2001)
The creation of MERCOSUR (1991)	* Facilitated Brazilian firms to internationalize in an environment that was relatively protected * Brazilian products became competitive in the MERCOSUR market (trade advantages) * Brazilian firms were encouraged to export and to do FDI in MERCOSUR countries	(Barretto & Da Rocha, 2001)
The fluctuation of the Brazilian currency (1990-current)	The appreciation of the Brazilian currency discourages exports, while a depreciation of the Brazilian currency lures exports	(De Mello et al., 2019)

2.7 Chapter summary

This chapter has provided a comprehensive understanding of the Brazilian context, which is the empirical driver of the present study. Context matters and is essential to theorizing in the IB field (Kahiya, 2020; Teagarden et al., 2018; Welch et al., 2022) because contextual factors play a prominent role in firms' internationalization processes (Deng et al., 2020; Ong et al., 2022). Thus, this chapter offers an appreciable illustration of the context in which this research is inserted. By understanding the sensitivity of the Brazilian context and its distinctiveness, the current study provides potential contextualized explanations and theoretically advances the IB field (Welch et al., 2022). The chapter highlighted an overview of BEMs peculiarities, recognizing Latin America as a potential setting for theoretical development as the region is underrepresented in the IB field (Ciravegna et al., 2019; De Mello et al., 2019; Manoel & Moraes, 2022; Pino et al., 2021). To date, Brazil remains under-investigated despite its size, dominance in Latin America, and a large number of firms often associated with export activities (De Mello et al., 2019; Pino et al., 2021). This is surprising given its significant role in the Latin American region as a prominent global player, large landmass, turbulent history (politically and economically), and geographical land barriers that combine to present a unique set of challenges for exporting firms in such a context (Ciravegna et al., 2019).

The chapter has demonstrated that Brazil presents a complex economic, political, legal, social, and historically challenging environment. This context influences and triggers numerous cycles and waves in firms' internationalization pathways. Hence, Brazil is a fruitful setting to explore firms' internationalization pathways (De Mello et al., 2019) and represents an opportunity to drive context for IB theorizing (Hernandez & Guillén, 2018; Teagarden et al., 2018). In line with Meyer and Peng (2016), this research moves toward explaining how and why such contextual variations and nuances become essential in the theoretical development of the IB field.

Chapter 3: Literature Review and Theoretical Development

3.1 Introduction

The internationalization of firms is a topic that has gained considerable attention in integrating the IB field in the last decades (Jiang et al., 2020). Broadly, scholars have more recently been relying on two main theoretical approaches to explain the internationalization of firms (Paul & Rosado-Serrano, 2019): The process approach depicted by the Uppsala Model (Johanson & Vahlne, 1977, 1990, 2009; Vahlne & Johanson, 2017); and IE approach which involves theoretical models that assume a rapid and early internationalization process, namely the BG (Knight & Cavusgil, 1996) and the INV models (Oviatt & McDougall, 1994). In the IB field, most studies assume firms increase their involvement with the international market over time and achieve international success (Cavusgil, 1980; Johanson & Vahlne, 1977; Melin, 1992). In contrast, other scholars have been exposing firms that experience a non-linear path in their internationalization process (Kriz & Welch, 2018; Schweizer & Vahlne, 2022), exiting (Benito & Welch, 1997; Tang et al., 2021; Vissak et al., 2020), and re-entering foreign markets (Aguzzoli et al., 2021; Welch & Welch, 2009).

Internationalization research has evolved substantially to reflect market conditions that are dynamic and constantly changing (Welch et al., 2022). Although previous studies have widely recognized the antecedents and consequences of firms' internationalization, much less is known about their pathways (Vissak et al., 2020; Welch & Paavilainen-Mäntymäki, 2014). Thus, heeding previous calls to study the temporal phenomenon and observe firms' over time, the present study aims to understand exporting firms' internationalization pathways (Welch & Paavilainen-Mäntymäki, 2014). This study employs EST (Morgeson et al., 2015), a fresh theoretical lens to shed light and provide theoretical insights on events that have been underexplored in the internationalization of firms. More specifically, it uses a temporal sequence of events to explore *how* and *why* firms change their behavior, organizational structures, and characteristics. The present study demonstrates *why* exporting firms experience different pathways over time and *how* particular events unfold during their internationalization process (Welch & Paavilainen-Mäntymäki, 2014). Hence, this chapter provides an overview of the current internationalization literature in order to answer the following broad research problem:

How do events influence exporting firms' internationalization?

The chapter covers five broad sections: First, it provides a theoretical background of the internationalization of firms by exposing internationalization theories and models describing firms' behavior, strategies, and characteristics when expanding to international markets. Secondly, it presents the theoretical underpinning for this research: the 'EST'. The third section highlights the studies regarding firms' internationalization over time (i.e., showing firms' development, growth, and internationalization beyond their initial phase of international engagement), and conceptualizes the importance of foreign exits and (re)entering. Fourth, a review of events in the IB literature is discussed. Finally, a conceptual framework and a delineation table are outlined to illustrate the broad research problem and development of the research questions, followed by a summary of the chapter. Overall, this chapter synthesizes the recent literature on internationalizing firms' pathways and presents two research questions to contribute to the IB literature. The present research extends theoretical knowledge in the context of BEMs, building on cycles and waves in their internationalization process (Kafouros et al., 2022).

3.2 The theoretical background of internationalization of firms

The IB field offers a theoretical basis for exploring the internationalization of firms phenomenon (Jones et al., 2011; Knight & Liesch, 2016; Paul & Rosado-Serrano, 2019; Vahlne, 2020). A single model is not sufficient to explain the internationalization of all firms. Accordingly, by combining different theories underpinning the processes, researchers should obtain a better and more holistic understanding of the phenomenon (Rialp & Rialp, 2001). The theoretical models predominantly drawn upon in the realm of internationalization of firms areUppsala Model and the BG/INV models (Paul & Rosado-Serrano, 2019), briefly presented in the following sections.

3.2.1 Uppsala Model

Johanson and Wiedersheim-Paul (1975) and Johanson and Vahlne (1977) were the pioneering authors to introduce the first internationalization model: Uppsala Model. Their model "attempted to present a parsimonious explanation of a complex phenomenon: how firms behave when they invest abroad" (Forsgren & Holm, 2021, p. 1408). In other words, the core of the model relies on explaining how and why firms expand overseas (Håkanson, 2021; Schweizer & Vahlne, 2022). Johanson and Vahlne's contributions to the field are considerable,

and their model "has served as a theoretical underpinning in the international business literature" (Hult et al., 2020, p. 38).

According to Johanson and Vahlne (1977, p. 26), internationalization was not "the result of a strategy for optimum allocation of resources to different countries". Internationalization was conceptualized "as the consequence of a process of incremental adjustments to changing conditions of the firm and its environment" (Johanson & Vahlne, 1977, p. 26). Firms would reach the international market by going through a sequence of stages. Hence, the internationalization of firms is viewed as a gradual process in which firms increase their commitment to foreign markets based on the company's knowledge of the foreign market and the ongoing interaction between knowledge and commitment (Johanson & Vahlne, 1977; Vahlne, 2020). In other words, the model recognizes that firms acquire market knowledge through experiential learning (Forsgren & Holm, 2021).

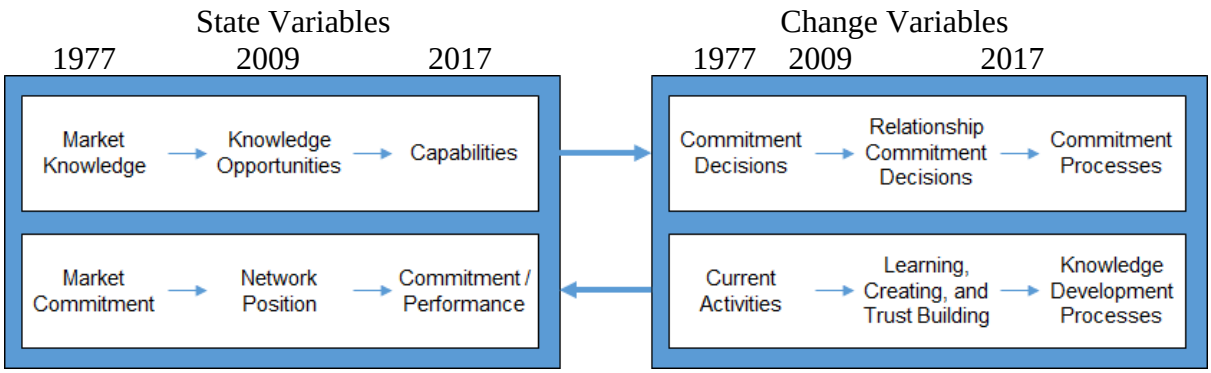
The Uppsala model's first version suggests that firms tend to enter first into psychologically or culturally close markets (Johanson & Vahlne, 1977). The authors argue in favor of the influence of 'psychic distance' which they define as "the sum of factors preventing the flow of information from and to the market" (Johanson & Vahlne, 1977, p. 24). Examples of these factors include differences in language, education, business culture, economic development, and general culture, among others. The model assumes firms would reach for markets with more 'psychic distance' once they acquired more experience and knowledge in markets with less 'psychic distance'. Thus, this new knowledge would reduce the uncertainty of investing in a more distant market (Johanson & Vahlne, 1977).

Furthermore, the original model predicts a firm's tendency to move from lower-commitment entry modes to higher commitment entry modes over time. For instance, a company would start exporting (low commitment) rather than producing in another country (high commitment) (Johanson & Vahlne, 1990). Johanson and Wiedersheim-Paul (1975, p. 307) propose four entry modes, which they refer to as stages: (1) No regular export activities; (2) Export via independent representatives (agents); (3) Establishment of one or more sales subsidiaries; (4) Overseas production/manufacturing units. Therefore, the model assumes that the higher the mode of entry, the more international involvement the company would have, and the higher knowledge the company would acquire (Johanson & Vahlne, 1977). According to Vahlne (2020), the original version of the Uppsala Model aimed to explain the internationalization process and did not draw on economic theory; instead, it relied upon

business theory, such as Penrose (1959) and Cyert and March (1963). The model was seen "as an interplay between commitments and experiential learning" (Vahlne, 2020, p. 241) and was designed for that specific context. Since its creation, the Uppsala model has been revised by the authors several times (Hult et al., 2020; Santangelo & Meyer, 2017; Vahlne & Johanson, 2017, 2020).

Johanson and Vahlne have dedicated their effort to the IB field for over a period of 40 years (Johanson & Vahlne, 1977, 1990, 2003, 2006, 2009; Vahlne & Johanson, 2017, 2020). During this time, they enriched and extended their original model, introducing new constructs and new perspectives from other disciplines (Santangelo & Meyer, 2017). In this sense, their 1990 article by Johanson and Vahlne (1990), although admittedly significant, responded to the criticism of the model proposed in 1977 (Hult et al., 2020). The major theoretical revision of the Uppsala Model occurred in their 2009 and 2017 versions (Johanson & Vahlne, 2009; Vahlne & Johanson, 2017), where the authors altered the constructs of the model (Hult et al., 2020). All versions of the Uppsala Model depicted dynamism and maintained its core compound of two sets of variables (state and change variables) that interact. However, the constructs evolved from the 1977, 2009 and 2017 versions of the model and it was adjusted to its current time and context (Hult et al., 2020; Vahlne & Johanson, 2017), shown in Figure 3.1.

Figure 3.1 The evolution of the Uppsala model: 1977, 2009 and 2017 versions



Source: (adapted from Johanson & Vahlne, 1977, 2009; Vahlne & Johanson, 2017)

The state-change dynamism was kept in all the versions of the Uppsala Model. However, the 2009 revision of the model introduces the focus on the business relationship and networks in internationalization (Johanson & Vahlne, 2009; Vahlne & Johanson, 2020). The firm is positioned as part of a macro ecosystem consisting of relationships that evolve into networks (Hult et al., 2020; Johanson & Johanson, 2021; Johanson & Vahlne, 2009; Vahlne &

Johanson, 2020). The assumption of learning permeates the logic of the 2009 model. However, the initial version posits learning from experience, while the 2009 revision focuses on learning from engaging in networks (Johanson & Vahlne, 2009; Vahlne, 2020). The critical elements of the model are the historical *'context'* behind the firms' internationalization process and the *'micro-foundations'* that shape firms' internationalization and drive organizational changes (Håkanson, 2021). As the conditions in the environment changed, consequently, it affected firms' managerial practices. As a result, the paradigm focus of the Uppsala Model shifted from 'internationalization' to 'firms' evolution' more generally (Håkanson, 2021)

The latest model revision emphasizes the process of evolution (Vahlne & Johanson, 2017, 2020). The model moves beyond the 'knowledge' constructs represented in the preceding versions and introduces 'capabilities' in the state variable (Vahlne, 2020; Vahlne & Johanson, 2017, 2020). The 'commitment' construct within the state variable, initially highlighted in the first version of the model, returns in the 2017 version, adding 'performance' to this construct (Hult et al., 2020; Vahlne, 2020; Vahlne & Johanson, 2017). As illustrated in Figure 3.1 within the change variables, the first constructs move from commitment decisions (Johanson & Vahlne, 1977) to relationship commitment decisions (Johanson & Vahlne, 2009) to the commitment process (Vahlne & Johanson, 2017). The decision-making aspect that was posited in the first two versions was substituted in the 2017 version by the process focus (Vahlne & Johanson, 2017), which is "theoretically advantageous and logical" (Hult et al., 2020, p. 46). The 2017 version is thus anchored in process ontology and presents the authors' latest effort to explain the evolutionary process of MNEs (Forsgren & Holm, 2021; Vahlne & Johanson, 2017, 2020). Thus, the 2017 model highlights internationalization as an evolution, as highlighted by Vahlne and Johanson (2020, p. 7):

> Viewing internationalization as part of a broader evolutionary process means that more attention must be paid to several drivers and outcomes of such evolution when trying to measure empirically the impact of specific explanatory variables on internationalization.

In summary, the Uppsala Model has "been the dominant explanation of how firms extend and deepen their international expansion" (Dow et al., 2018, p. 2). More so, with over 14000 citations, "the scholarly impact is clearly present in the research stream that Johanson and Vahlne started" (Hult et al., 2020, p. 39). Even though the model has been revised numerous times, the essence of the model remains consistent. Therefore, according to the authors, "the most distinctive feature of the Uppsala model is the focus on 'process'" rather

than on isolated decisions (Vahlne & Johanson, 2017, p. 1088). Even though the authors recognize that "managers act in a flow of ongoing events and that continuous change characterizes any present situation" (Vahlne & Johanson, 2017, p. 1088), the focus of their model is on the 'states' and 'changes', rather than on events which trigger these changes.

3.2.2 The IE theoretical models: BG and INV

The BG and the INV theoretical models focus on the appearance of young early internationalizing SMEs with a highly international entrepreneurial orientation (Jiang et al., 2020; Reuber et al., 2017). These models advocate the emergence of environmental conditions that allow firms to internationalize their business operations quickly from their inception and to be able to compete globally (Cavusgil & Knight, 2015; Paul & Rosado-Serrano, 2019). Cavusgil and Knight (2015) review previous research on this phenomenon and find factors that trigger the early internationalization of these firms, such as the "size of the firm's home market, new market conditions in world markets (e.g., the emergence of global niche markets), technological developments in communications and production, emergence of global networks and alliances, and organizational capabilities" (Cavusgil & Knight, 2015, p. 9). The rise of these firms was observed on different continents (Knight & Liesch, 2016; Rialp et al., 2005) and across a diverse number of industries (Chetty & Campbell-Hunt, 2004; Romanello & Chiarvesio, 2019). Historically, scholars have focused on firms in the DMs; however, more recently, an increasing number of studies are targeting EM firms, particularly in the Latin American region (e.g., Manoel & Moraes, 2022; Pino et al., 2021).

3.3 Theoretical underpinnings

3.3.1 Variance-based theories versus process-based theories

The present study seeks to build a contextual explanation by exploring firms' internationalization over time, consisting of a temporal phenomenon that has drawn researchers' ongoing attention in the management domain since the 1980s (Kriz & Welch, 2018; Welch & Paavilainen-Mäntymäki, 2014; Welch et al., 2022). In the organizational science field, Mohr (1982) introduces two dominant streams to study the dynamic phenomenon: variance-based and process-based theories. Accordingly, it is necessary to understand these two distinct theoretical paradigms underpinning research on firms' internationalization: the variance and process paradigms (Welch & Paavilainen-Mäntymäki, 2014).

The variance-based theories "are primarily concerned with issues of covariation among constructs" (Morgeson et al., 2015, p. 517). In other words, it recognizes the relationship between relatively stable attributes (Morgeson et al., 2015; Reimann et al., 2017). The variance-based theory emphasizes the relationship between variables (Bizzi & Langley, 2012; Mohr, 1982). In this sense, the evolution process is seen "as a law-like relationship between precursor and outcome variables: a particular value of X leads to a particular value of Y" (Welch & Paavilainen-Mäntymäki, 2014, p. 4). This approach describes the process as antecedents and outcomes (Metsola et al., 2020); and commonly investigates questions on what are the determinants and its consequence? Furthermore, variance-based theories are frequently reliant on statistical methods (Mohr, 1982; Welch & Paavilainen-Mäntymäki, 2014).

Conversely, process-oriented theories "involve understanding how patterns of events lead to outcomes" (Morgeson et al., 2015, p. 518). In other words, process-oriented theories focus on the process, change, longitudinal phenomenon, and its dynamics. The process view emphasizes temporal evolution, focusing on emergence instead of the relationship of variables (Bizzi & Langley, 2012). Thus, in this domain, rather than questioning the relationship between two variables, the process approach relies on "temporal sequences of events as the basis for tracing how and why the change occurred; that is, how it emerged" (Welch & Paavilainen-Mäntymäki, 2014, p. 5). More so, the process view research "go[es] beyond describing patterns of events to identifying the mechanisms driving these patterns" (Welch & Paavilainen-Mäntymäki, 2014, p. 5). In other words, this perspective investigates why and how temporal patterns unfold over time, including non-linear and complex causalities within the process (Kriz & Welch, 2018; Welch & Paavilainen-Mäntymäki, 2014). Given the complexity of understanding contextual and temporal influences, it is not surprising that this view tends to adopt and place more emphasis on qualitative methodologies to capture various time points and how they connect (Bizzi & Langley, 2012; Welch & Paavilainen-Mäntymäki, 2014), especially for firms' internationalization research. Table 3.1 offers a summary of the features of the variance versus process research.

Table 3.1 Features of variance versus process research

Feature	Variance research	Process research
Explanatory purpose	Relationship between determinants and outcomes	Temporal sequence of events
Research question	'What are the antecedents or consequences of this issue?'	'How does the issue emerge, develop, grow, or terminate over time?'
Unit of analysis	Variable	Event
Preferred philosophical assumptions	Positivist	Positivist or non-positivist
Preferred methodologies	Quantitative, e.g., regression model	Qualitative (e.g., narrative analysis, longitudinal case study) Longitudinal quantitative techniques (e.g., panel data models, event history analysis)
Conceptualization of time	Homogeneous, measurable unit	Intersubjective construction
Strength	Allow for parsimonious and predictive theories about the relationships between variables	Allow for complex, non-linear explanations as to how and why sequences of events occur
Limitation	A process is deduced based on a measurement of two points of analysis/time	Difficulties in going beyond describing patterns to theorizing about 'how' and 'why'

(Adapted from Welch & Paavilainen-Mäntymäki, 2014, p. 4)

As demonstrated in Table 3.1, the variance and process paradigms offer strengths and limitations in efforts to study a temporal phenomenon; however, both are necessary to advance our knowledge. These two perspectives are generally 'confounded' in the IB field. More specifically, in the context of internationalization, the same trend can be observed (Welch & Paavilainen-Mäntymäki, 2014). This is despite a wealth of research published over the past 40 years acknowledging internationalization as an evolutionary process (Melin, 1992; Welch & Paavilainen-Mäntymäki, 2014). Following this line of argument and stream of research, Welch and Paavilainen-Mäntymäki (2014) make the argument in their review of research on the internationalization process of the firm that researchers need to distinguish process and non-process data, using process and non-process theories, if we are to progress our theoretical knowledge in the IB field. Welch and Paavilainen-Mäntymäki (2014, p. 16) argue that:

> The history of internationalization research to date shows that it is extremely difficult for a process study to be evaluated on its own terms. Rather, process studies are squeezed into variance-based templates.

This study adopts a fresh theoretical lens to study firms' internationalization, drawing from EST (Morgeson et al., 2015). The reason is that more recent literature on this topic suggests that this theory bridges the variance and process paradigms, offering a more comprehensive and nuanced understanding of this temporal phenomenon. Hence, this theory provides the theoretical apparatus to explore firms' internationalization pathways.

3.3.2 Theoretical lens: EST

EST was initially developed in 2015 by management scholars (Morgeson et al., 2015). EST has been influenced by the *'Open System Theory'* (Katz & Kahn, 1978; von Bertalanffy, 1950) in seeking to understand how organization functions and events help an organization create steady states (Reindl et al., 2021). Open System Theory assumes firms receive energy in which they transform and send it back to the environment. This implies that organizations are composed of events (Katz & Kahn, 1978; Morgeson et al., 2015). Events can be enduring, leading to stable organizational structures, recognized in the Open System Theory as steady states, and the event can be dynamic, provoking changes in organizational structures, acknowledged as dynamic homeostasis (Katz & Kahn, 1978; Morgeson et al., 2015). Open system theory targets recurring events creating a steady state that enables routine organizational functioning. In other words, "less attention has been paid to nonroutine events and how they can change organizational functioning" (Morgeson et al., 2015, p. 517).

EST combines and extends two major types of theories: '*variance-oriented'* and '*process-oriented'* (He & Zhang, 2022; Johns, 2018). EST bridges variance and process theories by effectively integrating the advantage elements of both paradigms (He & Zhang, 2022; Morgeson et al., 2015; Reimann et al., 2017). Johns (2018, p. 27) suggests EST incorporates the strengths of both "variance and process theories while sidestepping their respective weaknesses". By combining both perspectives, EST uses events to understand stability and change and, therefore, is capable of exploring how events command attention and affect firms (Dollard & Bailey, 2021).

EST contributes to our understanding by embodying the fundamental contextual nature of events. Furthermore, Reimann et al. (2017, p. 39) suggest that "EST describes the causal processes through which events affect behaviors, features, and subsequent events over time and across levels of analysis". Hence, EST describes the process of how events encourage change and how individual features determine the strength of an event's response (Morgeson et al., 2015). In this sense, EST seems to be an appropriate and helpful theory for studying

firms' internationalization pathways. According to EST, organizations present automatic processes and behaviors expected at various levels. A discrepant and episodic event can interrupt and transform these stable routines and habits and consequently influence behavior, features, and subsequent events (Bliese et al., 2017; McClean et al., 2021; Morgeson et al., 2015; Reimann et al., 2017; Reindl et al., 2021). The theory posits that "events drive change and dynamism in organizations" (Beeler et al., 2017, p. 66). In other words, firms are exposed to discrete adverse events that range in terms of severity and predictability, which cause behavioral alterations among firms.

Morgeson et al. (2015) describe the event system as the interaction of events' *strengths*, *space*, and *time*. The event strength refers to how much an event is meaningful and impactful (Lin et al., 2021). The impact of the event is determined by its *strength* with respect to three key characteristics: novelty, disruption, and criticality (He & Zhang, 2022; Lin et al., 2021; Liu et al., 2018; Lu et al., 2020; Morgeson et al., 2015; Reimann et al., 2017). First, event novelty describes the scale to which an event is distinguishable from current and past events (Liu et al., 2018; Morgeson et al., 2015; Reimann et al., 2017). In other words, event *novelty* reflects the degree to which an event is new to an organization regarding existing features, behaviors, and prior events. Therefore, an event can be considered novel when not expected and anticipated, uncommon, non-routine, surprising, or different compared to previous events (Klonek et al., 2022; Lin et al., 2021; Morgeson et al., 2015; Wang et al., 2021). Second, event *disruption* indicates the magnitude of change (Klonek et al., 2022; McFarland et al., 2020). In other words, the extent of change caused by the event to usual activities (Chen et al., 2022; Morgeson et al., 2015; Reimann et al., 2017). Hence, there is a discontinuity in the environment, leading to change and forcing entities to adjust and adapt to existing processes and structures (Lin et al., 2021; Morgeson et al., 2015). Third, event *criticality* reveals the degree to which an event is relevant, meaningful, and essential to an organization (Liu et al., 2018; Morgeson et al., 2015; Reimann et al., 2017; Wang et al., 2021). When an event is critical, it demands attention and reprioritization (McFarland et al., 2020). Thus, the more critical the event, the more attention, effort, resources, and action are required to adapt to changed circumstances (Chen et al., 2022). In summary, through the event *strength* associated with novelty, disruption, and criticality, EST can support essential information regarding why an event attracts attention and particular response (Dollard & Bailey, 2021). Consequently, EST proposes that the more novel, disruptive and critical an event, the more likely it will spawn or change features, behaviors,

and subsequent events (Beeler et al., 2017; He & Zhang, 2022; Lin et al., 2021; Morgeson et al., 2015).

Second, the event *space* identifies where the event originates (location and hierarchical organizational level at which the event occurs) and how its impact spreads within and across multiple levels (He & Zhang, 2022; Hu et al., 2021; Morgeson et al., 2015; Reimann et al., 2017). EST assumes that events can originate at four hierarchical levels: environment, organization, team, and individual (Morgeson et al., 2015; Reimann et al., 2017). It suggests that events originating at a higher hierarchical level are premised to impact behavior and characteristics across a broader range of contexts (McFarland et al., 2020). The theory proposes the event's origin, spatial dispersion (the organizational levels an event covers), and spatial proximity (the distance from an entity to the site where the event happens) as moderators of events' strengths and outcomes (Liu et al., 2018).

Third, EST posits assumptions about the event's *time,* which refers to temporal aspects (duration and timing) that change or create behaviors, features, and subsequence events (Dollard & Bailey, 2021; Lu et al., 2020; Morgeson et al., 2015). The event's duration represents how long an event lasts, while event timing means in which stage of development a firm is situated (Morgeson et al., 2015). In essence, the longer the event duration, the higher the probability that change spawns new features and behaviors within the organization (Lu et al., 2020). Thus, EST proposes that event duration and event timing moderate the impact of events' strengths and outcomes. At its core, EST seeks to understand and incorporate the effect of the event's strength over time and space and "underscores the importance of understanding the interplay between acute events and subsequent reactions" (Bliese et al., 2017, p. 265). Notably, "events are portrayed as distinct occurrences that vary in strength (indexed by criticality, novelty, and disruption), happen at a particular time (but can evolve temporally), and manifest in a particular location and level of analysis (but can spread vertically and horizontally)" (Johns, 2017, p. 584). The theory recognizes that events are dynamic and possess spatial and temporal characteristics (Liu et al., 2018). In summary, EST offers an integrative event system framework that integrates event strength (represented by event novelty, criticality, and disruption), spatial factors (event origin, spatial dispersion, and spatial proximity), and temporal factors (event duration and timing) (Liu et al., 2018; Lu et al., 2020; Morgeson et al., 2015), illustrated in Table 3.2:

Table 3.2 Integrative event system framework

Theory	Theoretical assumptions		
EST	Event Strength	Event novelty	Reflects the degree to which an event is new to an organization regarding existing features, behaviors, and prior events. An event is novel when not expected and anticipated, uncommon, non-routine, surprising, or different compared to previous events.
		Event disruptiveness	Indicates the extent of change caused by the event to usual activities. An event that produces a discontinuity in the environment, leading to change and forcing entities to adjust and adapt to existing processes and structures.
		Event criticality	Reveals the degree to which an event is relevant, meaningful, and essential to an organization. When an event is critical, it demands attention and reprioritization.
	Event Space	Event origin, spatial dispersion and proximity	Where event originates (location and hierarchical organizational level at which the event occurs) and how its impact spreads within and across multiple levels. EST assumes that events can originate and spread across four hierarchical levels: environment, organization, team, and individual.
	Event Time	Duration of events	Refers to temporal aspect of the event, it represents how long an event lasts.
		Timing of events	Means in which stage of development a firm is situated.

Although EST is a recent theory, it has already been applied in several disciplines to illuminate various phenomena. Table 3.3 summarizes and provides details of studies employing EST in numerous fields. Scholars have been using EST to explain supply chain disruptions (Reimann et al., 2017), the evolution of the sales organization (Beeler et al., 2017), transitions in response to acuate events (Bliese et al., 2017), contexts (Johns, 2017, 2018), CEO attitudes linked to firm performance (Liu et al., 2018), tourism events and their impact on host cities (Lu et al., 2020), job search behavior changes (McFarland et al., 2020), management response in time of organizational shock (Dollard & Bailey, 2021), the impact of COVID-19 on job insecurity (Lin et al., 2021) and the effects of SETA (Security, Education, Training, and Awareness) event attributes (Hu et al., 2021).

Against the background of the current pandemic, scholars have been widely drawing from EST to explore the effect of the COVID-19 event on different entities at both organizational and individual levels (He & Zhang, 2022). This is reflected in recent studies

(e.g., Chen et al., 2022; He & Zhang, 2022; Lin et al., 2021; McFarland et al., 2020; Vaziri et al., 2020; Wang et al., 2021). For instance, in the architecture, engineering, and construction fields, Wang et al. (2021) explore adopting the building information model amidst the COVID-19 crisis. More recently, He and Zhang (2022) investigated the mechanism of urban epidemic governance in Wuhan, China. Scholars have been rooting their arguments on EST to conceptualize the COVID-19 event and explain its consequences in various areas of study. Lin et al. (2021) use the event strength assumption to conceptualize the pandemic's relevance and how it influences employee job insecurity. Interestingly and in light of the COVID-19 event, Vaziri et al. (2020) suggest different reactions to the same event and that organizations may interpret it differently. In other words, the event's effect is not equal to all entities.

Table 3.3 Studies drawing from EST in various fields

Research	Field	The focus of the article	Research Question	Methodology and Context	How it relates to EST
(Reimann et al., 2017)	Logistics - Supply Chain Management	Examine how cognitive, behavioral, and structural factors shape supplier-induced disruption that leads either to buyer-supplier conflicts or constructive interaction	How do cognitive, behavioral, and structural factors combine to shape whether supplier-induced disruptions result in buyer-supplier conflict or constructive interaction?	A qualitative investigation of 60 response processes following supplier-induced disruptions in Western–Chinese buyer-supplier relationships. The paper relies on a fuzzy-set qualitative comparative analysis (fsQCA)	Builds on EST and the supply chain disruption literature to develop a framework illustrating the responses to supplier-induced disruptions
(Beeler et al., 2017)	Management - Sales Organization	Explore the process through which critical events shaped the evolution of a sales organization throughout thirty years.	R1: What kinds of events prompt the evolution of sales organizations? R2: To what extent do salespeople contribute to the events that influence the evolution of sales organizations? R3: What are the implications of evolutionary events for salespeople?	Qualitative, case study approach. An American medium-sized business-to-business organization that sells services	Uses EST as a theoretical foundation to analyze events as the drivers of change in the sales organization
(Bliese et al., 2017)	Organizational Behavior	A review paper that develops a framework, the discontinuous growth model (DGM), to explain transition processes	No research question presented	Conceptual paper	Relies on EST to explain transitions in response to an acute event

(Johns, 2018)	Organizational Behavior	A review paper that focuses on the importance of context in organizational research. In particular, it presents theories and measures of context to explain how context can shape personality, how it affects the emergence of work designs, and how it benefits organizational demography studies.	No research question presented	Conceptual paper	Presents EST to explain the aspects of context: how discrete events can precipitate changes in context, and how events affect organizations and organizational behavior
(Liu et al., 2018)	Management	Offer a sequential mediating process model connecting CEO attributes with firms' performance, with the following mediators: CEO emotion and cognition, with the top management team and organizational process.	What, how, and when CEO attributes impact firm performance	Conceptual paper	Incorporate EST to explain their process model linking CEO attributes with firms' performance.
(Lu et al., 2020)	Tourism	Analyze the impacts of tourism events on host cities' development and how firms in the tourism industry can benefit from these events.	How cities can host events in order to strategically promote economic growth and increase their attractiveness	Quantitative. The study analyzed 230 tourism events hosted in China. A multiple regression analysis was performed to test six hypotheses.	Use EST perspective to explore how tourism events impact host cities across space and time. Based on EST events and host cities are viewed as an integrated system
(McFarland et al., 2020)	Job search behavior literature	It explores how job search behavior changed at the onset of the pandemic event	How will job search behavior change as a result of this strong and far-reaching event?	Quantitative based on discontinuous random coefficient growth curve models examining 16 weeks of job applications for 14 organizations	Integrate EST with the job search literature to comprehend how macro events, such as the pandemic, affect job search behavior

(Dollard & Bailey, 2021)	Psychology	It aims to understand how psychological safety climate is built in different organizational change scenarios	How does management respond in times of organizational shock to protect workers' psychological health?	Quantitative: Data collected from three experiments with employees across 22 work groups	Draw on EST to characterize change (planned vs. shock) and to understand how events connect and impact organizational behavior and features
(Lin et al., 2021)	Psychology	Seek to understand the psychological implication and detrimental effects of the COVID-19 pandemic on employee job insecurity and its consequences and how the organization mitigates them.	How could organizations help employees cope with the pandemic? How could organizations help alleviate such negative impacts?	Quantitative: Survey applied to 306 participants based in China	Draw on EST to conceptualize COVID-19 as a vital event based on event strength to influence employee job insecurity
(Hu et al., 2021)	Science and Information system	Explores the impact of Security, Education, Training, and Awareness (SETA) attributes affecting employees' intentions to comply with security policy.	Do SETA event attributes influence employees' in-role and extra-role behavioral intentions, and if so, how?	Quantitative: Used a scenario-based factorial survey method	Use EST to conceptualize SETA as organizational events and to test how SETA attributes impact employees' security-related intentions

In line with Cloutier and Langley (2020), the present study makes a process theoretical contribution by considering the dynamics of this phenomenon. According to the authors, EST is categorized as a process theorizing parallel bifurcating style, depictingtwo or more inter-related process trajectories. In other words, this style explains "how sub-processes mutually influence each other" and specifies "alternative trajectories that a process might follow" (Cloutier & Langley, 2020, p. 10). Hence, EST is advantageous for explaining how inter-related process trajectories generate alternative pathways (Cloutier & Langley, 2020).

Furthermore, EST offers a novel research perspective to incorporate context and was considered a promising theory by the "2016 Academy of Management Review Decade Award" (Johns, 2017). In the same line, EST was also suggested as a potential theory to embrace contextual appreciation in the organizational behavior field (Johns, 2018). In other words, the theory provides further explanation of how events can precipitate changes in context. In addition, other scholars in the organizational behavior field also recommend the utilization of the theory to investigate the transition process (Bliese et al., 2017) and to explicate "how events predict stability versus change" (Levasseur et al., 2020, p. 238). In the context of BEMs, events triggering changes are more likely to be pronounced due to environmental disruption and inadequate institutional support (Deng et al., 2020).

EST provides the theoretical basis to enhance our understanding of "how processes unfold as events take their course, a limitation of most existing process-oriented research" (Johns, 2017, p. 584). In this sense, EST provides a most appropriate lens to analyze *how* events influence firms' internationalization pathways because it recognizes and incorporates a shift from static constructs to dynamic events. Hence, the present study integrates EST with the IB literature to extend our knowledge of how events impact firms' internationalization pathways.

3.4 Firms' internationalization pathways

3.4.1 Internationalizing firms' growth and post-entry process

In the past four decades, 'internationalizing firms' have been among the main topics discussed IB field(Jiang et al., 2020). Even though these firms have been profoundly investigated, *how* and *why* these firms develop, grow, and mature remains underexplored (Knight, 2015; Vissak et al., 2020; Zander et al., 2015). Since early 2000, scholars have been calling for research to examine the behavior of these firms beyond their start-up phase and initial internationalization

(Choquette et al., 2017; Romanello & Chiarvesio, 2019). For instance, scholars suggest "we know little about what these firms do after they enter new markets" and raised questions such as: "What happens after internationalization?" "What [do] these firms do after they enter new markets?" (Zahra & George, 2002, pp. 28,29). A decade later, scholars reinforce that most of the studies published so far focus on antecedents and outcomes of firms' internationalization process, lacking examination of these firms' post-internationalization (Efrat & Shoham, 2012; Hagen & Zucchella, 2014) and evolutionary process (Welch & Paavilainen-Mäntymäki, 2014). Several questions continue to arise, for instance: "What happens to born global firms when they grow up?" (Cavusgil & Knight, 2015, p. 12); "As the early international firm develops, how, when, and why do capabilities and strategies shift in their nature, configuration, and impact on performance?" (Coviello, 2015, p. 22) "What will typical international firms look like in 5–10 years?" (Knight & Liesch, 2016, p. 98), "what happens after early internationalization?" (Ciravegna et al., 2019, p. 323). Surprisingly, the pathways of these firms is yet to gain significant attention in the literature (Romanello & Chiarvesio, 2019). Moreover, Øyna et al. (2018, p. 724) suggest that "we still lack understanding of how these companies behave over time". De Mello et al. (2019, p. 161) emphasize the need for further studies "to explore the long-term development of INVs, taking into consideration their different contexts of origin". They argue that although there is a paucity body of literature on the trajectory of early internationalizing firms, even less is known within BEMs, in particular, Latin America and Brazil (De Mello et al., 2019; Manoel & Moraes, 2022; Pino et al., 2021).

Jones and Coviello (2005) develop one of the first efforts to connect internationalization behavior and time. The authors offer a multi-theoretical perspective by integrating insights from entrepreneurship and internationalization literature to propose that internationalization is influenced by 'the entrepreneur', 'the firm', and 'the external environment'. Jones and Coviello (2005, p. 289) argue that "by positioning time and behavior as concept width and concept depth, respectively, we have the potential to view the phenomenon of entrepreneurial internationalisation through both temporal and behavioral lenses". Furthermore, Jones and Coviello (2005) suggest that the firm's internationalization behavior is impacted by innovation and changes that influence decisions and, therefore, its performance.

3.4.1.1 Organizational life cycle approach

Jones and Coviello's research inspired other scholars to further explore firms' internationalization behavior beyond their start-up phase. Moreover, the lack of research into post-internationalization outcomes and the overall paths after the first years of existence has been a critical driver for many scholars to focus on in their recent research efforts (Ciravegna et al., 2019; Efrat & Shoham, 2012; Hagen & Zucchella, 2014; Romanello & Chiarvesio, 2019). More commonly, studies have addressed internationalizing firms' growth and evolution, providing linear models grounded in the organizational lifecycle approach. Gabrielsson et al. (2008) explain internationalizing firms' growth process. Gabrielsson et al. (2008) conducted a case study with 8 BG European firms to analyze the factors that affect BG's progress. The authors show empirical evidence that BG experiences phases throughout its development process: The introductory phase, growth, resource accumulation, and finally, the break out and required strategies, where a BG develops into an MNE. Gabrielsson et al. (2008) found that the founder and its global vision, risks, resources development, channel/networks, and organizational learning develop during the BG's progress.

In the same line of argument, two years later, Rialp-Criado et al. (2010) offer a conceptual framework applying the lens of strategy-making progress to understand BG firms. The authors propose a configuration-holistic approach to the BG strategy formation process. Rialp-Criado et al. (2010) connect different approaches to the firm's strategy-making process drawn upon Mintzberg's ten schools of strategic thought (Mintzberg, 1990) with triggering factors affecting its strategic behavior and apply it to BG phases along their international development process. In other words, the authors deeply explore the relationship between strategy formation processes and factors triggering firms' internal strategic behavior. They associate this relationship with the phases the firm is experiencing. Rialp-Criado et al. (2010) follow Gabrielsson et al. (2008)'s BG development process view and adopt three main phases, which they define as: "(1) pre-start up/new venture creation; (2) pre-internationalization (international preparation); and (3) post-internationalization (international entry development and growth)" (Rialp-Criado et al., 2010, p. 115). The authors suggest that BG firms adopt different strategies accordingly to the development phase in which they are currently situated.

The phases of development defined by Rialp-Criado et al. (2010) served as the base for Trudgen and Freeman (2014)'s research. Trudgen and Freeman (2014) explored the types of performance measures relevant to the BG development process. Based on a seven-case study

research design, their paper addresses how internationalization speed and initial market selection influence BG development and which types of performances influence each phase of their internationalization growth. Their findings reconcile with previous studies suggesting that "BG strategic behaviour and performance objectives are influenced, at least in part, by the phase of development in which they find themselves" (Trudgen & Freeman, 2014, p. 552).

Gabrielsson and Gabrielsson (2013) further explored factors that exert influence on the growth and survival of INVs and associated them with decision-making logic. Based on a four case study of B2B Finnish INVs, the authors argued that 'knowledge of opportunities and learning'; 'resources and substantive capabilities'; 'network and dynamic capability'; and 'the entrepreneurial orientations' affect firms' growth advancement, retrenchment, and survival (Gabrielsson & Gabrielsson, 2013). Drawing from effectuation theory (Sarasvathy, 2001), Gabrielsson and Gabrielsson (2013, p. 1357) suggest "that decision-making logic moderates the impact of these factors" on firms' growth and survival phases. According to Gabrielsson and Gabrielsson (2013, p. 1358), "in light of earlier criticism of lifecycle models, more dynamic models should be developed to depict the behavior of INVs over time; these models should take into account problems associated with growth and survival and also allow for retrenchment". Thus, the authors propose a dynamic model to explain the growth phases that these firms move through as they mature. In this sense, they embrace a distinct approach compared with the previous model offered by Gabrielsson et al. (2008) and adopted by Rialp-Criado et al. (2010) and recognize in their model growth advancement, retrenchment as well as survival crises. Their empirical results show that firms face four phases: (1) INV creation; (2) commercialization and foreign entries; (3) rapid growth and foreign expansion; and (4) rationalization and foreign maturity (Gabrielsson & Gabrielsson, 2013).

Gabrielsson et al. (2014) primarily adopt four growth phases outlined by Gabrielsson and Gabrielsson (2013)'s extensive study to scrutinize the concept of international entrepreneurial culture. Based on a four INV case study, the authors underpin their research from the dynamic capability view (Teece et al., 1997). They provide evidence of how the dimensions of international entrepreneurial culture influence the growth of INV across their different phases. In other words, the authors identified a change in the nature and intensity of the international entrepreneurial culture during the development of INVs (Gabrielsson et al., 2014).

Romanello and Chiarvesio (2017) investigate six Italian manufacturing BGs' growth processes and seek to demonstrate which factors determine the evolution of these firms and changes during their lifecycles. More specifically, they are particularly interested in the transition from entry to the post-entry phase, which they refer to as a 'turning point'. Following previous studies, Romanello and Chiarvesio (2017, pp. 186,187) "analyzed the BGs' growth processes through three phases: (1) the pre-founding and start-up period, which concerns the idea conception of the product and the new venture creation; (2) the entry internationalization stage, which refers to the achievement of early and rapid internationalization; and (3) the post-entry stage". Their findings reflect that while the entrepreneurial capability represented a crucial role in the entry phase, in the post-entry phases, entrepreneurs needed to transform their capabilities into organizational knowledge base competencies (Romanello & Chiarvesio, 2017).

While some scholars suggest firms' international growth evolves through phases (Gabrielsson et al., 2014; Romanello & Chiarvesio, 2017), others distinguish firms' growth as dichotomous and, thus, recognize firms' early phase and growth phases. For instance, Hallbäck and Gabrielsson (2013) examine INVs' entrepreneurial marketing strategies along with their global growth phase. The authors offer a conceptual model integrating innovativeness and adaptation of international entrepreneur marketing strategies with external environmental conditions, market orientation, and the global growth phase. They rely on a qualitative case study research design to investigate four Finnish INV firms and find that innovativeness and adaptation of marketing strategies decrease in their growth phase (Hallbäck & Gabrielsson, 2013).

The life cycle models describing the firms' growth by IB scholars, as shown above, generally identify three (e.g., Gabrielsson et al., 2008; Rialp-Criado et al., 2010) to four phases (Gabrielsson & Gabrielsson, 2013; Romanello & Chiarvesio, 2017) firms frequently face as they mature and consolidate their business overseas. Correspondingly, Trudgen and Freeman (2014, p. 557) indicate that "each of these models outlines a process by which the firm moves from initial idea generation and creation, through to maturity". Gabrielsson et al. (2014, p. 450) complement by positing that "a common characteristic of all studies that propose different phases of INV growth is that resources, organisational characteristics, strategies and environmental forces can influence evolution of the firm". A summary of the models presented in this study is represented in Figure 3.2 and Table 3.4, illustratingthe phases that internationalizing firms are alleged to experience as they grow. Figure 3.2 and Table 3.4 exhibit

differences in how scholars recognize firms' post-initial internationalization phase. Although models present nuances regarding the number of phases and how scholars refer to them, the models nonetheless suggest that internationalization is seen as continuous, linear, and unidirectional. In other words, firms encounter an ongoing incremental process in which they increase their involvement with the international market over time and move forward from one phase to the other.

Figure 3.2 Internationalizing firms' life cycle phase models

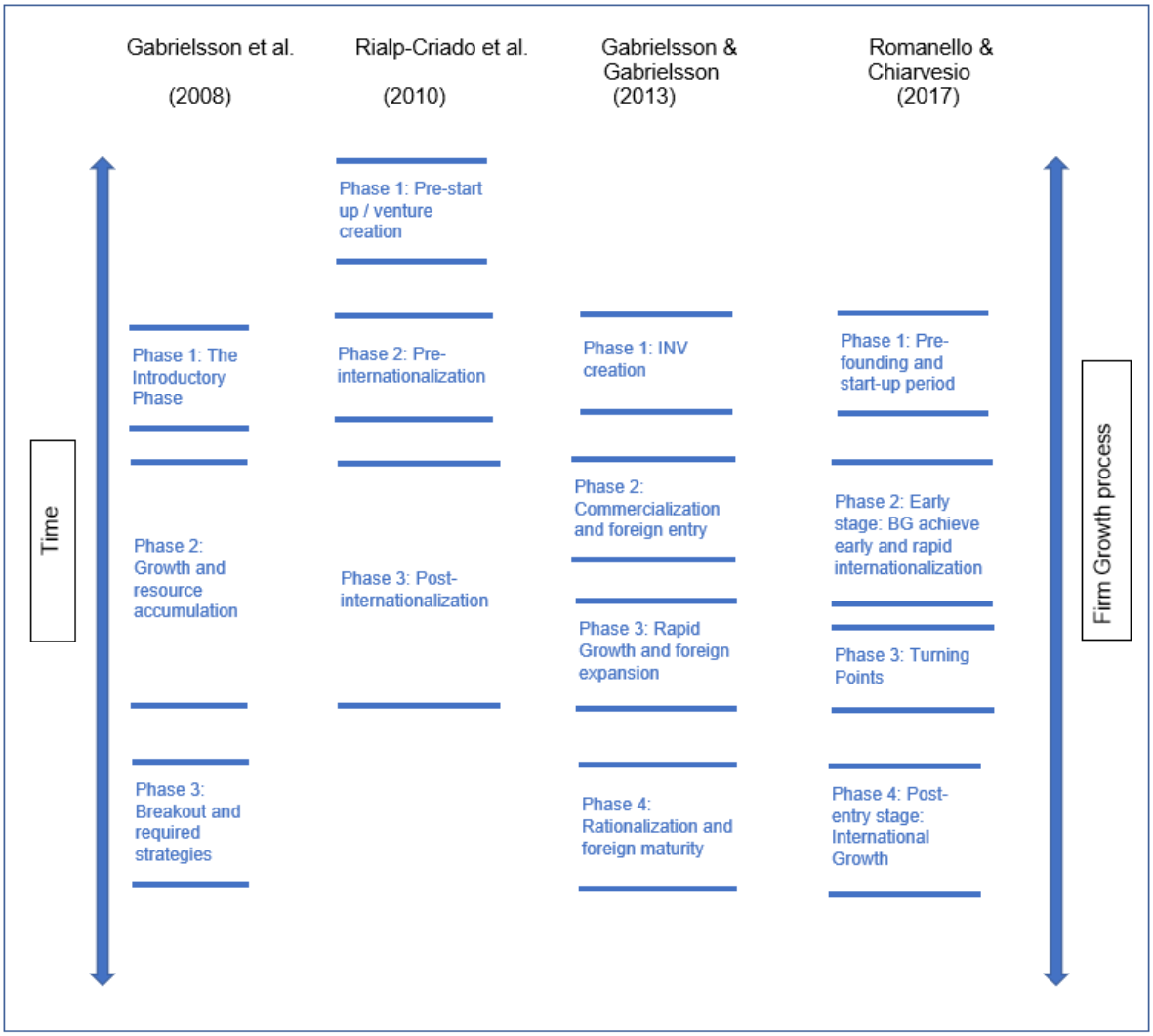


Table 3.4 Internationalizing firms' life cycle phase models

Authors and year	Research method	Article topic	Phases	Studies adopting this Phase model
(Gabrielsson et al., 2008)	Qualitative case study of eight BG firms in Europe	Focus on factors that affect BG's progress (founders' global vision, innovation, finance, product strategy, channel/network, operation, and market strategy, and organizational learning	3 phases: 1) The introductory phase 2) Growth and resource accumulation 3) Breakout and required strategies (eventually evolves to a normal MNE)	
(Rialp-Criado et al., 2010)	Conceptual paper	Relate different approaches to strategies making the formation process applied in BG phases	3 Phases: 1) Pre-start up/venture creation 2) Pre-internationalization (international preparation) 3) Post-internationalization (international entry development and growth	(Trudgen & Freeman, 2014)
(Gabrielsson & Gabrielsson, 2013)	Qualitative case study of four International B2B New Ventures	Focus on factors that influence growth and survival (knowledge of opportunities and learning; resources and substantive capability; entrepreneurial orientation; network and dynamic capability) with the decision-making logic through effectuation and causation	4 Phases: 1) INV creation 2) Commercialization and foreign entry 3) Rapid Growth and foreign expansion 4) Rationalization and foreign maturity	(Gabrielsson et al., 2014)
(Romanello & Chiarvesio, 2017)	Qualitative case study of six Italian BG Manufacturers	Focus on factors that determine the evolution of BGs during different stages of their development. Identify the existence of a phase between the entry and post-entry stage, called the 'turning point'.	4 phases: 1) Pre-Founding and start up period 2) Early stage: BG achieves early and rapid internationalization 3) Turning Points 4) Post Entry stage- International Growth	

3.4.1.2 Internationalizing firms' post-entry approaches

While many researchers are committed to explaining internationalizing firms' growth through the life cycle, the literature reveals alternative approaches and theoretical lenses to analyze their growth paths and describe their pathways. For instance, Almor (2013) conducts a longitudinal case study with two technology-based BG firms from Israel and offers a conceptual framework explaining their growth strategies. Based on diversification strategy from the marketing field and the resource-based view theory (Barney, 1991), the author proposes that firms grow using three axes: product scope, customer scope, and country scope. The author finds that firms tend to choose one axis at a time (Almor, 2013).

Turcan and Juho (2014) ground their research in the dynamic capabilities view of the firm (Teece & Pisano, 1994; Teece et al., 1997), and through the inductive theory-building research approach, they examine how and whether INV made it beyond their initial phase. The authors study the 'made-it point' that firms go through as they progress from 'an entrepreneurial decision-making venture' to a 'professional decision-making venture', looking at three levels: organizational, business model, and operational. They define the 'made-it point' as an 'entrepreneurial threshold' which is seen as a "transition from the emergence to the professional management stage" (Turcan & Juho, 2014, p. 130). The authors adopt a qualitative approach with an exploratory single case study (Soft-Kode firm). They conclude that even though the firm has over five years of operation, it did not reach the 'made-it point', as it failed to acquire dynamic capabilities (Turcan & Juho, 2014).

In the same year, Nummela et al. (2014) extended the literature on the international growth process of internationalizing firms from the strategic decision-making perspective. Similarly to Gabrielsson and Gabrielsson (2013), the authors draw their research on the effectuation theory (Sarasvathy, 2001) to study entrepreneurial decision-making and examine how firms alternate periods of causation or effectuation logic. They conducted a study with three software BG firms in Finland, Ireland, and Israel. They used a longitudinal approach to capture "the dynamics of the post-entry international growth process and the critical events that act as decision-making triggers" (Nummela et al., 2014, p. 527). They report empirical data from case studies and show that internationalizing firms share various critical events that lead to similar decision-making logic. Their findings suggest that firms may alternate their decision-making logic during different periods of time, and it is also possible that effectuation and causation logics co-exist (Nummela et al., 2014).

Hagen and Zucchella (2014) also base their research on a longitudinal case study to analyze the long-term growth of six European BG firms. The authors propose a framework to explain drivers and internationalization behavior of BGs by connecting endogenous (entrepreneur and firm's specific) factors; and exogenous (environmental-industry-specific) factors with internationalization behavior over time. The authors based on the Weerawardena et al. (2007)'s model and expose three critical dimensions of accelerated internationalization: First, 'speed' indicates how fast these firms internationalize (Gabrielsson et al., 2008; Hagen & Zucchella, 2014; Weerawardena et al., 2007). Second, 'scope' illustrates geographically where these firms are internationalizing (Hagen & Zucchella, 2014; Weerawardena et al., 2007; Zahra & George, 2002). Finally, 'intensity' demonstrates the "intensity with which the firms internationalise" (Hagen & Zucchella, 2014, p. 505). The authors contribute by analyzing BG firms' characteristics in their growth process.

Similarly, Johanson and Martín Martín (2015) investigate what happens to 'Born Internationals' (Bis) features and characteristics beyond their first years of operation. Unlike the previous study by Hagen and Zucchella (2014), the authors address their internationalization process quantitatively, testing five hypotheses comparing young BI firms and old ones. The authors provide "empirical evidence showing contrasting characteristics of young and old Bis and suggesting the possibility of a cumulative internationalization process" (Johanson & Martín Martín, 2015, p. 492).

Along with Johanson and Martín Martín (2015), other IB scholars have quantitatively addressed internationalizing firms' post-entry growth. For instance, Sleuwaegen and Onkelinx (2014) observe international commitment to the post-entry growth and survival of INV. Their research employs an extensive longitudinal data set of 5800 Belgian INV firms over eight years (1998-2005). The authors identify three types of firms: 1- global start-ups (INV that, upon their inception, penetrate multiple foreign markets); 2- geographically-focused start-ups (INV that from inception target countries in the same region); 3- traditional exporters (firms that begin to export after establishing first in their domestic market). Their findings show that global start-ups adopt a 'sprinkler strategy', exhibit the fastest growth in international markets, and have a greater likelihood of continuing to export. In contrast, 'geographically focused start-ups' and 'traditional exporters' are consistent with a waterfall strategy[20] and demonstrate lower growth

[20] The waterfall strategy "implies making small initial commitments and gradually penetrating additional markets over time, allowing the firm to benefit from lead and spillover effects from the sales in markets previously entered" (Sleuwaegen & Onkelinx, 2014, p. 6).

in foreign markets and a greater likelihood of exiting foreign markets, respectively. Moreover, the authors find that the failure rate is considerably higher among 'global start-ups' and 'geographically focused start-ups', compared to 'traditional exporters'.

Likewise, Choquette et al. (2017) rely on a longitudinal dataset to compare BGs with other types of start-ups. The authors identify four types of firms, according to their speed and extent of exporting: 1- BG (firms with over 25% of turnover from exports within the first three years of foundation); 2- Born exporter: (firms with less than 25% turnover from exports within first three years of foundation); 3- Late exporter: (firms with exports after three years of foundation); 4- Stay local: (firms which have never exported). The authors seek to investigate the 'later-in-life performance' of BG by employing a quantitative methodology based on a statistical model to test four hypotheses in 23,201 Danish start-up firms established from 1994 to 2008. Their results are consistent with Sleuwaegen and Onkelinx (2014) and display that BG firms differ from other start-ups in some but not all dimensions. For instance, BG firms show higher employment levels, job growth rates, and turnover (Choquette et al., 2017).

Only a few studies have examined firms' post-entry and growth by employing longitudinal analysis. For instance, Li and Deng (2017) use a longitudinal case study as a foundation for their research to explain the dynamic international expansion process of knowledge-based INVs to become MNE over time. The authors analyze four knowledge-based INVs from three countries (U.S., Japan, and Israel). They integrate INVs into crossing chasm theory (Moore, 1999) and examine the dynamics of the international expansion process. The authors offer a framework connecting crossing the chasm with international expansion paths towards becoming an MNE. The authors identify enabling factors for multinational companies, such as firm-specific assets; capabilities, and partnerships (Li & Deng, 2017). Along the same line, Liu (2017) examines transnational entrepreneurs' role in the BG growth process facilitated by collaborative entry mode based on a four case study in the Chinese solar photovoltaic industry. The author finds that transnational entrepreneurs use their international connections, technological knowledge, and bicultural advantages to leverage institutional complexity and contribute to BG maturity. The author offers a multilevel framework combining transnational entrepreneurs to institutional complexity with the growth of BG firms (Liu, 2017).

In recent years, scholars have been increasing attention to post-entry performance and post-internationalization growth and survival. For instance, Øyna et al. (2018) examine the role of technology-motivated acquisition on the performance of Israeli technology-based BG firms.

Through a hybrid methodology, the authors observe 108 acquisitions accomplished by 45 maturing BGs over ten years. Drawing from the resource-based view (Barney, 1991), the authors suggest that BG firms must invest in innovation to remain competitive. Moreover, acquisitions to access resources and capabilities can potentially mitigate firms' challenges. Their results illustrate that technology-motivated acquisitions positively affect the firm's financial performance and survival (Øyna et al., 2018).

In November of 2018, the International Small Business Journal published a special issue[21] aiming to advance knowledge on the post-entry performance of INVs (Ibeh et al., 2018). The special issue extends the IB literature by responding to further research calls on "performance during the post-entry phases of INVs" as well as "strategies for their sustained growth or success" (Ibeh et al., 2018, p. 742). The first article by Cerrato and Fernhaber (2018) delves into variations among INVs' internationalization patterns associated with their performance. The authors examine this variation based on the depth of internationalization (international intensity) and breadth of internationalization (geographic scope), and how they affect post-entry performance. They surveyed 180 Italian manufacturing INVs and identified four INV configurations: (1) home regional dabblers; (2) home regional committed, (3) host regional focused, and (4) global balanced. Their results reflect that geographic scope plays a more critical role in INV performance compared to international intensity.

The second article by Sadeghi et al. (2018) investigates the effect of post-entry speed of internationalization (PSI) on the financial and non-financial export performance of INVs. The authors build on three dimensions of the PSI: (1) Intensity (proportion of foreign sales), (2) spread (spatial dispersion of foreign sales), and (3) geographical diversity (dispersion of foreign sales across distinct geographic regions). The authors adopt two complementary theoretical lenses: organizational learning theory (March, 1991) and time compression diseconomies (Dierickx & Cool, 1989) to explain export performance. Based on a sample of 122 INVs from New Zealand, the authors found that PSI dimensions' effect on INV export performance varies (Sadeghi et al., 2018).

The third article by Gerschewski et al. (2018) explores the role of learning orientation in the INV's post-entry performance. They investigate the relationship between network resources, niche orientation, and learning orientation in post-entry performance (operational, financial, and overall). Similarly, with Sadeghi et al. (2018), the authors also employ a

[21] Issue 7: Special issue: INVs and Their Post-entry International Performance, November 2018, pp. 741-854.

quantitative methodology and survey 147 INVs from Australia and New Zealand. Their results show that learning orientation mediates the relationship between network resources and post-entry performance, as well as the relationship between niche orientation and post-entry performance (Gerschewski et al., 2018).

The final paper by Puig et al. (2018) analyzes how earliness and commitment affect internationalization survival and growth among manufacturing new ventures. The authors longitudinally investigate 3181 Spanish manufacturers in the textile and footwear industry between 2002 and 2012, comparing different types of manufacturing new ventures. Their findings support Sleuwaegen and Onkelinx (2014)'s results and, therefore, reflect that firms that internationalize late present the lowest failure risk, while early internationalizing firms show the lowest cumulative survival rate (Puig et al., 2018). While Sleuwaegen and Onkelinx (2014) studied Belgian firms, Puig et al. (2018) based on Spanish firms, both authors draw their findings from a similar context, European firms. In contrast, Ciravegna et al. (2019) focused on exporting firms from Costa Rica to explore the implications of drivers and outcomes of the timing of internationalization. Surprisingly, (Ciravegna et al., 2019) found opposite results, showing that firms that achieved success in the international market were the ones that internationalization occurred early and rapidly.

The special issue presents a tenable empirical base contribution to the post-entry performance of early internationalizing firms. It sheds light on themes related to INV performance, including the effect of post-internationalization speed dimensions, entrepreneurial capabilities, learning process, network resources, niche strategy, geographic scope, marketing intensity, internationalization timing, and commitment mode (Ibeh et al., 2018). Furthermore, two papers recognize that geographic scope and diversity impact INV post-entry performance (Cerrato & Fernhaber, 2018; Sadeghi et al., 2018). The four papers reflect quantitative research design and reflect the context of advanced economies, neglecting the use of the event as Ibeh et al. (2018, pp. 752, 753) recognize in the introductory article:

> Surprisingly, none of the SI studies employed qualitative or mixed data collection methods, which goes against calls in IE and IB research for qualitative approaches… Neither did any of the papers utilise event or sojourn-level investigation, which reflects the dominant use of firm-level analysis and performance measurement in INV research…Finally, given that the studies presented in this SI draw data from a few, advanced economies, researchers are urged to generate empirical evidence from developing and emerging economies in order to improve the generalizability of previous findings on INV post-entry performance.

In the same year, Fariborzi and Keyhani (2018) investigated the role of internationalization on the survival of new ventures. While previous research on survival compared internationalizing firms with domestic-based firms (e.g., Mudambi & Zahra, 2007; Sleuwaegen & Onkelinx, 2014; Sui & Baum, 2014), these studies based on the scope, speed, and longevity of internationalization, lack research on "international activity in itself" (Fariborzi & Keyhani, 2018, p. 609). The authors draw from longitudinal data of 8 years from 3140 US firms established in 2004. Their results indicate a positive "effect of internationalization on survival" and "find evidence that early internationalization is better for post-internationalization survival than late internationalization" (Fariborzi & Keyhani, 2018, p. 621). This result contradicts prior studies suggesting that early internationalizing firms' survival rate is lower than late internalizing firms (e.g., Puig et al., 2018; Sleuwaegen & Onkelinx, 2014).

More recently, Andersson et al. (2020) explored how mature BG firms create customer value to achieve international growth. Through a qualitative approach, the authors investigate three case studies. Building from the RBV, their findings reflect that strategies adopted at the early stages of the BG firms result in international growth in their later stages. They also argue that mature BG firms have built on niche products, effective market channels, and brand building. Furthermore, they combine proactive and reactive market orientation to create customer value.

Research on the post-entry internationalization of Brazilian firms is scarce. De Mello et al. (2019) explored the long-term trajectory of seven Brazilian software developers INV. Drawing from the Uppsala model, network theory, and IE perspective, De Mello et al. (2019, p. 144) explore "pre-internationalization behavior, motives to internationalize, attitude towards risk, speed of internationalization, choice of markets and entry modes, [the] relationship between growth and internationalization, role of networks, and the engine of internationalization". Using a qualitative longitudinal case study methodology, they find that firms follow different internationalization patterns. Furthermore, they suggest that no single theoretical perspective can explain INV's international trajectory over time. There is more than a single possible international trajectory that can be therefore explained through different theoretical perspectives, depending on which phase the firm is experiencing (De Mello et al., 2019).

Research pertaining to internationalizing firms' post-entry has been increasing recently (Øyna et al., 2018), presented in summary form in Table 3.5. The past decade has witnessed a few studies capturing internationalizing firms' growth and long-term behavior (Andersson et al., 2020). Scholars have addressed this phenomenon by focusing on phases of growth (Gabrielsson et al., 2014; Romanello & Chiarvesio, 2017), paths of growth (Almor, 2013), post-entry performance (Cerrato & Fernhaber, 2018; Sadeghi et al., 2018), and survival (Fariborzi & Keyhani, 2018; Puig et al., 2018; Sleuwaegen & Onkelinx, 2014). Scholars have also explored a wealth of themes and dimensions related to the post-entry and growth of internationalizing firms, as shown in Table 3.5. These studies are dominated by the variance-based approach, which explores relationships among variables and dimensions, as represented in Table 3.5. However, studies using a process-based approach to explain their internationalization process are still underrepresented.

Furthermore, as illustrated in Table 3.5, extensive research on post-internationalization was applied to DMs, including Australia and New Zealand (Gerschewski et al., 2018; Sadeghi et al., 2018), European countries (Cerrato & Fernhaber, 2018; Hagen & Zucchella, 2014; Puig et al., 2018), and Israel (Almor, 2013). Despite the increasing call for more research on EMs (Ibeh et al., 2018; Romanello & Chiarvesio, 2019), empirical research in these markets, particularly BEMs, is scarce, with a few exceptions (e.g., De Mello et al., 2019; Liu, 2017). Firms from BEMs present distinguished characteristics compared to firms from their counterparts, as illustrated in Chapter 2. Meyer and Peng (2016) argue that BEMs show differences in some elements despite sharing similarities. In other words, even though Russia and China are considered BEMs, they differ in various aspects, such as the political system (Meyer & Peng, 2016). In this sense, Hernandez and Guillén (2018, p. 28) observe that each context has its uniqueness, and "we must be careful while accounting for cohort and contextual effects". Thus, this research contributes by focusing on an underexplored BEM: Brazil, from the Latin American region, where few studies have been conducted (Manoel & Moraes, 2022).

Table 3.5 Summary of studies on internationalizing firms' post-entry and growth

Article	The focus of the article	Context	Methodology	Key Dimensions	Findings
(Almor, 2013)	Conceptualizes the path of BG, associating it with their corporate growth strategies	Israeli technology-based born-global companies	Qualitative two case studies	1- Growth 2- Strategies (customer, country, and product scope)	In order to achieve growth, BG firms can follow one of the three axes: 1- Customer scope (frequently adopted by greenfield strategies), 2- Country scope (frequently implemented employing network utilization) 3- Product scope (more commonly used utilizing mergers and acquisitions)
(Turcan & Juho, 2014)	Explores how and whether INVs 'made-it point' beyond the start-up phase.	Software small high-technology firm, Soft-Kode	Qualitative single case study	1- Strategic experimentation 2- Tensions in organizational gestalt 3- Legitimacy lies.	Develop the following constructs related to made-it points: strategic experimentation, tensions in organizational gestalt, and legitimacy lie. Entrepreneurs experiment with their venture at three levels: organizational, business model, and operational, to get to a made-it point.
(Nummela et al., 2014)	Examines the international growth process of BG firms from strategic decision-making.	3 BG software companies in Finland, Ireland, and Israel	Qualitative Longitudinal approach, real-time data, and retrospectively	1- Strategic Decision making 2- Post-entry international growth process 3- Critical events	The dynamics of the post-entry international growth process and the critical events that act as decision-making triggers are captured. Their findings reflect alternating periods of causation-based and effectuation-based decision-making logic. The co-existence of the two decision-making logics is possible due to different degrees of uncertainty in the market and technology or multiple decision-makers involved.
(Cerrato & Fernhaber, 2018)	Investigates variations among INVs based on their depth of internationalization (international intensity) and breadth of internationalization (geographic scope), and how this affects post-entry performance	Italian manufacturing INVs	Quantitative survey with a sample of 180 firms	1- International intensity 2- Geographic scope 3- Performance	By comparing four types of INVs, their results indicate that geographic scope, rather than international intensity, matters more for INV performance.

(Gerschewski et al., 2018)	Analyzes the effects of learning orientation (as a critical capability), network resources and niche strategy on INV performance	Australian and New Zealand INVs	Quantitative Survey data 147 INVs	1- Niche orientation 2- Network resources 3- Learning orientation 4- Post entry performance (operational, financial, and overall effectiveness)	The results show that the learning orientation of INVs positively mediates the relationship between niche orientation and post-entry performance of INVs and network resources and post-entry performance of INVs. The study reflects the importance of learning orientation on INV's strategies and resources and how it may influence post-entry performance in terms of operational, financial, and overall effectiveness measures.
(Sadeghi et al., 2018)	Examines the effects of the post-entry speed of internationalization (PSI) on the financial and non-financial export performance of INVs	New Zealand INVs	Quantitative A sample of 112 INVs	PSI: 1- Intensity (proportion of foreign sales). 2- Spread (spatial dispersion of foreign sales) 3- Geographical diversity (dispersion of foreign sales across dissimilar geographic regions)	PSI dimensions are not equally beneficial for INV performance. PSI intensity and geographic diversity seem positively linked with financial performance. An inverted U-shaped relationship was found between PSI spread and geographic diversity and non-financial performance
(Puig et al., 2018)	Delves into the effects of internationalization timing and commitment mode on INV survival and growth	Spanish manufacturing firms: early internationals, late internationals, and domestic ventures	Quantitative longitudinal study of 3181 firms: (124 early internationals, 229 late internationals 2828 domestic ventures)	1- Internationalization timing (earliness of internationalization) 2- Commitment mode (international trade modes) 3- Survival 4- Growth	Early internationalizing ventures are unlikely to offset their failure risk with significantly higher post-entry growth. Late internationalizing ventures survive longer than early internationalizing firms. The results show that utilizing more committed modes may lead to higher growth
(De Mello et al., 2019)	Investigate the long-term trajectory of INV, drawing from three theoretical perspectives	Brazilian software developers INV	Qualitative, longitudinal seven case study	Pre-internationalization behavior, motives to internationalize, attitude towards risk, speed of internationalization, choice of markets and entry modes, the relationship between growth and internationalization, the role of networks, and the engine of internationalization	Their findings reflect that no single theoretical perspective examined seems to be able to explain the international trajectory of the INVs over time

3.4.2 Firms' internationalization over time

As the extant literature reveals, some studies targeting firms' internationalization over time adopt different terminologies, including trajectory (De Mello et al., 2019; Kriz & Welch, 2018; Nummela et al., 2016; Rodrigues & Dieleman, 2018), growth trajectory (Liu, 2017), evolutionary process (Santangelo & Meyer, 2017), path (Dib et al., 2010; Gabrielsson et al., 2014), path of growth (Almor, 2013), pathways (Bell et al., 2003; Graves & Thomas, 2008; Kontinen & Ojala, 2012). Kontinen and Ojala (2012, p. 498) use the term "internationalization pathways" in the context of family firms "to refer to a variety of strategies used in firms' internationalization processes". For the purpose of this study, internationalization pathways refer to firm internationalization over time. Building on Kontinen and Ojala (2012) the present study does not recognize that "pathways" imply predictability or a prescribed way to internationalize.

While some scholars have been focusing on the post-entry performance of these firms and strategies for their sustained growth and success (e.g., Cerrato & Fernhaber, 2018; Gerschewski et al., 2018; Ibeh et al., 2018; Puig et al., 2018; Sadeghi et al., 2018), others empirically show retrenchment and survival crisis (e.g., Gabrielsson & Gabrielsson, 2013). This suggests that firms' internationalization over time vary among firms on how they start their international activities and in the course of their pathways. That signifies that firms undergo different internationalization patterns not only at their first international involvement. For instance, some firms internationalize early (Coviello, 2015; Knight & Cavusgil, 1996), while others internationalize late (Fariborzi & Keyhani, 2018; Francioni et al., 2017). During their pathways, decision-makers change firms' commitment to foreign markets over time (Bell et al., 2001; Cavusgil & Godiwalla, 1982) and adjust their strategy and modes of entry along their journey (Freeman & Cavusgil, 2007).

Studies comparing early versus late internationalization behavior are prominent in the IB field. For instance, Kalinic and Forza (2012) suggest firms follow different patterns and speed to internationalize because they differ in various dimensions: knowledge-intensity, network, international experience, and strategic focus. More recently, Ciravegna et al. (2019) expanded our knowledge of Latin American firms' internationalization pathways by examining the drivers of the timing of internationalization. They explore the links between these drivers and outcomes. In this sense, they connect the antecedents and consequences of the timing of internationalization by using in-depth qualitative data from 29 IT exporting firms in Costa Rica

over seven years. Firms experience different cycles, in which they may encounter different outcomes: multinationalization, expansion, stagnation, foreign exit, foreign re-enter, merger, and end of operations. They observe firms' internationalization processes and categorize them into three typologies: 'entrepreneurial internationalization', 'strategic internationalization', and 'serendipitous internationalization'. The first two typologies are associated with early internationalizing firms and tend to expand their business internationally, often becoming MNEs. On the other hand, the last typology is related to late and reactive internationalization, which suggests firms are not ready for international expansion and may experience stagnation or de-internationalization. Exporting firms that reflect serendipitous internationalization primarily respond to unsolicited orders and tend to adopt a domestic product for exporting, demonstrating a low level of engagement in export activities (Ciravegna et al., 2019).As exposed above, a vast body of IB literature focuses on internationalization. Yet, few attempts have been made to shed light on how firms evolve and change their behavior and characteristics over time according to the context exposed (Axinn & Matthyssens, 2002; Ciravegna et al., 2019; Kriz & Welch, 2018). Recently, scholars have been calling for contextualized explanations to understand firms' internationalization(Welch et al., 2022). In other words, future research should shed light on firms' internationalization pathways by exploring how they modify their strategy, behavior, and characteristics toward the international market over time. Therefore, the present study focuses on capturing temporal phenomena by observing exporting firms' internationalization within its context. In particular, the present study recognizes the importance of understanding the motives that make firms change, alter, adapt, or even reject their previous internationalization engagement approaches by addressing the following research question:

Research Question 1 (RQ1): How can we explain exporting firms' internationalization pathways?

3.4.3 Non linear internationalization: Foreign exit and foreign re-entry

3.4.3.1 Foreign exit

The assumption that firms internationalize as a linear process (e.g., increasing commitment) was described in the 1970s when the first internationalization models were proposed. The stage models suggest firms gradually engage in international activities, and the BG/INV models advocate accelerated internationalization; essentially, both models broadly assume firms would successfully internationalize (Vissak et al., 2020). Axinn and Matthyssens (2002, p. 437)

suggest that “the world has changed ever more rapidly”, and firms have adapted their internationalization practice accordingly. As a result, “existing internationalization theories are inadequate” to explain the internationalization process and firms’ behavior (Axinn & Matthyssens, 2002, p. 440). Furthermore, “internationalization theory has to be reframed and evolve to enable it to encompass the new realities” (Axinn & Matthyssens, 2002, p. 445). Nevertheless, empirical evidence conversely indicates that firms do not necessarily exhibit a linear uni-directional internationalization process (Aguzzoli et al., 2021; Kriz & Welch, 2018; Schweizer & Vahlne, 2022; Vissak et al., 2020). Therefore, the first internationalization stage models (Cavusgil, 1980; Johanson & Vahlne, 1977) were insufficient to comprehensively address or explain discontinuity, non-linearity, and foreign exits (Santangelo & Meyer, 2017; Schweizer & Vahlne, 2022), nor re-entry after a period of international disengagement (Vissak et al., 2020), which have been observed in many firm’s internationalization processes. As IB research evolved, the Uppsala model was revised, as explained in Section 3.2.1. The 2017 model provides a theoretical explanation of discontinuities experienced during the firm internationalization process (Schweizer & Vahlne, 2022; Vahlne & Johanson, 2017).

Interestingly, non-linear internationalization is not a novel phenomenon. In fact, nonlinearity in internationalization has been acknowledged since the 1980s. In the context of the stage models, Hedlund and Kverneland (1985) were among the first authors to observe a nonlinearity in internationalization, suggesting firms may take a shorter time between stages or may even leapfrog stages altogether. In subsequent years, the concept of ‘de-internationalization’ was introduced (Welch & Luostarinen, 1988). Studies began to demonstrate a dynamic model of factors that influence internationalization patterns of modal change and process (Calof & Beamish, 1995). Later, Benito and Welch (1997) developed a conceptual model linking decision-making with de-internationalization, elucidating various reasons why firms may de-internationalize. The reasons were: poor foreign market performance (international operations, i.e., problems with distributors), changes in foreign market conditions, adverse governmental actions, acquisitions, and cooperative ventures. Benito and Welch (1997, p. 7) conclude that “companies do not entertain withdrawal”, especially if they are highly committed and dependent on foreign activities. Also, Fletcher (2001, p. 44) examines factors related to internationalization versus de-internationalization and found “external impediments relate to lack of continuity in overseas orders and poor performance of overseas agents”. These factors suggest firms de-internationalize in a reactive approach. More recently, Ozkan (2020) indicates that host factors are the common reasons

firms exit foreign markets, including firm characteristics, capabilities and strategic choices; and the host country environment involving IB risks. Thus, drawing from the contingency theory, Ozkan (2020) suggests that the misalignment of firm strategy with the host environment risks underlies most market exit events.

Since introducing the concept of 'de-internationalization,' research has evolved, and the present study refers to this phenomenon following the most current term: 'foreign exit' (Kafouros et al., 2022; Ozkan, 2020; Vissak et al., 2020). Scholars have applied the concept of 'de-internationalization' or 'foreign exit' to divesting (cessation of foreign direct investment), de-exporting (stop exporting), de-franchising, and de-licensing (Tang et al., 2021). The present study relates 'foreign exit' exclusively to export modes of entry and addresses circumstances when firms exit one or more foreign markets. Furthermore, studies around the 'foreign exit' phenomenon embody two key dimensions: (i) firms that exit foreign markets either voluntarily or forced (Fletcher, 2001; Kafouros et al., 2022), and (ii) firms may partially or fully exit from foreign markets (Kafouros et al., 2022; Tang et al., 2021). First, de-internationalization can be voluntary, triggered by environmental changes (Vissak & Francioni, 2013), or involuntary "when expropriation occurs in a foreign country" (Fletcher, 2001, p. 28). Second, scholars argue that de-internationalization could be a partial or a complete withdrawal (Vissak & Francioni, 2013; Welch & Welch, 2009). In accordance, Fletcher (2001, p. 28) proposes that de-internationalization "can take the form of reducing operations in a market, completely withdrawing from a market or switching to modes of operation that entail a lesser commitment of resources".

The extant literature shows that the 'foreign exit' phenomenon has been observed among diverse firms, including SMEs (Dominguez & Mayrhofer, 2017; Vissak & Francioni, 2013) and MNEs (Aguzzoli et al., 2021; Rodrigues & Dieleman, 2018). It has also been detected in both incremental and accelerated internationalizing firms (Vissak & Francioni, 2013). However, this phenomenon is more commonly seen in firms in the early phase of internationalization (Welch & Welch, 2009) and in 'project business types of organizations', which focus on a specific temporary project, experiencing a serial nonlinear internationalization (Vissak & Francioni, 2013). Furthermore, Ozkan (2020) suggests that firms in different geographic locations, industries, and levels of maturity experience foreign exits.

IB scholars provide evidence of firms engaged in sporadic exports during some periods, responding to occasional international orders (Ciravegna et al., 2019; Hilmersson et al., 2021), which may have considerable time between one order to the other (Welch & Welch, 2009). Bernini et al. (2016) introduce the concept of 'intermittent exporting' in which firms enter a foreign market, exit, and re-enter. They suggest that firms treat exporting as a sporadic and opportunistic activity instead of a continuous process. This occurs because of the interplay between firms' characteristics and market conditions that affect decision-makers to exit and re-enter international markets. They suggest that the demand condition of the domestic market plays a role and that a domestic crisis or depression impacts firms' decision to export. In other words, export activities and the domestic market demand are seen as substitute relationships that vary with economic conditions (Bernini et al., 2016). In the same vein, Hilmersson et al. (2021) expose the role of serendipitous opportunities in foreign market entry and firms' growth process.

This phenomenon, where export is viewed as an opportunistic and sporadic activity, is frequently observed in SMEs (Bernini et al., 2016; Hilmersson et al., 2021), 'project business types of organizations' focusing on specific short term projects (Vissak & Francioni, 2013), and 'late starter' firms that internationalize late (Francioni et al., 2017). In addition, studies report that sporadic behaviors may be triggered by dynamic environmental market conditions, firm characteristics, and managerial decisions (Bernini et al., 2016; Freeman et al., 2013). Thus, this particular group of studies suggests that context plays an essential role in shaping a firm's internationalization pathways.

This phenomenon was first identified in DMs (e.g., Hedlund & Kverneland, 1985) and is known to be widespread across many DMs, including Italy (e.g., Vissak & Francioni, 2013; Vissak et al., 2020), France (e.g., Bernini et al., 2016; Dominguez & Mayrhofer, 2017), and Australia (e.g., Fletcher, 2001; Freeman et al., 2013; Kriz & Welch, 2018) among others. More recent studies have targeted Latin American economies: e.g., high-tech exporters in Costa Rica (Ciravegna et al., 2019), a Brazilian MNE exiting and re-entering Mexico (Aguzzoli et al., 2021), and new Brazilian ventures in software sectors in Brazil (De Mello et al., 2019). A significant body of research has been undertaken in various industries: high technology exporters (Ciravegna et al., 2019; De Mello et al., 2019; Kriz & Welch, 2018), advanced manufacturing exporters (Bernini et al., 2016), and the food industry exporters (Vissak et al., 2020), among others.

3.4.3.2 Foreign re-entry

While the 'foreign exit' phenomenon remains underexplored, little is known about firms re-entering a foreign market having left it previously (Kafouros et al., 2022; Welch & Welch, 2009). Frequently referred to as 're-internationalization', the 'foreign re-entry' concept is defined as a "process comprising initial international experience, exit, time-out without any international involvement and eventual re-entry" (Welch & Welch, 2009, p. 568). This particular phenomenon encompasses initial international involvement, exit, time-out, and eventual re-entry (Welch & Welch, 2009). Welch and Welch (2009) extend our knowledge on the concept of 'foreign re-entry', arguing that firms behave differently when they re-enter the international market compared to their first entry. Welch and Welch (2009, p. 568) indicate that "history matters" and that firms that re-enter foreign markets "should be treated as a distinct group, whose experiences distinguish them from first time international entrants". In other words, unlike first-time international entrants, firms that re-enter foreign markets have already acquired previous overseas knowledge (Crick et al., 2020; Freeman et al., 2013). Hence, depending on how firms perceive their former international experience and their time-out from international activities, they might seek to re-enter foreign markets faster or slower (Kafouros et al., 2022).

More specifically, firms that discontinue exports maintain their international knowledge, networks, and learn from prior background activities, being more likely to re-establish internationally faster than first-time entrants (Aguzzoli et al., 2021; Welch & Welch, 2009). On the other hand, firms with a traumatic experience are initially hesitant, or reject, the possibility of re-entering a foreign market, leading to a slower return to internationalization (Crick, 2004; Welch & Welch, 2009). This phenomenon is more probable in firms with a strong commitment to reengage in international operations. It is less likely to occur the longer the period of non-international involvement (Welch & Welch, 2009).

IB scholars have been exploring this phenomenon over the years in various contexts. For instance, Freeman et al. (2013) examine the strategic re-structuring of nine Australian BG firms and explore how firms move from de-internationalization to re-internationalization. More specifically, their research aims to identify how managers choose BG firms' internationalization patterns. The authors found that different levels of commitment determine re-structured behavior and consequently affect firms' de and re-internationalization. The authors expose that firms can continuously or sporadically serve the international market. Their

findings suggest that dynamic environment conditions and managers' decisions regarding strategic re-structuring influence firms' internationalization patterns. Thus, managers found strategic restructuring necessary for survival during a period of competitive pressure and a global economic downturn (Freeman et al., 2013). Inaddition, Vissak and Francioni (2013) extend knowledge in the DM context, discussing the reasons behind an Italian firm's nonlinear internationalization process. This Italian firm experienced several foreign exits and re-entries; thus, it was called a 'serial nonlinear internationalizer'. Despite facing a non-linear internationalization process, this firm experienced relative success. Therefore the authors conclude that "internationalization is not automatically a sign of a failure" (Vissak & Francioni, 2013, p. 951).

In the past years, more IB scholars have been exploring this phenomenon, shedding light on the non-continuous internationalization process (e.g., Chen et al., 2019; Kafouros et al., 2022; Ozkan, 2020; Schweizer & Vahlne, 2022; Tang et al., 2021; Vissak et al., 2020). Some of these studies focus on early internationalizing firms (e.g., Kriz & Welch, 2018), whereas others observe internationalizing firms that do not necessarily enter the foreign market early and quick in different contexts (e.g., Aguzzoli et al., 2021; Ciravegna et al., 2019; Vissak et al., 2020).

Kriz and Welch (2018, p. 497) conduct a study with new-to-the-world technology firms, which they call "firms with technologies at the highest degree of novelty". The authors investigate these firms' internationalization trajectories by employing a qualitative approach. Kriz and Welch (2018, p. 515) offer a new theoretical explanation by introducing their new 'dialectical process model'. The empirical model illustrates how uncertainty, managerial preference, and industry conditions generate tension severity and attempt synergies between technology and internationalization. Internationalization is no longer viewed as a continuous process, contrasting the aforementioned organizational life cycle linear models (e.g., Gabrielsson et al., 2014; Rialp-Criado et al., 2010; Romanello & Chiarvesio, 2017). Hence, the authors propose three possible trajectories in their model: "oscillating internationalisation, simultaneous product-market expansion, and deferred internationalisation" (Kriz & Welch, 2018, p. 504). Furthermore, Kriz and Welch (2018, p. 517) recognize that firms go through phases and "experience episodes or periods in which a pattern of international activities is established and maintained". They define these episodes as "hiatus, crisis, limited expansion, and (attempted) synthesis" (Kriz & Welch, 2018, p. 517). The authors contribute to the discussion by introducing a model that is not linear, where firms experience periods where

internationalization decreases and increases. However, the authors still focus on phases to describe the case firms and follow a process-oriented approach (Kriz & Welch, 2018).

Vissak et al. (2020) offer a non-linear model where firms enter, re-enter, and exit foreign markets and contribute to the internationalization literature by integrating knowledge, networks, and decision making in the firm's internationalization process simultaneously. Their model exhibits the role of knowledge, network, and decision-making logic in firms' internationalization. Vissak et al. (2020) provide empirical evidence based on a single case study, using longitudinal data to show the internationalization process of an Italian firm, which started to export in 1983 and has a vast internationalization history. The authors illustrate the firm's journey into foreign markets and are consistent with Kriz and Welch (2018) and contrasting with most IB models; they find a non-linear path of internationalization, where firms experience foreign market entries, foreign market exits, and foreign market re-entries (Vissak et al., 2020).

Looking at an EM context, Vissak (2013) studies the impact of the 2008/2009 global economic crisis on Estonian firms' international activities. Analyzing four Estonian firms from two different industries, the author shows how the crises affected the firms' internationalization positively and negatively. While two firms reduced their domestic and international sales, leading to de-internationalization, the other two experienced new opportunities offered by the crises. In other words, companies felt the opposite effects of the crises. The author found managers' actions, specific conditions in industry segments, and the overall environment played an essential role in shaping firms' journey. In the past decade, scholars have been drawing attention to this phenomenon focusing on EMs. For instance, Ciravegna et al. (2019) explore the internationalization process of information technology exporter from Costa Rica and reinforces the lack of research in Latin America. Recently, Aguzzoli et al. (2021) are one of the few scholars to analyze the process of re-entering foreign markets, focusing on a single Brazilian company. Based on an in-depth single case study of a Brazilian MNE entering, exiting, and re-entering Mexico, the authors highlighted the importance of institutional voids, the accumulated knowledge of key decision-makers, and internationalization experience in this process. Their findings show that "experience amassed through failure does not assure success upon re-entry" (Aguzzoli et al., 2021, p. 13). Studies focusing on Latin American firms' internationalization pathways remain underexplored (Manoel & Moraes, 2022; Pino et al., 2021).

3.5 The acknowledgment of events in the IB field

Studies observing change over time have been intensely explored and take multiple forms in various disciplines (Bliese et al., 2017). Most studies focus on gradual changes and learning about the process, yet, "one form of change that is not typically studied is the impact of discrete events" (Bliese et al., 2017, p. 265). In the IB field, the concept of 'events' has been underexamined and offers potential theoretical contributions to studying firms' internationalization process (Vahlne & Johanson, 2017).

3.5.1 Defining event

According to Morgeson et al. (2015, p. 518) many terms have been used in the organizational science literature to refer to significant events that influence firm development, such as: 'critical incidents', 'shocks', 'jolts, 'milestones', 'occurrences', 'prototypic exemplars', 'crises', 'turning points', and 'emergencies'. In the IB literature, scholars frequently refer to them as 'critical incidents' (Bell et al., 2001; Bell et al., 2003; Cope & Watts, 2000; Evers & O'Gorman, 2011; Graves & Thomas, 2008; Johanson & Kalinic, 2016; Nummela et al., 2016; O'Gorman & Evers, 2011); 'turning points' (Romanello & Chiarvesio, 2017); 'made-it point' (Turcan & Juho, 2014); 'critical episodes' (Bell et al., 2001; Bell et al., 2003; O'Gorman & Evers, 2011); 'milestones' (Johanson & Kalinic, 2016); and 'critical events' (Nummela et al., 2014; Partanen & Goel, 2017; Reymen et al., 2017; Zineldin, 2007). Irrespective of which term is adopted to refer to these events, scholars associate them with "relatively brief episodes of radical transition in the life of the firm" (Chetty & Campbell-Hunt, 2004, p. 67). The present study adopts the term 'events' to address milestones that trigger changes during exporting firms' internationalization from a BEM context where environment disruptions are highly prevalent but unpredictable (Deng et al., 2020). Based on EST, this study considers events as 'interactions' or 'happenings' bounded in space and time with a non-routine character (Hu et al., 2021; Klonek et al., 2022; Morgeson et al., 2015; Reimann et al., 2017). Furthermore, the present study follows Johns (2018, p. 26), which recognizes events as "discrete and salient occurrences limited in time and space that can change features and often occasion further events, frequently across levels of analysis".

3.5.2 Events in the IB field

Few IB studies build on events to explain firms' internationalization process over time. While some studies refer to events as antecedents to internationalization, others attribute events to

changes in firms' internationalization. For instance, Bell et al. (2001) conducted one of the first studies to notice events in the internationalization process, using the term 'critical incidents'. The authors analyze 'born-again global' firms, which consist of domestic-based firms which have gone through some 'critical incidents' which launched 'epochs' of internationalization and altered their internationalization pathway. Relying on 16 case studies undertaken in New Zealand and Australia, the authors identify several key triggers changing firms' strategies and market focus. They find that in most cases, the firm's internationalization is influenced by a combination of critical incidents rather than a result of one single event. The critical incidents identified by (Bell et al., 2001) were:

1. Change of ownership is represented by management buyout (MBO). In other words, taken over by a competitor or a customer firm; bought from the existing manager or a third party when the firm has ceased activities.

2. The acquisition of a firm with international connections and technology (acquisition of new production technology); acquisition of distribution rights in specific markets.

3. Client followership is represented by domestic client internationalization and foreign clients entering the domestic market.

In their model, a change of ownership represents an introduction of new decision-makers in the firm with a strong international orientation. Acquisitions mean the firms would have access to additional resources, knowledge, channels, and networks to support their internationalization process. Client followership influence the firm to pursue an overseas market based on the demand coming from overseas. The authors contribute to the field by providing empirical evidence that firms experience a dynamic internationalization process. More specifically, specific changes in circumstances and episodes alter firms' strategies (Bell et al., 2001).

Bell et al. (2001)'s research inspired other scholars to delve into 'critical incidents' in the IB field. For instance, Lindqvist et al. (2011) explore critical incidents associated with the growth of technology-based new ventures. Their study relies on life cycle models to conceptualize firms' growth processes and uses an exploratory case study focusing on four Finnish software technology-based new ventures. They posit a lack of comprehensive theory to explain firms' growth trajectory and suggest that critical incidents influence firms' life cycle

triggering the transition between phases. Their findings indicate that critical incidents play an essential role in various phases of the firm's life cycle. They highlight the major critical incidents which influence firms after they begin internationalization: "continuous stream of innovations, constantly improving product development, a sound business model and attractive value proposition for value-added resellers, distributors and customers, and the ability to attack further funds for accelerated growth, and finding suitable partners" (Lindqvist et al., 2011, p. 170). Hence, Lindqvist et al. (2011) provide empirical evidence that supports Bell et al. (2001) by demonstrating the response of critical incidents to firms' behavior and internationalization pathways.

Particular changes in circumstances and episodes lead to firms modifying their strategic choices (Aguzzoli et al., 2021; Bell et al., 2001). More specifically, how particular events trigger changes results in an alternation of firms' strategies. For instance, Aguzzoli et al. (2021) show empirical evidence of a Brazilian MNE changing its strategy and re-entering Mexico by changing its modes of entry. In the same vein, other scholars suggest these events change the directions of pathways, influencing firms to exit and re-enter international markets (Kriz & Welch, 2018; Vissak et al., 2020).

Furthermore, some of the events were strategic considerations of the firms (proactive), and some were reflected as a reaction to market demand (reactive). Despite the level of analysis at which these events originate, they have an effect on the firm's behaviors and characteristics over time (Morgeson et al., 2015). In other words, during firms' internationalization pathways, they experience events that change the course of their lives and directions (Kriz & Welch, 2018; Vissak et al., 2020). In this line, Aaltonen (2020) suggests that the internationalization process consists of linear (the ones that follow a pattern) and non-linear events (novel and 'quirky' events). These events are referred to as sequential and disruptive events and affect the course of firms' internationalization.

In the IE literature, the concept of events has been captured by Jones and Coviello (2005) to describe early internationalizing firms' post-entry behavior. Jones and Coviello (2005, p. 292) highlight that internationalization could "be captured as patterns of behavior, formed by an accumulation of evidence manifest as events at specific reference points in time". In their model, it recognized two dominant dimensions: "(1) time, against which all processes can be described; and (2) behaviour, manifested as an accumulation of actions or events in relation to time" (Jones & Coviello, 2005, p. 289). Later, Dow et al. (2018, p. 480) introduced

the concept of 'inertia' defined as "a separate releasing mechanism [which] is required to break the inertial self-reinforcing process, otherwise, change would never occur". They propose that managerial intentionality is the mechanism that changes the existing state of a path of movement. Managerial intentionality is defined as "the ability of managers to consciously make choices that significantly change the direction of the firm" and helps to explain "firms' diverse internationalization paths beyond the impact of path dependencies" (Dow et al., 2018, p. 481). Thus, they advance the literature by reinforcing the role of the manager in proliferating change (Dow et al., 2018).

Interestingly, much of the IB literature addressing events affecting firms' internationalization pathways focus on DMs (e.g., Bell et al., 2001; Evers & O'Gorman, 2011; Nummela et al., 2014; O'Gorman & Evers, 2011; Partanen & Goel, 2017). Surprisingly, very few studies are conducted in BEMs, which are unstable markets, presenting challenging business conditions, consequently, are more prone to experience events, representing an appropriate context to study this phenomenon. Yet, few studies have covered these economies. For instance, Berko and Damoah (2018) examine critical incidents that influence the export of garment and textile SMEs in Ghana, Africa. Nyamrunda and Freeman (2021) examine small East African exporters in Tanzania, comparing experienced with inexperienced firms. Within the Latin American context, Aguzzoli et al. (2021) examine events impacting a Brazilian firm's internationalization exit and re-entry in Mexico.

In summary, the first studies on 'events' in the IB field were conducted to explain the events that trigger internationalization (e.g., Bell et al., 2001; Bell et al., 2003). Later, scholars use 'events' as turning points in firms' growth process and illustrate transitions between life cycle phases (e.g., Lindqvist et al., 2011; Romanello & Chiarvesio, 2017; Turcan & Juho, 2014). Furthermore, scholars associate 'events' with strategic decision-making (e.g., Nummela et al., 2014), firms' characteristics, and internationalization over time (e.g., Hagen & Zucchella, 2014). Recently, scholars have connected events with firms' dynamic internationalization pathways (e.g., Aguzzoli et al., 2021; Kriz & Welch, 2018; Vissak et al., 2020).

3.5.3 Events hierarchical levels

The majority of research on the internationalization process examines a single level of analysis, as discussed above, with a few exceptions (e.g., Hagen & Zucchella, 2014). Nonetheless, the single level of analysis reduces our understanding regarding the complex relationship linking key events and their outcomes in firms' internationalization. Hence, recognizing the

importance of bridging various levels of analysis, this present study builds on EST (Morgeson et al., 2015) to advance our understanding of exporting firms' internationalization journey.

The IB literature suggests events are influenced by internal and/or external stimuli (Bell et al., 2001; Lindqvist et al., 2011). Internal stimuli are seen as new ideas, skills, resources, and product development. External stimuli refer to external factors, including regulatory market change, new customers, and competitors (Lindqvist et al., 2011). EST recognizes that events can occur at various levels of analysis: environment, organization, team, and individual (Morgeson et al., 2015). The extant literature suggests that events occur at three hierarchical levels: environment, organization, and individual, and are likely to trigger changes in firms' characteristics and behavior. Table 3.6 illustrates and consolidates events divided into different hierarchical levels and classified according to various categories. To simplify, this research follows Partanen and Goel (2017, p. 247), which "constructed a table that divided critical events into different categories". As presented in Table 3.6, events are categorized with the following themes identified in the literature: government; world events; market; customer; internationalization; capital; networks; capabilities, resources, and skills; product; awards; strategies; a new person in charge; and management.

First, the role of the environment is emphasized in this study, given the function it plays in featuring events to pressure firms to change their original features and behaviors (Dow et al., 2018). Environmental disruption plays a vital role in the context. For example, world disruptive events, such as a terrorist attack (e.g., September 11) and 'Dot.com' repercussions on ICT in late 1999 and early 2000 (Freeman & Cavusgil, 2007; Nummela et al., 2016). Other examples of events originating from the environmental level include: government regulations (Lindqvist et al., 2011), industry conditions (Kriz & Welch, 2018), market uncertainty (Reymen et al., 2017), crisis or recession, and the lay-off of personnel (Partanen & Goel, 2017). Additionally, Lindqvist et al. (2011) suggest a lack of demand in the current market is considered a critical event that influences the firm to direct its strategic efforts to international markets. Client followership is another example that affects the firm to pursue an overseas market based on the foreign demand (Bell et al., 2001; Vissak et al., 2020).

Second, events at the organizational level also generate an effect on internationalizing firms. Strategic decisions can be seen as critical events. For instance, a firm's decision to launch a new product in the market (Nummela et al., 2014) may impact positively or negatively on sales, depending on the success of these products reflected by customer demand. A firm may

win an innovation, export, or growth award (Partanen & Goel, 2017) and this event could represent an increase in the reputation of the firm. The development of a key capability, resource, and skill can be considered a critical event for the firm, for example, innovation and technologies (Kriz & Welch, 2018). Events related to networks, such as the development of a partnership, building networks that are potentially relevant to the firm (Aguzzoli et al., 2021; Vissak et al., 2020). Further examples are events related to internationalization: a firm can develop export capacity, foreign market knowledge (Evers & O'Gorman, 2011; O'Gorman & Evers, 2011; Vissak et al., 2020) and consequently change its focus toward foreign markets.

Third, besides the environment and organization level, events in IB research also recognize events at the individual level. Individual social ties and personal networks (Evers & O'Gorman, 2011; Vissak et al., 2020) can generate significant business contact and thus represent an important event in the firms' life course. The withdrawal of the founder of the firm (Nummela et al., 2014) impacts directly how the organization will direct its business. Similarly, "actions or decisions by key players, for example, hiring employees, collaborating with partners, creating and executing project plans" (Reymen et al., 2017, p. 598), can be seen as an event that may shift the focus of the organization. In the same vein, management incompetence and overconfidence (Aguzzoli et al., 2021; Nummela et al., 2016) can also negatively affect the organization.

Table 3.6 Events described in the IB literature

Categories	Environmental	Organization	Individual	Supporting Research
Government	A strong relationship with government authorities			(Lindqvist et al., 2011; Zineldin, 2007)
	Regulatory market changes			
Worldwide events	Dot.com repercussion on ICT companies			(Nummela et al., 2016)
	Environmental shock in the environment (for example 09/11 attack)			
Market	Market uncertainty			(Lindqvist et al., 2011; Nummela et al., 2014; Partanen & Goel, 2017)
	Market niche identification, new target market			
	Crisis			
	Recession and lay off personnel			
	No domestic demand			
	Actions by competitors			
Customer	Customer followership			(Bell et al., 2001; Bell et al., 2003; Berko & Damoah, 2018; Lindqvist et al., 2011; Nummela et al., 2014; Partanen & Goel, 2017; Zineldin, 2007)
	Acquire new customers, a major customer			
	Receive orders from customers			
		Change in the customer segment		
		Selling directly to the customer		
		Identification of foreign exchange partner		

International-ization		Identification of foreign opportunities		(Evers & O'Gorman, 2011; Johanson & Kalinic, 2016; Nummela et al., 2014; O'Gorman & Evers, 2011; Partanen & Goel, 2017)
		Develop export capacity		
		Foreign market knowledge		
		Re-internationalization		
		Open a sales office overseas		
		Speed of market entry		
		Number of market entries		
		International customer		
Capital	Low perceived resource position (difficult to attract venture capital)			(Lindqvist et al., 2011; Nummela et al., 2014; Partanen & Goel, 2017; Reymen et al., 2017)
	External venture capital			
		Venture capital injection and investment		
		Cash flow crisis		
Networks	Co-operation overseas			(Aguzzoli et al., 2021; Berko & Damoah, 2018; Evers & O'Gorman, 2011; Lindqvist et al., 2011; Nummela et al., 2014; O'Gorman & Evers, 2011; Partanen & Goel, 2017; Vissak et al., 2020)
	Participation in international trade fairs			
	Develop distributor partner			
		Partnership		
		Building networks		
		Contacts established through joint venture ownership		
			Social ties & personal networks	
Capabilities, resources, and skills		Development of organizational capabilities		(Evers & O'Gorman, 2011; Graves & Thomas, 2008; Lindqvist et al., 2011)
		R&D collaboration		
		Development of new skill		
		Access to more resources		
		Radical innovation		

Product		Product development		(Evers & O'Gorman, 2011; Lindqvist et al., 2011; Nummela et al., 2014; O'Gorman & Evers, 2011; Partanen & Goel, 2017)
		Product diversification		
		Launch of a new product		
		Create divisions for product line		
		Acquisition of product from a domestic rival		
Awards		Winning an innovation award		(Berko & Damoah, 2018; Partanen & Goel, 2017)
		Winning an export award		
		Winning a growth award		
		Winning a national government award		
Strategies		Major deal		(Bell et al., 2001; Bell et al., 2003; Lindqvist et al., 2011; Partanen & Goel, 2017)
		Strategic re-focus		
		Acquisition		
		Relocation		
		Expansion		
A new decision-maker		Change of Ownership		(Bell et al., 2001; Bell et al., 2003; Graves & Thomas, 2008; Lindqvist et al., 2011; Nummela et al., 2014; Partanen & Goel, 2017)
		A succession of a new generation in the family business		
		New CEO/chair of the board		
			Founders' withdraw	
Entrepreneur/ Management			New ideas	(Lindqvist et al., 2011; Nummela et al., 2016; Reymen et al., 2017)
			Lack of business knowledge	
			Management incompetence & overconfidence	
			Actions or decisions by key players	

3.5.4 Events impacting firms' internationalization pathways

The IB literature illustrate firms' internationalization, where firms exit and (re)-enter foreign markets (Aguzzoli et al., 2021; Kafouros et al., 2022; Vissak et al., 2020). Extant studies emphasize that the primary research focus is to illustrate firms' internationalization process; however, less research has been devoted to examining the impact of events (Aaltonen, 2020; Santangelo & Meyer, 2017). Despite the literature acknowledging the existence of events in a firm's pathways, the focus remains on the internationalization of the firms rather than on *"events"* (Vahlne & Johanson, 2017). Research should reinforce the role of events in a firm's pathways, whether it is planned or fulfilled with unexpected discovery (Nummela et al., 2014). Nevertheless, "independent of the chosen perspective, critical events emerge over the process… and have a substantial long-term impact on company performance" (Nummela et al., 2014, p. 528). The effect these events have on the organization's development has been underexplored (Aaltonen, 2020). Hence, in light of these gaps, the current study seeks to answer the following research question:

Research Question 2 (RQ2): How do events influence exporting firms' entering, exiting, and re-entering foreign markets?

The second research question of the present study builds on EST as a theoretical underpinning to provide new insights into events affecting firms' internationalization. By exploring the dynamic and systemic nature of the events and their impact, this research should be viewed as complementary to prior studies, rather than competing. Thus, the focus on events does not aim to reject the current internationalization models but instead proposes that events should be disclosed more comprehensively than what existing models currently recognize.

3.6 Conceptual framework and delineation table

The present study identifies opportunities to enhance theoretical knowledge. First and foremost, extant studies pertinent to firms' internationalization pathways mainly focus on some dimensions of the process. More specifically, most of the studies target a single level of analysis. Second, little is known about firms' post-internationalization. More so, the dominance of the studies reflects firms' internationalization as a continuous growth process. Third, there is still a scarce understanding of the role of events influencing firms' internationalization. In particular, the effect of these events on firms' pathways affecting their characteristics and

behavior remains unexplored. Fourth, most studies still target advanced economies, underrepresenting empirical evidence in other contexts, such as BEM, where exporting firms' pathways are more likely to experience cycles and waves of internationalization (Kafouros et al., 2022). A considerable understanding of exporting firms' internationalization pathways will help decision-makers and external policymakers craft their decisions and policies that are more likely to improve their performance.

Having introduced and reviewed the extant literature involving firms' internationalization, this study offers a new conceptual framework grounded in EST, introducing the role of events in firms' internationalization pathways. Even though "EST provides a theoretical framework for understanding events and their consequences, alternative research frameworks are needed to understand changes in trajectories during transition processes" (Bliese et al., 2017, p. 265). Thus, a critical evaluation of the extant IB literature combined with EST theoretical lens has led to the development of a conceptual framework presented in Figure 3.3 and a delineation table represented in Table 3.7. The conceptual framework accounts for how events affect internationalization. In particular, the conceptual framework offers a more advanced and detailed understanding of the impact of events on exporting firms' internationalization pathways. Moreover, the present study builds on an underexplored BEM context, Brazil, where events play a crucial role in shaping exporting firms' internationalization process over time.

Figure 3.3 Conceptual framework of events influencing exporting firms' internationalization

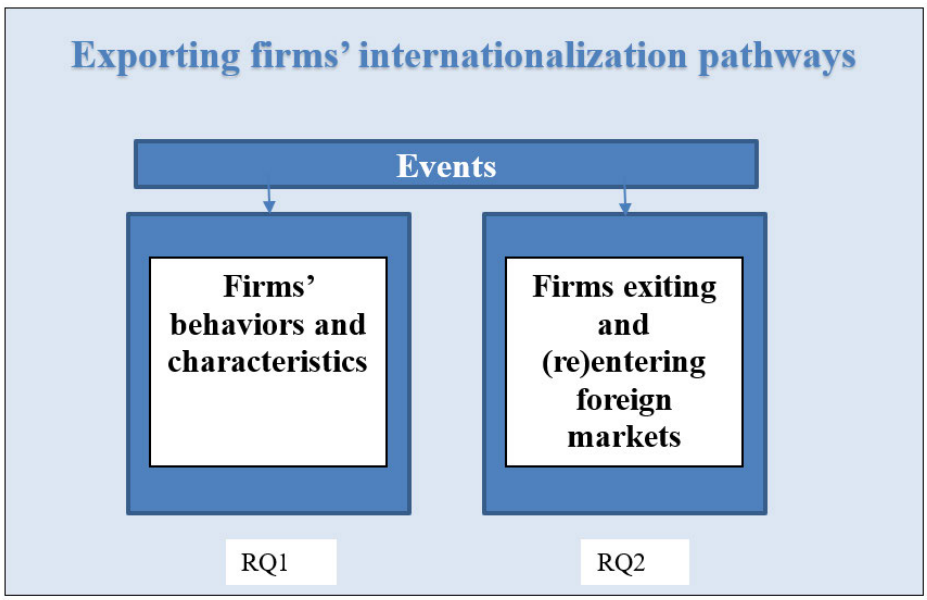


Table 3.7 Delineation of the conceptual framework

Concepts and Dimensions	Supporting Research	Theoretical Underpinning	Relevant RQs
Exporting firms' internationalization pathways	(Ciravegna et al., 2019; De Mello et al., 2019; Gabrielsson & Gabrielsson, 2013; Kafouros et al., 2022; Romanello & Chiarvesio, 2017; Vahlne & Johanson, 2017; Welch & Paavilainen-Mäntymäki, 2014)	Uppsala theoretical model BG and INV theoretical model	RQ1 - How can we explain exporting firms' internationalization pathways? RQ2 - How do events influence exporting firms' entering, exiting, and re-entering foreign markets?
Events	(Aguzzoli et al., 2021; Bell et al., 2001; Berko & Damoah, 2018; Evers & O'Gorman, 2011; Lindqvist et al., 2011; Nummela et al., 2014; O'Gorman & Evers, 2011; Partanen & Goel, 2017; Reymen et al., 2017)	EST	RQ1 - How can we explain exporting firms' internationalization pathways? RQ2 - How do events influence exporting firms' entering, exiting, and re-entering foreign markets?
Firms' behavior and characteristics	(Almor, 2013; Andersson et al., 2020; Fariborzi & Keyhani, 2018; Gerschewski et al., 2018; Johanson & Martín Martín, 2015; Li & Deng, 2017; Øyna et al., 2018; Puig et al., 2018; Sleuwaegen & Onkelinx, 2014; Trudgen & Freeman, 2014)	Organizational life cycle RBV Dynamic Capability Effectuation Theory	RQ1 - How can we explain exporting firms' internationalization pathways?
Firms exiting and (re) entering foreign markets	(Aguzzoli et al., 2021; Benito & Welch, 1997; Ciravegna et al., 2019; Freeman et al., 2013; Kriz & Welch, 2018; Vissak & Francioni, 2013; Vissak et al., 2020; Welch & Welch, 2009)	RBV Dynamic Capability Effectuation Theory	RQ2 - How do events influence exporting firms' entering, exiting, and re-entering foreign markets?

3.7 Chapter summary

The present study explores exporting firms' internationalization by providing a complementary approach to current studies, offering a holistic perspective to study this phenomenon. As demonstrated in the previous sections, current models shows how internationalization process "change the characteristics of the focal firm and its environment, and then trigger further changes" (Vahlne & Johanson, 2017, p. 1092). This study complements current models by showing crucial elements that trigger these processes and consequent changes. Thus, it is crucial to re-emphasize that the present study does not reject diverse aspects illustrated in the current models but instead introduces an emphasis on the events approach to the process models. Hence, this current study sheds light on how these events impact the firm's internationalization over time.

This chapter offers a theoretical background of internationalizing firms and reviews the IB literature providing a theoretical basis to address the broad research problem of this study. A close examination of the literature exploring internationalization models enabled the ability to identify an underexplored opportunity to discuss the internationalization process of firms. This formed the basis for introducing a novel theoretical lens to this research, namely EST. This chapter reviews the most recent literature, contextualizing the research setting by focusing on a complementary theoretical perspective extending the role of events in BEM exporting firms' internationalization pathways. This chapter discusses and outlines the development of the two research questions and presents the conceptual framework of the study.

Chapter 4: Methodology

4.1 Introduction

This chapter addresses the methodology and its focus. It provides a discussion of the qualitative research approach applied in this study. The research methodology explores the broad research problem (Ghauri et al., 2020), as outlined in the previous chapters:

How do events influence exporting firms' internationalization?

This chapter discusses the rationale for selecting the research paradigm, which supports the justification of the chosen underlying philosophical base, research methodology, research design, and structure. A qualitative research methodology, drawing upon case study design, is notably appropriate when deepening understanding of a singular underexamined phenomenon (Biesenthal et al., 2019) and generating contextualized explanations (Welch et al., 2022; Welch et al., 2011). Thus, this study presents a multiple case study to uncover the essential and underexplored aspects of firms' internationalization pathways (Da Rocha et al., 2012; Welch et al., 2022; Welch et al., 2011). Furthermore, this research relies on the abductive approach (Dubois & Gadde, 2002, 2014), deemed suitable in nascent and less explored research (Biesenthal et al., 2019). The abductive approach has been commonly used to study firms' internationalization process (Freeman et al., 2013; Hallbäck & Gabrielsson, 2013; Ong et al., 2022; Trudgen & Freeman, 2014; Vissak et al., 2020).

Moreover, this chapter presents sampling strategies, data collection sources, techniques, and analytical tools deployed to enhance the quality of the research. This study builds on data collected from in-depth semi-structured interviews with firms and industry experts and secondary data to generate a holistic approach to understanding firms' internationalization pathways. Furthermore, it applies CIT (Flanagan, 1954) to collect and analyze empirical data, given the nature of this research. CIT is suitable to guide interviews as this study attempts to understand firms' internationalization pathways and identify events responsible for shaping their internationalization (Johanson & Kalinic, 2016; Nummela et al., 2016). The data collection process and analysis to explore the broad research problem are detailed. To conclude, the methodological limitations and issues surrounding rigor and quality are discussed.

4.2 Research paradigm

The research paradigm, also known as a philosophical worldview, is the starting point of beliefs that guide scholars in choosing an appropriate research design. The research paradigm is defined as "the basic belief system or worldview that guides the investigator, not only in choices of [the] method but in ontologically and epistemologically fundamental ways" (Guba & Lincoln, 1994, p. 105). In other words, the research paradigm corresponds to a combination of fundamental beliefs and philosophical assumptions which guide a researcher's attitude toward the nature of reality (ontology), how the reality is known (epistemology), and methods to explore it (methodology) (Guba & Lincoln, 1994). Creswell (2013) also complements by adding the axiological philosophical assumption, which brings the role of values into the study. Table 4.1 summarizes the four philosophical assumptions.

Table 4.1 Philosophical assumptions

Assumption	Questions	Characteristics	Implication for practice (examples)
Ontological	What is the nature of reality?	Reality is multiple, as seen through many views	Researcher reports different perspectives as themes develop in the findings
Epistemological	What counts as knowledge? How are knowledge claims justified? What is the relationship between the researcher and that being researched?	Subjective evidence from participants; researcher attempts to lessen the distance between himself or herself and that being researched	Researcher relies on quotes as evidence from the participant; collaborates, spends time in the field with participants, and becomes an "insider"
Axiological	What is the role of values?	Researcher acknowledges that research is value-laden and that biases are present	Researcher openly discusses values that shape the narrative and includes his or her own interpretation in conjunction with the interpretations of participants
Methodological	What is the process of research? What is the language of research?	Researcher uses inductive logic, studies the topic within its context, and uses an emerging design	Researcher works with particulars (details) before generalizations, describes in detail the context of the study, and continually revises questions from experiences in the field

Source: (Creswell, 2013, p. 21)

Creswell and Creswell (2018) identify four research paradigms guiding scholars' choice of methodology: Post positivism, constructivism, transformative, and pragmatism. Each research paradigm has its own philosophical assumptions and research approach reflecting on reality and how they guide the research design. This study adopts the constructivism research

paradigm, as illustrated in Table 4.2. When the constructivism research paradigm is adopted, the researcher seeks to understand a newly emerged reality under investigation in a complex environment (Creswell, 2013).

This study reveals the reality of exporting firms' internationalization pathways, which remains underexamined (Da Rocha et al., 2012). This phenomenon is unearthed when the actors involved describe the firm's internationalization history and journey in their own words, through their experiences and inferences. In other words, the focus of this research is to explore how the respondents construct and express their understanding of firms' internationalization pathways (Creswell & Creswell, 2018; Ong et al., 2022). Furthermore, this study believes in the existence of reality in multiple dimensions and complex forms, demonstrating and relating to a constructivism research design as shown in Table 4.2. By adopting a constructivist philosophical worldview, this study aims to examine the exporting firms' internationalization process phenomena comprehensively and holistically. Moreover, this study does not intend to test or verify hypotheses; instead, it focuses on developing theoretical knowledge extending theory, confirming the suitability of the constructivist worldview (Creswell & Creswell, 2018).

Table 4.2 Constructivism research paradigm

Philosophical assumption	Research Approach	Ontological beliefs	Epistemological beliefs	Axiological beliefs	Methodological beliefs
• Understand a subjective meaning of experience and view of reality with complex and multiple interpretations • Rely on participants' perspectives as they are encouraged to share their views from their previous interactions and experiences • Social and historical construction • Theory generation • Also called social constructivism	• Qualitative design. • Researchers generally use this paradigm to understand a newly emerging phenomenon with many versions of reality presented in complex forms. • In order to generate reliable and dependable information, it is crucial to establish a trust-based relationship between interviewer and participant. Interviewers usually use broad, open-ended questions.	Multiple realities are constructed through our lived experiences and interactions with others.	Reality is co-constructed between the researcher and the researched and shaped by individual experiences.	Individual values are honored and negotiated among individuals.	More of a literary style of writing used. Use an inductive method of emergent ideas (through consensus) obtained through interviewing and analysis of texts.

Source: Adapted from (Creswell, 2013; Creswell & Creswell, 2018)

4.3 Qualitative Research

There are three different ways to design research: quantitative, qualitative, and mixed methods, which incorporate qualitative and quantitative (Creswell & Creswell, 2018). The three types of research offer benefits to contributing to knowledge (Eden et al., 2020). A quantitative study is appropriate for testing relationships, generalizing beyond context, statistical analysis, and being applied to a large number of subjects (Eden et al., 2020). On the other hand, a qualitative study helps develop a more in-depth understanding of the phenomena, such as capturing meaning and focusing on processes and events, where contextualization is critical (Eden et al., 2020).

4.3.1 Selection of qualitative research methodology

The selection of relevant research design should be guided by the research paradigm, the research question, and the purpose of the research (Creswell & Creswell, 2018). First, scholars adopting the constructivist research paradigm often employ qualitative research (Creswell & Creswell, 2018; Guba & Lincoln, 1994). Second, this study builds on two research questions generated from a comprehensive understanding of the literature, as described in Chapter 3:

Research Question 1 (RQ1): How can we explain exporting firms' internationalization pathways?

Research Question 2 (RQ2): How do events influence exporting firms' entering, exiting, and re-entering foreign markets?

The nature of the broad research problem and research questions developed for this study strengthens the choice of qualitative research. Exploratory questions, often involving '*how'* and '*why*' are likely to follow a qualitative approach (Yin, 2018). The two research questions shed light on exporting firms' internationalization over time. Theoretically, the present study draws from previous IB studies utilizing the qualitative approach that examines the role of context to build knowledge of phenomena such as exploring *how* and *why* firms' internationalization changes over time (e.g., Hallbäck & Gabrielsson, 2013; Kriz & Welch, 2018; Ong et al., 2022; Vissak et al., 2020). Doing so, enables us to better explain firms' internationalization process and supports the exploratory nature of this study. Therefore, reflecting the need for a qualitative approach as it unearths an under-investigated phenomenon

and offers a nuanced understanding of the reactive and proactive approach by BEM exporting firms' internationalization pathways.

The extant review of the literature in Chapter 3 reinforces that limited research has been conducted on the impact of events on firms' internationalization pathways (Kriz & Welch, 2018; Vissak et al., 2020). Researchers exploring this phenomenon require an investigation into specific accounts of actions and strategies internationalizing firms use throughout their journey and in particular contexts (e.g., Aguzzoli et al., 2021; Kriz & Welch, 2018; Vissak et al., 2020). The qualitative approach focuses on constructing theoretical explanation through identification, description, and explanation generation to understand the meaning (Ghauri et al., 2020). To date, the qualitative is the most prevailing selected research methodology among IB researchers examining firms' internationalization process (Da Rocha et al., 2012; Vissak et al., 2020). Table 4.3 outlines the methodological approaches of key studies discussed in Chapter 3, targeting the internationalizing firms' pathways. In sum, the research paradigm selection, the nature of the research questions, and the purpose of the research confirmed the appointment of qualitative research as the most suitable for the present study.

Table 4.3 Methodological approaches of prior studies focusing on firms' internationalization pathways

Authors	The focus of the article	Theoretical underpinning	Context	Methodology	Method	Sampling strategy	Method-ological approach	Unit of analysis	Data source	Number of Interviews	Data collection
(Vissak et al., 2020)	Study firm's internationalization non-linear process with exits and re-entering markets, integrating the role of knowledge, network, and decision making	Internationalizatio n literature, network approach, and effectuation theory	Italian large firm: Campo	Qualitative	Single case study	Purposeful sampling, suitable study subject	Abductive	Campo's internatio nalizatio n process	Primary: multiple interviews & survey Secondary: archival document	25 interviews with a total of 785 minutes	Longitudinal data were collected over three years (2016-2019). Triangulation
(De Mello et al., 2019)	Delves into the long-term trajectory of INVs	The Uppsala internationalizatio n process model, network theory, and the IE perspective	Brazilian INV software developers	Qualitative	Multiple case study	Not explicitly specified, only provide selection criteria	Not specify	Seven Brazilian firms' trajectory	Primary: multiple interviews and secondary	28 interviews	Longitudinal data, data were collected at two or more different moments in time for each unit of analysis

(Kriz & Welch, 2018)	Discuss innovation and internationalization processes of new to the world technology firms	Internationalization process theory	Australian new to the world technology firms	Qualitative	Multiple case study	Theoretical sampling	Not specify	Eight firms' international trajectory	Primary: interviews Secondary: documentary evidence, supplementing publicly available documentation	55 interviews	Semi-structured and narrative-based interviews
(Trudgen & Freeman, 2014)	Explores types of performance measures relevant to BG firms development process and the role of initial market selection and internationalization speed in this process	IE theory	Australian BG firms	Qualitative	Multiple case study	Theoretical sampling approach	Abductive	Seven BG development process	Primary: interviews with each case + 5 Industry informants Secondary: Publicly available documentation	12 interviews	Semi-structured in-depth interviews Triangulation
(Freeman et al., 2013)	Explain strategic re-structure through the use of outward and inward-oriented activity and focus on the role of managers in the de-internationalization and re-internationalization process, as well as how do they select patterns of internationalization	BG model	Australian BG firms	Qualitative	Multiple case study	Not explicitly specified. Cases were selected to provide sufficient data for richness in the analysis	Abductive	Nine BG	Primary: semi-structured interviews with open-ended questions and focus group	26 interviews	Quasi-longitudinal study (time series) with 26 interviews conducted across 9 cases + 3 focus groups: Triangulation

(Hallbäck & Gabrielsson, 2013)	Examine entrepreneurial marketing strategies (innovativeness and adaptation) during the global growth of INVs	Not specified	INVs originating in Finland	Qualitative	Multiple case study	Theoretical sampling	Abductive	Four INV entrepreneurial marketing strategy	Primary: semi-structured theme interviews Secondary: firm reports, news releases, and other written documents	Ten interviews (1021 min of recordings and 156 pages of interview transcriptions)	Nine personal interviews + 1 telephone interview across 4 case study Triangulation
(Da Rocha et al., 2012)	Investigate how international commitment affects late-internationalizing Brazilian entrepreneurial firms	Uppsala model, network theory, the IE, and RBV	Brazilian late-internationalizing entrepreneurial firms	Qualitative	Multiple case study	Not explicitly specified, only provide selection criteria	Abductive	Three Brazilian firms' international commitment	Primary: in-depth interviews Secondary: 153 pieces of documentation	Not specified	A longitudinal approach to reconstructing past events and decisions based on primary data collected over two periods and secondary data. Triangulation

4.3.2 Multiple case study research method

The research methodology guides the researcher in selecting a particular research method(s) to explore a specific problem. Correspondingly, Ghauri et al. (2020) view the method as rules and procedures employed to unearth a solution to a problem. The present study selects the case study method as it enables the researcher to develop a holistic view of a particular phenomenon (De Mello et al., 2019). The purpose of the case study method is to gain a detailed understanding of an underexplored contemporary phenomenon *in its context* (Reuber & Fischer, 2022; Welch et al., 2022; Welch et al., 2011). This is because case studies embrace the "potential to generate ground-breaking theoretical insights" building contextualized explanations (Welch et al., 2011, p. 740). Furthermore, case studies provide unique means of embracing context and theorizing (Reuber & Fischer, 2022; Tsang, 2022) by utilizing detailed insights from the empirical world within its context (Dubois & Gadde, 2002; Welch et al., 2022). In this regard, theory and context are reconciled as the strength of the case study, envisioning a more pluralistic future for the IB field, both methodologically and theoretically (Reuber & Fischer, 2022; Welch et al., 2022; Welch et al., 2011).

Furthermore, Eisenhardt (1989, p. 534) posits that a case study "is a research strategy which focuses on understanding the dynamics present within single settings". Creswell and Creswell (2018, p. 14) add that "cases are bounded by time and activity" and are often used when the researcher needs to develop a comprehensive understanding of a case. Unlike other alternative research methods, a multiple case study provides detailed descriptions and insightful explanations in a detailed manner of the phenomenon studied (Yin, 2018). Therefore, case study is an appropriate method to examine in-depth the context and its multi-layer factors associated with the case study under investigation, as it oftentimes involves multiple sources of evidence, which allows a broad range of discussion points and issues to be explored (Yin, 2018)

In the IB field, the case study is the most employed research method within qualitative studies (Knight et al., 2022; Reuber & Fischer, 2022; Tsang, 2022; Welch et al., 2022). In particular, as demonstrated in Table 4.3, studies exploring firms' internationalization pathways predominantly have adopted the case study method (e.g., Aguzzoli et al., 2021; Kriz & Welch, 2018; Vissak et al., 2020). To date, more scholars have been employing two types of case studies to address firms' internationalization pathways: the single case studies (e.g., Aguzzoli

et al., 2021; Turcan & Juho, 2014; Vissak & Francioni, 2013; Vissak et al., 2020) and the multiple case studies (e.g., Da Rocha et al., 2012; De Mello et al., 2019; Kriz & Welch, 2018).

A single case study method is often used in the following situations: to critically test a significant theory, an extreme or unusual circumstance; a common case; or where the case requests revelatory or longitudinal proposes[22] (Ozcan et al., 2018; Yin, 2018). On the other hand, a multiple case study method is deemed more robust when compared to a single case study (Eden et al., 2020; Yin, 2018), thus requiring more time and resources than single-case research (Yin, 2018). Multiple case studies rely on a 'replication logic', rather than a sampling logic, providing a broader empirical basis. All cases should be carefully selected, as they explore the commonalities and dissonances between cases, increasing the external validity (Eisenhardt, 1989; Yin, 2018). Furthermore, Eisenhardt and Graebner (2007, p. 27) argue that a multiple case study approach can "enable comparisons that clarify whether an emergent finding is simply idiosyncratic to a single case or consistently replicated by several cases".

The multiple case study method is deemed the most appropriate for the present study due to the in-depth examination of demand and exploration of an under-investigated phenomenon within a unique context (Eden et al., 2020). In particular, this study adopts multiple case studies as a contextualized explanation to understand the internationalization pathways of exporting firms (Welch et al., 2022). Moreover, the multiple case study method is pertinent to addressing the research questions, drawing a comparison between firms, and identifying common themes across several case studies (Nyamrunda & Freeman, 2021).

4.4 Systematic combining: An abductive approach

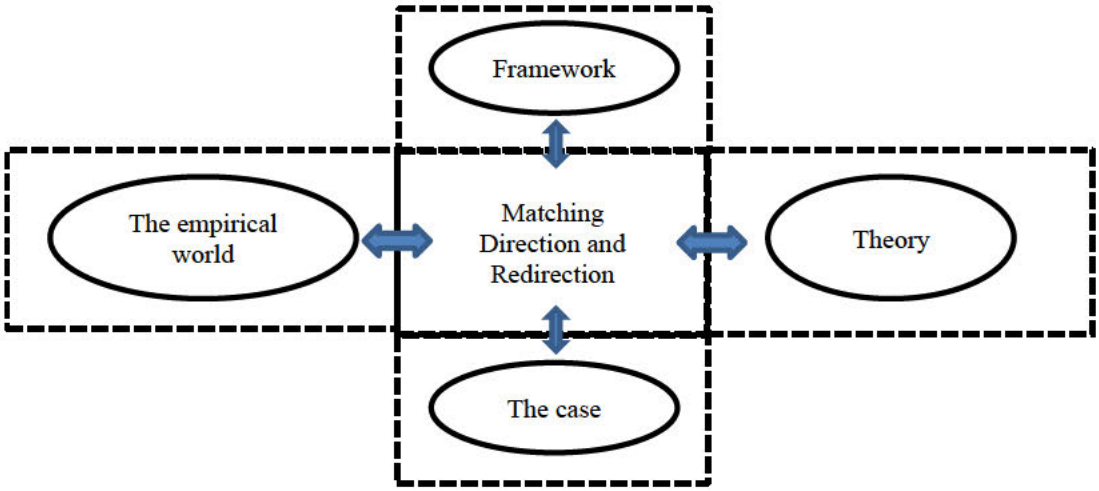
The present study adopts systematic combining, also known as the 'abductive approach'. The key defining factor of this approach is "a continuous movement between an empirical world and a model world" (Dubois & Gadde, 2002, p. 554). This approach evaluates the theoretical tenets in the light of empirical findings by moving continuously back and forth between data sources and theoretical principles (Dubois & Gadde, 2002, 2014; Ong et al., 2022; Vissak et al., 2020). Building from a contextualized explanation, this approach promotes interaction between theory and data throughout the research process, challenging traditional dichotomies of induction versus deduction (Welch et al., 2022). Correspondently, this research unearths a

[22] For more information on when to use a single case study, the advantages, and how to use it, refer to (Ozcan et al., 2018).

complex phenomenon embedded in a unique context to understand the contextual reality by comparing various sources of empirical data with theoretical beliefs.

Figure 4.1 illustrates the mechanism through which the systematic combining approach operates. It demonstrates the foundation of systematic combining, which consists of an iterative, monolithic, non-linear, path-dependent process aiming to achieve theoretical development by corresponding theory with reality (Brannen, 2022; Dubois & Gadde, 2002, 2014; Welch et al., 2022). Furthermore, the research process encompasses directing and re-directing four interrelated cornerstones: Empirical observations, theories, the analytical framework, and the case that gradually evolves. In systematic combining, 'matching' assumes going backward and forward between framework, data source, and analysis (Dubois & Gadde, 2002, 2014). In other words, the theoretical framework is reoriented when confronted with the findings from the empirical world searching for plausible explanations (Welch et al., 2016).

Figure 4.1 Systematic combining

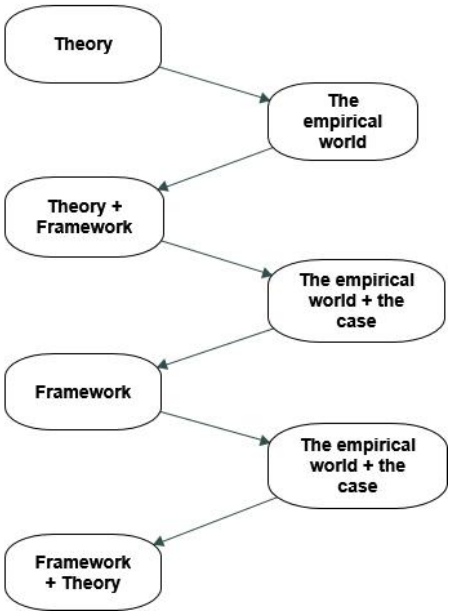


Source: Dubois and Gadde (2002, p. 555)

The systematic combining approach assumes the researcher first develops a theoretical starting point to later enter the field (Welch et al., 2016). During data collection, the researcher should continuously and consciously search for clues that may generate a new line of inquiry, leading to the discovery of novel aspects (Dubois & Gadde, 2002, 2014; Piekkari & Welch, 2018). The discovery of fresh new elements, called 'active data' often leads to changing the direction of the course of the research (Dubois & Gadde, 2002). In order to successfully achieve the benefits of this approach, the researcher needs to be 'less predetermined' and has to closely

observe for new data to emerge during data collection (Dubois & Gadde, 2002). Accordingly, the present study has evolved significantly since it started in 2017; this process was documented in detail in Appendix G and illustrated in Figure 4.2 below:

Figure 4.2 The application of the abductive approach in the present study



Furthermore, the abductive approach suggests that "combining sources of evidence, while shifting between analysis and interpretation, usually denotes triangulation" (Dubois & Gadde, 2002, p. 556). Data triangulation represents collecting data from multiple resources, thus enhancing the data's internal validity and dependability (Nielsen et al., 2020). It helps to unpack and explore various dimensions and under-discovered aspects of the phenomena under-researched and cross-check the meaning and inferences from multiple data sources. Triangulation focuses on verifying the accuracy and correctness of the data (Knight et al., 2022), while the systematic combining approach focuses on "revealing aspects unknown to the researcher, i.e., to discover new dimensions of the research problem" (Dubois & Gadde, 2002, p. 556).

The systematic combining approach has been used among IB scholars to study firms' internationalization (e.g., Crick et al., 2020; Da Rocha et al., 2012; Freeman et al., 2012; Hallbäck & Gabrielsson, 2013; Ong et al., 2022; Trudgen & Freeman, 2014; Vissak et al., 2020). For instance, Freeman et al. (2012) employed the abductive approach to compare born-global with older firms. Following the abductive procedure, introductory propositions based on the literature were developed. The continuous movement between the data and theory

assisted in interpreting the findings and, consequently, revising, extending, and unfolding concluding propositions (Freeman et al., 2012).

Similarly, Da Rocha et al. (2012) adopted an abductive approach to theory development in the Brazilian context. The authors used primary and secondary data to examine three case studies. Interviews, information from firms' websites, and 153 pieces of documentation were triangulated. The authors found patterns matching the case as the study progressed, comparing the patterns seen with the theoretical background (Da Rocha et al., 2012). In the same line, Vissak et al. (2020) utilized the abductive approach to analyze the data and understand the dynamic of a single case internationalization history over time. They identified three initial themes from the literature, which were refined and revised through an iterative process of moving between data and the literature (Vissak et al., 2020). Recently, Ong et al. (2022) used abductive reasoning to explore the facilitating role played by cooperative strategies among immigrant-run firms. It examines the industry's evolution, more specifically, how internationalization is shaped by interaction among immigrant-run and native-run domestic competitors.

Notably, the abductive approach is attracting the attention of qualitative IB scholars to detect novel insights (Paavilainen-Mäntymäki et al., 2020). Responding to calls for "a more pluralistic view of data and methodology" by highlighting the "interplay among theory, research design, data, and analytical technique" (Knight et al., 2022, p. 48), this study employs the abductive approach, specifically benefiting from the nature of systematic combining.

4.5 Research design

Research design is the 'roadmap' for conducting research and the logic connecting the data to research questions. In other words, it is the overall plan that relates the conceptual problem to the practicable empirical world (Ghauri et al., 2020). The research methodology adopted in this study entails a qualitative, primarily grounded in the systematic combining approach (Dubois & Gadde, 2002, 2014). The research procedure followed a structured approach in design, covering several steps summarized below and illustrated in Figure 4.3.

1. Developed a theoretical starting point by extensively reviewing the literature on the internationalization of firms.

2. Conducted an initial pilot study with two firms (2017) that shed light and gained new insights on firms' internationalization pathways, pointing out a new theoretical direction to the research.

3. Directed the focus back to the literature to consider matching theoretical underpinnings to support the interviewees' perceived reality, leading to a refined interview protocol. This led to Phase 1 of the main data collection using semi-structured interviews.

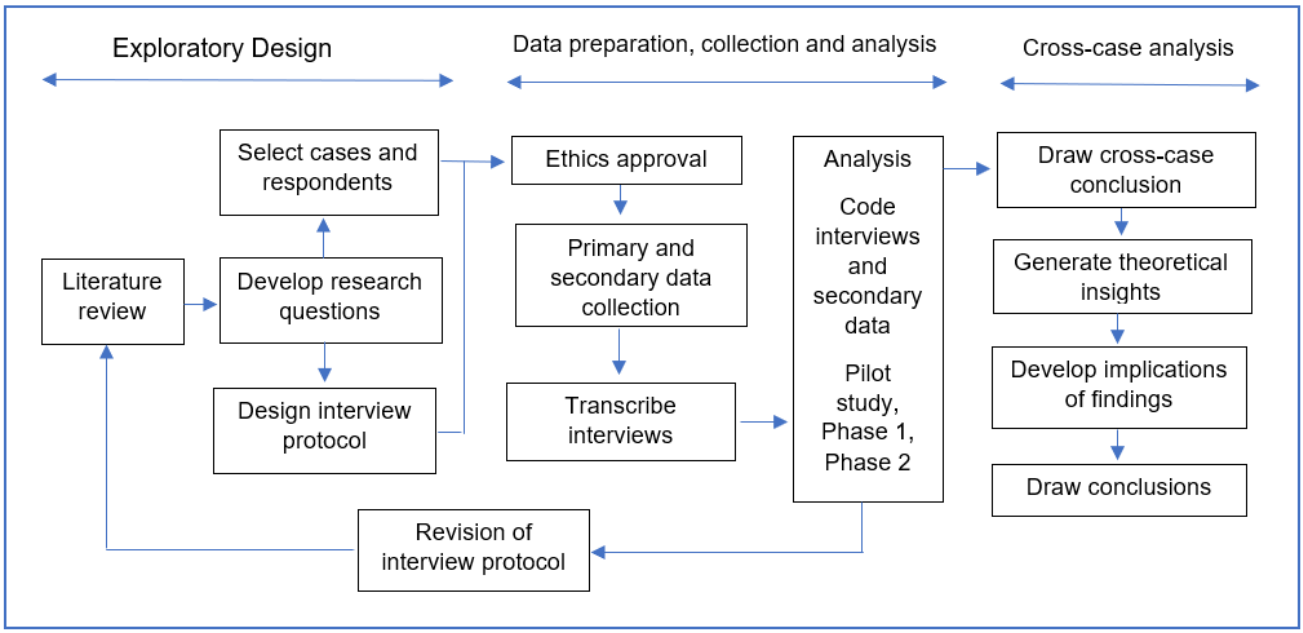
4. Conducted Phase 1 main data collection (2018). Data were coded and analyzed.

5. Revised the literature according to the direction reflected in the findings of Phase 1 main data collection. In addition, external events were considered, including the initial impact of COVID-19, resulting in the refinement of the interview protocol at the end of 2020.

6. Conducting the main data collection in Phase 2 (2021). This was necessary to understand the firm's history and capture events, such as the new reality of the worldwide impact of the COVID-19 pandemic. The data were coded and analyzed.

7. Development of the conceptual model and propositions from the findings.

Figure 4.3 Research procedure of the present study



Source: Adapted from (Yin, 2018)

The research design guides the researcher in data collection and analysis, setting the researcher's priorities. Further, it reveals which type of research is more appropriate for addressing the broad research problem and research questions (Ghauri et al., 2020). In summary, the research design assists in focusing upon crucial aspects of the research, including the unit of analysis and the scope and selection of cases which will be discussed in the following section.

4.5.1 Unit of analysis

The unit of analysis is a critical aspect of the research design in reference to 'what' or 'who' is being studied. The unit of analysis refers to the subject or person studied in the research and can be represented by an individual, a firm, or an event, among others (Yin, 2018). The research objective guides the selection of the pertinent unit of analysis (Ghauri et al., 2020). This research delves into an underexplored phenomenon, where a nuanced understanding of the impact of events on firms' internationalization pathways over time is limited. Hence, the unit of analysis of this present study is the *'exporting firms' internationalization pathways'*, which was chosen for both theoretical and empirical reasons.

Theoretically, the firms' internationalization is affected by events, which shape their trajectory (Jones & Coviello, 2005; Kriz & Welch, 2018). Understanding the firms' international pathway is assumed to be the central tenet of firms' internationalization process; however, insights about the impact of events remain unfathomed (Jones & Coviello, 2005; Kriz & Welch, 2018). This research introduces EST to the IB field (Morgeson et al., 2015), a new theoretical lens to observe and analyze firms' internationalization over time.

Empirically, the Brazilian context was carefully selected to apply the current research with its complexity and peculiarity (The Economist, 2022), emerging theorizing potential of contextualized explanation (Reuber & Fischer, 2022; Welch et al., 2022). The rationale behind the site selection of Brazil is described in detail in the Chapter 2. In line with previous IB studies exploring the firms' internationalization (e.g., De Mello et al., 2019; Kriz & Welch, 2018; Trudgen & Freeman, 2014; Vissak et al., 2020), the present study has interviewed key participants (i.e., top managers, CEO, and the firms' founders) to obtain information about firms' internationalization pathways.

4.5.2 Scope and selection of cases

The case study method provides the researcher the opportunity to investigate firms' internationalization pathways (Aguzzoli et al., 2021; De Mello et al., 2019; Vissak et al., 2020). The acknowledged strengths of case studies are highlighted in Section 4.3.2; however, the effectiveness of the research is impacted by the quality of the case selection process. Further, to ensure the broad research problem is correctly addressed, a careful selection of participants is necessary (Ghauri et al., 2020). The selection of participants in qualitative research should prioritize the depth of information over the breadth of information (Knight et al., 2022; Patton, 2015).

The rationale for selecting the exporting firms was based on the phenomenon under study. This research is context-specific, where "context matters when exploring the boundaries of a research subject" (Teagarden et al., 2018, p. 305). The present study deliberately chose multiple case studies (exporting firms[23]) established in Brazil to fully comprehend firms' internationalization. This criterion ensured that all firms were from the same context setting, Brazil, and began their international activities exporting.

This study was purposefully, theoretically, and empirically tailored, choosing respondents from different industries and sectors (Nyamrunda & Freeman, 2021). This is because industries have nuances; each sector has its peculiarity and suffers the impact of particular events differently (Morgeson et al., 2015). This is confirmed by Industry Experts (IE1, IE3, IE4, IE5, IE6, IE10). According to IE1, "*the selection of the industry matters*", as firms' internationalization pathways in different industries may differ by events they encounter and how firms react to them. Hence, this study selected multiple cases from a range of industries in Brazil, including food, electronics, IT, and biochemistry, to achieve different perspectives. Table 4.4 provides case study overview information[24].

Furthermore, multiple informants were selected to capture firms' internationalization based on firms' decision-maker ability to provide insights about the topic. Thus, managers, directors, owners, founders, and export analysts were targeted as primary informants, based on their knowledge regarding firms' internationalization process over time.

[23] All firms selected were exporters at the start of their international involvement. However, as this research involves a long period of time observation, some firms have changed entry modes, reflected in Table 4.4.
[24] The nature of this research requires an observation of change in firms' internationalization pathways. Hence, the purpose of Table 4.4 is to provide a brief 'snapshot' of the main information of each case. Firms' internationalization over time was captured in the findings chapter (Chapter 5 and Chapter 6).

Table 4.4 Case study overview information

Firms	Origin	Industry	Main products	Year of foundation	Family business	Size of firms***	Modes of entry
F1	Brazil	Electronics	Programmable controllers	1982	Non-FB	Medium	exports
F2	Brazil	IT	Software	1983	Non-FB	Small	exports**
F3	Brazil	Electronics	Tech products designed for labs	2001	Non-FB	Small	exports
F4	Brazil	Electronics	Tech devices for radio, tv	2001	Non-FB	Micro	exports
F5	Brazil	Electronics	Tech devices for radio	2000	Non-FB*	Micro	exports
F6	Brazil	Electronics	Security: Alarm, intercommunication systems & CCTV	1994	Non-FB	Medium	exports
F7	Brazil	Biochemistry	Diagnostic kits for clinical analysis laboratory	1997	FB	Medium	exports
F8	Brazil	Food	High value added, niche market panetone, chocolate	1952	FB	Large	exports**
F9	Brazil	Food	Low cost, mass production cookies and crackers	1968	FB	Medium	exports
F10	Brazil	Food	High value-added, niche market healthy snacks	2003	FB	Small	exports
F11	Brazil	Food	High value-added, niche market sweets	1994	FB	Micro	exports
F12	Brazil	Food	Low cost, mass production cookies, and crackers	1915	FB	Large	exports
F13	Brazil	Food	Low cost, mass production cookies, and crackers	1892	FB	Medium	exports
F14	Brazil	Food	High value-added, niche market gourmet toasts	1999	FB	Small	exports

* In 2018, F5 was a FB and changed to a non-family business in 2021

** F2 had FDI before the 1st phase of the interview, and F8 opened a sales office in the U.S.A. at the end of 2018, after the 1st phase of the interview

*** Based on the number of employees, according to the Brazilian government classification

4.5.3 Selection of industry experts

In addition to selecting firms, this study consciously chooses other sources to comprehensively understand the phenomenon. This research welcomes the insights from industry experts, represented in three categories: IB specialists, government representatives, and academics directly involved with Brazilian exporting firms' internationalization pathways, as highlighted in Table 4.5.

Table 4.5 Three categories of industry experts

IB specialist	Government Representatives	Academics
Industry experts who have substantial knowledge regarding Brazilian exporting firms' internationalization process. Example: consultants, export trading specialists, industry associations related to export promotion IE1, IE2, IE3	Government representatives directly involved with Brazilian exporting firms' internationalization process. Example: government agencies and state government associations related to export promotion IE4, IE5, IE6	Academics whose research focus is on Brazilian exporting firms' internationalization. Example: Brazilian IB professors, researchers, and University Deans IE7, IE8, IE9, IE10

This study deliberately chose industry experts based on their relevant background knowledge to contribute to the research (Nyamrunda & Freeman, 2021). Details and relevance of each industry expert category and the rationale for selecting them are presented in Table 4.6:

Table 4.6 Industry expert selection

Industry Expert (IE)	Position and Experience	Relevance to the study
IE1	Owner and Export Director of a Brazilian trading company, over 23-year experience in IB	Pilot Study + Interview protocol feedback: Important to shape the research, selection of industry to explore
IE2	Export Director of ABIMAPI[25]	Insights on food exporting firms' internationalization pathways, triangulation of data provided by firms, extensive knowledge in the food industry export, facilitate access to the firms
IE3	International Project Manager at SINDVEL[26]	Insights on electronic industry and exporting firms' internationalization pathways, extensive knowledge in the electronic industry exports, triangulation of data provided by the firms, facilitate access to the firms
IE4	Export Project Manager at State Association	Insights on Brazilian exporting firms' internationalization pathways, insights on state government support to promote exports
IE5	Export Director of Sao Paulo Negocios (Export promotion agency in SP)	Insights on Brazilian exporting firms' internationalization pathways
IE6	Head of Division at APEX-Brasil (The Brazilian Trade and Investment Promotion Agency)	Insights on Brazilian exporting firms' internationalization pathways, insights on Brazilian government support to promote exports
IE7	Academic - Vice-Chancellor and Professor	Insights on the cluster of electronic and on the entrepreneurs' mindset, involvement with international business
IE8	Academic - Professor	Insights on the cluster of electronic and on the entrepreneurs' mindset, involvement with international business
IE9	Academic - Professor and researcher	Insights on Brazilian exporting firms' internationalization history based on their previous experience researching this topic
IE10	Academic - Professor and researcher	Insights on Brazilian exporting firms' internationalization history based on their previous experience researching this topic

4.6 Sampling strategy

This section discusses the sampling strategy applied in this research and demonstrates how the sampling strategy to encounter informants was context-driven. Patton (2015) suggests that sample size depends on a variety of factors, including the purpose of the research, the availability of resources and time, the focus of the researcher, among others. Although "there

[25] ABIMAPI is The Brazilian Manufacturers Association of Biscuit, Pasta, Industrialized Bread and Cakes, in Portuguese: Associação Brasileira das Indústrias de Biscoitos, Massas Alimentícias e Pães & Bolos Industrializados.
[26] SINDVEL is The Eletronic Industry Association, in Portuguese: Sindicato das Empresas do Vale da Eletrônica.

are no rules for sample size in qualitative inquiry" the sampling approach adopted in qualitative research differs substantially from quantitative research (Patton, 2015, p. 311). Quantitative research focuses on the random selection of large samples, whereas qualitative research relies on the purposeful selection of small samples (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Patton, 2015). Selecting a purposeful sample reflects a conscious and intentional selection of information-rich cases to address in-depth studies (Ong et al., 2022; Patton, 2015). In this study, the cases were selected from a combination of three purposive sampling strategies: Intensity sampling, snowball sampling, and opportunistic sampling (Nyamrunda & Freeman, 2021; Patton, 2015).

4.6.1 Intensity sampling

Intensity sampling is an effective technique that implies searching and selecting representatives that intensely address the studied phenomenon and ignore the unusual and extreme cases (Patton, 2015). The purpose of intensity sampling is to identify and include information-rich cases which may offer perspective and contribution to the study. Moreover, it encompasses choosing knowledgeable and experienced participants relevant to the research (Patton, 2015; Trudgen & Freeman, 2014). This research applies intensity sampling by carefully selecting information-rich cases that intensely address and offer perspectives on exporting firms' internationalization pathways. The main participants involved in the firms' internationalization were chosen for an interview given their likely experience and knowledge of events (i.e., manager, founders, CEO, export supervisor). When available[27], multiple informants were interviewed to enrich the data and build an understanding of the case's numerous dimensions (Kriz & Welch, 2018). The same logic was replicated in selecting industry experts: government representatives, consultants, academics, and others deemed to know exporting firms' internationalization pathways and thus, invited to participate (see Table 4.6).

4.6.2 Snowball sampling

Snowball sampling, also referred to as 'chain sampling', is a technique where participants refer the researcher to other people who may contribute to the current study (Patton, 2015). This technique is deployed to recognize potential key respondents who repeatedly appear in conversations and interviews to be established in the relevant field. Through the use of a snowball sampling technique, it was possible to identify and connect with critical respondents

[27] In each interview, the researcher who is a native Brazilian, asked interviewees if there was anyone else they could refer them to who would be knowledgeable and available to be interviewed in that organization.

appointed in Phase 1 interviews. Participants referred to new respondents subsequently creating a 'snowball' effect, which is illustrated in Figure 4.4 (Patton, 2015). Hence, the sampling process yielded new potential contacts as the data collection progressed (Ong et al., 2022).

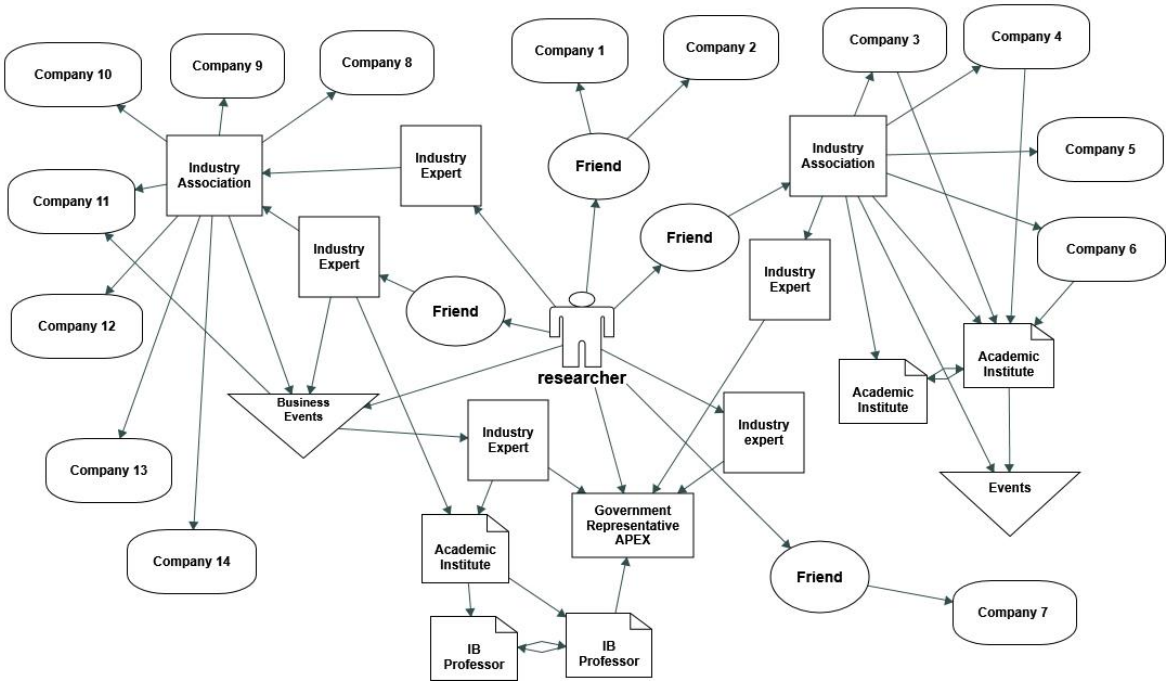
This study employed the strategy of contacting the chamber of commerce and industry associations that work directly with exporting firms to get access to participating firms. The researcher reached these entities through the personal network, which smoothly granted access to participating exporting firms and the cooperation of initial participants. The referral from a personal network is critical in the process of connecting with participants in the Brazilian context (Carneiro & Faria, 2016), and it was evident in the first interview with IE1 (Confirmed by IE4, IE5):

> *I think it will be hard for you to find companies without some contacts in the industry. I don't think Brazilian companies can be easily accessed unless you have someone there to introduce you… Maybe it is a cultural thing, but honestly, in my position, if I didn't know you, I wouldn't be here. That's why you need some contacts inside. I believe LinkedIn will help you find who can connect with the people you need to be connected with. Without this network, you won't be able to have access to the firms, trust me. IE1*

The snowball technique opened doors to obtaining further data, viewpoints, information and provided additional network opportunities. In Brazil, networks and referrals are crucial to accessing information and recruiting respondents[28]. Thus, the snowball sampling technique is a common practice among Brazilian IB researchers (e.g., Carneiro & Faria, 2016).

[28] Suggestion to use the networks and personal contacts: "*You will find the list of exporting firms in the government website, and you can email them all, however, I believe they won't reply to you. Your chances of success rely on network and personal contacts. It makes a difference*" IE5.

Figure 4.4 Snowball sampling



Adapted from Ong et al. (2022)

4.6.3 Opportunistic sampling

Opportunistic sampling is seen as an opportunity that may "arise to interview someone or to observe an activity, neither of which could have been planned in advance" (Patton, 2015, p. 300). This sampling takes advantage of the leads which appear unexpectedly during meetings, conferences, or conversations (Patton, 2015). During the fieldwork, the researcher was invited and attended five business events[29] promoting exports among Brazilian firms. During these events, opportunities emerged through interactions with key respondents, industry experts, government representatives, and Brazilian exporting firms. Hence, the advantage was taken of previously unforeseen opportunities to identify information-rich participants for this research. The use of three purposive sampling strategies helped overcome data collection challenges and enhanced the reliability and validity of the current research (Nyamrunda & Freeman, 2021).

[29] These events occurred in Brazil in August 2018 (4) and November 2018 (1). They were promoted by government associations including Sao Paulo Negocios (2), ABIMAPI, and SINDVEL (1).

4.7 Data sources and data collection

This section outlines the sources of data (primary and secondary) and the data collection methods and techniques applied in this study. Qualitative studies aim to build theoretical insights by employing multiple data sources (Eisenhardt, 1989; Eisenhardt & Graebner, 2007), which is reflected in the context of IB (Kriz & Welch, 2018; Vissak et al., 2020). The present study utilizes multiple data sources, including primary (i.e., in-depth interviews) and secondary data sources (i.e., firms' websites, export reports), as detailed in the following sections.

4.7.1 Primary data

Primary data refers to the information collected and analyzed directly by the researcher through various sources, such as surveys, focus groups, observations, and interviews (Ghauri et al., 2020). Semi-structured interviews are among the most revealing and common means of exploring and highlighting processes, such as internationalization (e.g., Aguzzoli et al., 2021; Hilmersson et al., 2021; Vissak et al., 2020). In this sense, semi-structured interviews assist in obtaining a comprehensive understanding of the participants' perceptions and views about firms' internationalization process (Aguzzoli et al., 2021). To determine whether the interviewees would be eligible and interested in participating in the current study, a participant information sheet (see Appendix B and C) and a consent form (see Appendix D) were provided to the firm's contact person and the industry experts. This was followed by further online communication[30] to evaluate if the firm/individual were knowledgeable and contributed to the research. Examples of the participant information sheet and consent form (English and Portuguese) utilized in this study are provided in Appendix B, Appendix C, and Appendix D.

The primary source of Phase 1 was face-to-face interviews conducted in loco. However, some interviews were conducted online for the convenience of the participants and due to geographical constraints. In Phase 2, all interviews were online due to COVID-19 travel restrictions. The 'in loco' preference was preferable as Brazilians tend to trust and develop better relationships when they have close contact and meet the researcher face-to-face (Nyamrunda & Freeman, 2021). Face-to-face interviews conducted in loco were perceived necessary as most firms provided access to the researcher to secondary data and included a guided walk around the facilities (F3, F4, F5, F6, F7, F8, F12, IE2, IE3. IE4, IE5, IE7, IE8)

[30] Most of the online communication were conducted by emails, but also happened with whatsApp and skype tools.

(Nyamrunda & Freeman, 2021). The onsite tours lasted an average of 30 minutes and provided an opportunity to validate participants' explanations.

All interviews were conducted in Portuguese, the native language of Brazil, to ensure clear communication. The pilot study and the two sets of main data collection accounted for a total of 39 interviews[31] with a duration of approximately 60 minutes[32], encompassing 214850 wordcounts[33] in transcriptions as summarized in Table 4.7. Consent for audio recording was obtained from each participant before starting the interview. All interviews were recorded, and the audio recordings of the interviews were transcribed verbatim (Da Rocha et al., 2012; O'Gorman & Evers, 2011), checked by the native-speaking researcher. The interview transcripts were sent back to the participant to confirm their viewpoints and possible clarification (Odlin, 2019; Vissak & Francioni, 2013). Additionally, handwritten notes containing insights and informal observations were taken during the field study, recorded in a diary, and added to the database. The field diary helped enhance recollections and interpretation during the data analysis process (Ong et al., 2022).

[31] Including the two main phases of interviews with the firms, industry experts, government representatives and academics.
[32] Depending on the time and the participants' availability, resulting in a total of 2217 minutes recorded and 690 pages of transcriptions.
[33] Accounts for main interviews only (firms and industry experts), excludes the follow-up interviews.

Table 4.7 Data collection summary

Interviewees		Primary data				Secondary data
		Phase 1	Phase 2	Place	Wordcount transcription	
F1	Export Manager	28/05/2017	3/02/2021	online	11,445	Firm's website, social media
F2	Founder	25/05/2017	10/02/2021	online	9,976	Media press, export reports
F3	Founder Co-founder Export Analyst	21/08/2018	 8/02/2021 9/02/2021	in loco online online	14,971	Firm's website, social media
F4	Founder	22/08/2018	N/A	in loco	8,406	Firm's website, social media, marketing material
F5	Export Analyst Sales Manager	24/08/2018	 9/02/2021	in loco online	5,858	Firm's website, social media, export reports
F6	Sales Manager Export Analyst	24/08/2018	 5/02/2021	in loco online	10,659	Firm's website, social media
F7	Export Manager	3/09/2018	18/01/2021	in loco + online	18,754	Firm website, social media, export reports
F8	Director	3/08/2018	2/02/2021	in loco + online	8,367	Firm website, social media, export reports, marketing reports
F9	Export Manager	6/08/2018	9/02/2021	online	11,160	Firm's website, social media
F10	Owner	7/08/2018	30/01/2021	online	12,141	Firm's website, social media, marketing material
F11	Export Manager	8/08/2018	25/01/2021	online	11,592	Firm's website, social media
F12	Export Manager Owner	9/08/2018	N/A	in loco + online	3,450	Firm's website, social media, marketing material
F13	Export Manager	10/08/2018	12/03/2021	online	8,683	Firm's website, social media, export reports
F14	Export Manager	10/08/2018	22/03/2021	online	9,347	Firm's website, social media

IE1	Owner and Export Director of a Brazilian trading company	16/07/2018	14/12/2020	in loco + online	3,038	Social media
IE2	Export Director of ABIMAPI	14/08/2018	17/12/2020 & 15/02/2021	in loco + online	26,272	Social media, industry association website, export reports of the industry, marketing material related to the food industry
IE3	International Project Manager at SINDVEL	22/08/2018	N/A	in loco	7,173	Social media, industry association website, export reports of the industry, marketing material related to the electronic industry
IE4	Export Project Manager at State Association	18/08/2018	N/A	in loco	1,579	social media, industry association website
IE5	Export Director of Sao Paulo Negocios (Export promotion agency in SP)	9/11/2018	N/A	in loco	8,259	Social media, industry association website, export reports of the city of Sao Paulo
IE6	Head of Division at APEX-Brasil (The Brazilian Trade and Investment Promotion Agency)	N/A	25/03/2021	online	8,915	Social media, export data from Brazilian companies, export reports by industry, export data from Brazilian Government website
IE7	Academic – Vice-Chancellor and Professor	24/08/2018	N/A	in loco	2,697	Social media
IE8	Academic – Professor	25/08/2018	N/A	in loco	4,768	Social media
IE9	Academic – Professor and researcher	N/A	10/02/2021	online	2,839	Social media, export data from Brazilian companies
IE10	Academic – Professor and researcher	N/A	10/02/2021	online	4,501	Social media, export data from research on Brazilian firms
Total of 39 main interviews					**214,850**	

*N/A: Firms and industry experts not available

In summary, the present study builds on multiple, in-depth, semi-structured interviews guided by a framework to provide richness and depth for the research questions. This framework is the interview protocol which is discussed below.

4.7.1.1 Interview Protocol

The interview protocol consisted of a series of open-ended questions, which served as a guide to direct the semi-structured interviews. It ensured the main points of interest were discussed during the interview while allowing the participants to lead the discussion through their understanding of the environment. The questions in the interview protocol were logically arranged into broad topics, which enhanced the quality of information given, systematically allowing the flow of the interview process (Eisenhardt, 1989). The interview protocol began with introductory questions to obtain general information about the participant and the firm, followed by questions to get in-depth information about the firm's internationalization process. The researcher carefully considered the way questions were approached to avoid any undue influence on interviewees (Ghauri et al., 2020). Before employing the interview protocol with participants, the researcher consulted with a panel of experts: four IB academic scholars (including the thesis supervisors), two IB students, and two industry experts (IE1 and the industry advisor of the present study). Based on the experts' suggestions and feedback, the researcher revised and adjust accordingly the interview protocol.

The interview protocol evolved during the research process following the abductive approach. The present study developed three main versions of the interview protocols during the research process. The first version in 2017 was applied in two firms as a form of a pilot study (see Appendix E), and the second and refined version was used in Phase 1 of this research (see Appendix F). A third version was developed based on the answers obtained in the previous contacts[34] with additions of some questions. A summary of questions and conceptual motivation established in the interview protocol is illustrated in Table 4.8 for Phase 1 interview, and in Table 4.9 for Phase 2 of the interview.

[34] During Phase 2, the researcher applied questions tailoring them to the firm. For instance, if the firm was exporting to four countries at the time of the first interview (2018), the researcher would ask in 2021 about the firm's involvement in these specific markets.

Table 4.8 Summary of questions and conceptual motivation for Phase 1 (2018):

Question	Conceptual Motivation	Reference
1. Can you describe your firm? 1.1 Year of foundation 1.2 Industry and types of products 1.3 Type of ownership and firm size 1.4. What is the history of your firm?	Broad introduction, allowing the respondent to provide some contextual information about the firm	(Creswell, 2013; Odlin, 2019)
2. Why did your company seek the international market? 2.1 What motivated your company to go overseas? 2.2 When did your company start to export?	Antecedents to internationalization	(Barretto & Da Rocha, 2001; Bloodgood et al., 1996; Ciravegna et al., 2019; De Mello et al., 2019; Nummela et al., 2016)
3. What is your firm's history of internationalization?	Identification of the firm's internationalization history, allowing the respondent to describe the firm's international pathways, identifying what was relevant in their internationalization history without prompting	(De Mello et al., 2019; Kriz & Welch, 2018; Vahlne & Johanson, 2017; Vissak et al., 2020)
4. What key events impacted your firm's international activities? 4.1 What events prompted changes in the firm's internationalization pathways?	Identification of key events influencing the firm's internationalization process	(Kriz & Welch, 2018; Morgeson et al., 2015; Nummela et al., 2014)
5. Can you provide details about the events? 5.1 When did this event occur? How long did it last? 5.2 Was it internal or external? 5.3 New event for the company? Did it require the firm to adapt?	Seeking details about the event	(Flanagan, 1954; Morgeson et al., 2015; Nummela et al., 2016)
6. What was the impact of these events on the firm's internationalization process? 6.1. What changes did these events generate in the firm's international activities? 6.2. How did these events impact your firm positively or negatively? 6.3 What happened after these events took place? 6.4 How did these events change the firm's behavior and/or characteristics?	Identification of the impact of events on the firm's internationalization process	(Evers & O'Gorman, 2011; Hagen & Zucchella, 2014; Kriz & Welch, 2018; Morgeson et al., 2015; Nummela et al., 2014; O'Gorman & Evers, 2011; Turcan & Juho, 2014; Vissak et al., 2020)
7. Can you describe a time in your firm's journey when your international activity slowed down?	Seeking detailed examples of negative impact on the firm's internationalization pathways	(Dominguez & Mayrhofer, 2017; Johanson & Kalinic, 2016; Vissak et al., 2020)

7.1 Can you explain in detail why this happens? What triggers this change?		
8. Can you describe a time in the firm's journey when your international activity ceased and you left the market? 8.1. Can you explain in detail why this happens? What triggers the company to exit a market?	Seeking detailed examples of exiting foreign markets	(Aguzzoli et al., 2021; Benito & Welch, 1997; Freeman et al., 2013; Vissak & Francioni, 2013; Vissak et al., 2020)
9. Can you describe a time in your firm's journey that your international activity accelerated? 9.1 Can you explain in detail why this happens? What triggers this change?	Seeking detailed examples of positive impact on the firm's internationalization pathways	(Dominguez & Mayrhofer, 2017; Johanson & Kalinic, 2016; Vissak et al., 2020)
10. Can you describe a time in the firm's journey when your international activity returned after leaving a market? 10.1. Can you explain in detail why this happens? What triggers the company to re-enter a market?	Seeking detailed examples of (re)entering foreign markets	(Aguzzoli et al., 2021; Freeman et al., 2013; Vissak & Francioni, 2013; Vissak et al., 2020; Welch & Welch, 2009)
11. Is there anyone else in the organization that I could talk to about the firm's internationalization? 11.1. Do you know any other firm you could refer me to or any other industry contact that would contribute to my research? Can you share it with me?	Seeking potential respondent within the firm and contacts of firms and industry expert that contributes to the research	(Nyamrunda & Freeman, 2021; Patton, 2015)

Adapted from Odlin (2019, p. 134)

Table 4.9 Summary of questions and conceptual motivation for Phase 2 (2021):

Questions	Conceptual Motivation	Reference
1. How has your company changed since we spoke last time?	Broad introduction, allowing the respondent to identify what was important in their firm during the past three years without prompting	(Creswell, 2013; Odlin, 2019)
2. How would you describe your firm's internationalization since we last spoke?	Probe strategic change in the firm's internationalization pathways	(De Mello et al., 2019; Vissak et al., 2020)
3. How has your firm changed in its international activities? 3.1. How did your firm change its international strategy?	Changes in international activities and international strategy	(De Mello et al., 2019; Nummela et al., 2014; Vissak et al., 2020)

4. What changes have you seen in your firm's international journey since we last spoke? 4.1. What is your current target market? Where have you been exporting in the past three years?	Seeking details about the change in the firm's internationalization pathways	(De Mello et al., 2019; Nummela et al., 2014; Vissak et al., 2020)
5. What key events have affected your firm's international activities since we last spoke? 5.1 What events prompted changes in your firm's internationalization pathways?	Identification of recent key events influencing the firm's internationalization process	(Kriz & Welch, 2018; Morgeson et al., 2015; Nummela et al., 2014)
6. Can you provide details about the recent events? 6.1 When did this event occur? How long did it last? 6.2 Was it internal or external? 6.3 New event for the company? Did it require the firm to adapt?	Seeking details about the recent event	(Flanagan, 1954; Morgeson et al., 2015; Nummela et al., 2016)
7. What was the impact of these recent events on firms' internationalization process? 7.1. What were the changes these events generated in the firm's international activities? 7.2. How did these events impact the firm positively or negatively? 7.3 What happened after these events took place? 7.4 How did these events change the firm's behavior and/or characteristics?	Identification of the impact of recent events on the firm's internationalization process	(Evers & O'Gorman, 2011; Hagen & Zucchella, 2014; Kriz & Welch, 2018; Morgeson et al., 2015; Nummela et al., 2014; O'Gorman & Evers, 2011; Turcan & Juho, 2014; Vissak et al., 2020)
8. Since we spoke last time, how has your international activity changed? Increased? Decreased? 8.1 Can you explain in detail why this happened? What triggers this change?	Seeking detailed examples of changes in the firm's internationalization pathways	(De Mello et al., 2019; Nummela et al., 2014; Vissak et al., 2020)
9. Since we spoke last time, have you ceased international activities in any international market? Have you returned to any previously exited markets? 9.1. Can you explain in detail why this happened? What triggered the company to exit a market and/or return?	Seeking detailed examples of exiting foreign markets and/or (re)entering foreign markets	(Aguzzoli et al., 2021; Benito & Welch, 1997; Freeman et al., 2013; Kriz & Welch, 2018; Vissak & Francioni, 2013; Welch & Welch, 2009)
10. How do you currently see your firm's internationalization?	Firm's current internationalization	(De Mello et al., 2019; Vissak et al., 2020)
11. How does COVID-19 affect your firm's internationalization process?	Probe changes in the firm's internationalization due to the main event of COVID-19	(McFarland et al., 2020; Shoss et al., 2021)

Adapted from Odlin (2019, p. 134)

4.7.1.2 Translation

The interview protocol, consent form, and the participant information sheet were translated into Portuguese, the native language of Brazil, to ensure clear, unambiguous communication (Ong et al., 2022). While English is the common language in the IB context, the use of the Portuguese version of the interview protocol (see Appendix E and Appendix F) was provided as it was expected to facilitate quick response and clarity with the participants. The translation of the interview protocol was direct, and the interview questions were equivalent in both languages, as required by the University of South Australia's Human Research Ethics Committee (HREC). The researcher[35] arranged a face-to-face meeting with a qualified, bilingual person (IE1)[36] to translate the interview protocol and discuss terminologies and expressions for the interview questions. Hence, for this present study, all three versions of the interview protocols, consent form, and participant information sheet were translated directly into Portuguese.

4.7.2 Secondary data

Secondary data sources include information gathered and analyzed from archival sources and information available on websites. Firms annual reports, newsletters, articles, press releases, export reports, social media, and firms and industry association websites are examples of secondary data (Aguzzoli et al., 2021). The following section presents the document analysis.

4.7.2.1 Document analysis

The present study adopted a document analysis primarily to triangulate the interview data. Both primary and secondary data are essential and relevant for the purpose of triangulation of data (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Gutierrez-Huerter et al., 2020). Triangulation and confirmation of the exporting firms' pathways were achieved using secondary sources (Aguzzoli et al., 2021; Odlin, 2019; Ong et al., 2022). The present study scrutinizes firms' websites, annual reports (including export data reports), internal publications (including marketing promotional material), and social media (including Instagram, Facebook, and LinkedIn), press releases to understand firms' history, vision, and focus on internationalization (see Table 4.7). In addition, export data available on the Brazilian government website and industry association export reports provided information on the sector (Rodrigues, 2006)

[35] The researcher is originally from Brazil and is fluent in reading, writing, speaking and listening in both languages (Portuguese and English).
[36] IE1 has a Brazilian origin, and although currently lives in Australia, remains doing IB in Brazil.

relevant to this study's context (see Table 4.7). Thus, this study relied on a wealth of published data available from several different sources in both Portuguese and English (Da Rocha et al., 2012).

The secondary data provided background information and evidence on firms' internationalization over time (Berends et al., 2021). This additional layer of information (secondary data source) guarantees that the data collected from primary sources are abundant in information. The present study considers secondary data to compare and contrast with semi-structured interviews (Chandra, 2017; Da Rocha et al., 2012) and to mitigate retrospective bias (Berends et al., 2021). Thus, triangulation of the documentation with primary data assisted in enhancing the qualitative reliability and trustworthiness of the data (Nielsen et al., 2020).

The secondary data allows verifying the accuracy and correctness of the data. Collecting data from multiple sources enhanced the internal validity and dependability of the findings (Nummela et al., 2014). Moreover, it helped unearth multiple dimensions and under-discovered aspects of the phenomena and cross-checked the meaning and inferences from various data sources (Rodrigues, 2006). For instance, actual dates and countries they were exporting to were confirmed with the information available on websites.

4.7.3 Process research

The purpose of this research requires a detailed observation of the course of firms' internationalization. More specifically, to uncover and explain exporting firms' pathways emphasizing transition and change to achieve contextualized explanation (Welch et al., 2022). Thus, the current study relies on process research (Cloutier & Langley, 2020) to document firms' internationalization over time, thus exposing *how* and *why* changes occur (Ong et al., 2022).

Process research is engaged in "describing, analyzing, and explaining the sequence of individual and collective events", incorporating the temporal progression of emergent events (Welch et al., 2022, p. 12). The awareness of the dynamic and changing contingency, which is context-embedded, facilitates theoretical insights (Welch et al., 2022). Furthermore, the processual analysis (Cloutier & Langley, 2020) is suited and needed for studies involving commitment to longitudinal approaches (Ong et al., 2022). In particular, to examine temporal phenomena "in order to understand what happens within a sequence of events as it unfolds over time" (Soulsby & Clark, 2011, p. 277). Hence, process research explains *why* and *how*

firms' internationalization changes over time and events occur and proceed during this process (Kriz & Welch, 2018).

The present study devised a multiple case study to collect data. Drawing from Vissak et al. (2020), the trajectory of firms and the events they encountered were constructed based on diachronic and synchronic data (Soulsby & Clark, 2011). The present study assembled firms' journeys using diachronic data, where participants reflect on their retrospective journey, and synchronic data, where participants express their current real-time situation (Gutierrez-Huerter et al., 2020; Nummela et al., 2014; Soulsby & Clark, 2011). The firms were monitored for four years (2017/2018-2021). During this period, two main interviews were conducted (see Table 4.7), as well as various follow-up interviews that occurred throughout the research process to clarify uncertainties or issues that were not clear (Odlin, 2019; Vissak & Francioni, 2013). The follow-up interviews were essential to keep participants engaged and track the exporting firms[37].

Out of the 14 firms, two firms were not available in the second phase of interviews (F4, F12)[38]. Interviews conducted at different time points (Phase 1 and Phase 2) explain event progressions and enable researchers to understand the firm's past activities, current situation, and future plans to diminish bias (Langley, 1999; Soulsby & Clark, 2011; Vissak et al., 2020). For this reason, collecting data at different time point allows the study to provide a more nuanced understanding and deeper reflection on how the firm's internationalization developed (De Mello et al., 2019; Nummela et al., 2014; Vissak et al., 2020; Welch & Paavilainen-Mäntymäki, 2014), especially with such an impactful and disruptive event as COVID-19, directly impacting exporters current scenario.

The present study encompasses significant forms of the interplay of data by incorporating multiple participants. Combining numerous sources and temporal aspects of data broadens and comprehensively expresses the phenomenon under study. Given the nature of the abductive approach and the changes in the context over the past four years, it is essential to be

[37] Follow-up interviews were conducted between 2017 to 2021, and mainly through online tools: emails, whatsApp, messages, skype. They were 'short informal catch ups', with duration of average of 10-15 minutes.
[38] The researchers have been in close contact with both F4, F12 from 2018-2021, through whatsApp. The CEO of F4 reported that he was not available as it has been a very busy time, as F4 is moving location, and dealing with the current pandemic, however, he expressed his interest and availability to conduct another interview at the end of 2021. The Export Manager of F12, reported that since February 2021, he was no longer working for the company. The son's owner was also contacted five times and was not available for the interview, no reason was disclosed. IE2 confirmed in a follow-up interview in June 2021, that F12 has not yet hired an IB professional to carry on with exports.

sensitive to all changing aspects during the firm's internationalization pathways (Ong et al., 2022). In particular, the depth of understanding of the context and real-time capture observation of events and their impact on firms' internationalization is crucial for this research (Da Rocha et al., 2012; Hagen & Zucchella, 2014).

4.8 Data analysis

Data analysis consists of reducing, identifying, and interpreting themes to elicit findings pertinent to the study's research question (Ong et al., 2022). The analysis of the data accentuated the complete process of the phenomenon under investigation (Nowell et al., 2017). Furthermore, data analysis dovetails the meaning and knowledge developed from the study's research questions with the outcome of an action reported by the participants. Therefore, the data analysis stage is essential to ensure that meaning and understanding are not isolated. The data analysis goal is to obtain meaning from the data collected (Ghauri et al., 2020). The current study adopted an abductive process (as detailed in Section 4.4) to examine raw data for reconstructing exporting firms' internationalization pathways. The data analysis focused on the importance of the process, comprehending firms' involvement in the international market over time. Data analysis primarily comprised an initial template referring to themes recognized in the literature review (Chapter 3). The data was refined in an ongoing process following the systematic combining approach (Dubois & Gadde, 2002, 2014). The data analysis summary of Chapter 5 and Chapter 6 are represented in Table 4.10 and Table 4.11, respectively.

The present study used the Nvivo 12 qualitative data management tool to record and analyze the interview transcripts and secondary data following other qualitative IB scholars (Graves & Thomas, 2008; Gutierrez-Huerter et al., 2020; Hallbäck & Gabrielsson, 2013; Nyamrunda & Freeman, 2021; Ong et al., 2022; Sinkovics et al., 2008). According to Graves and Thomas (2008, p. 155), "Nvivo was a particularly useful tool for 'thinking up' from the data, that is, in linking data with emerging concepts and themes, exploring linkages between concepts within each case, across cases, and in developing the overall conclusions of the study". Nvivo 12 assisted the researcher in organizing, systematizing, and simplifying the data for analysis (Sinkovics et al., 2008). In particular, the software was necessary due to the large amount of data collected in different phases of the study. The following subsections discuss the data analysis techniques applied in the present study.

Table 4.10 Data analysis of Chapter 5

Interview excerpt	Internationalization process approach	Interpretation	Coded as:
"Regarding our board directors' mindset, the company's president considers export the best way out for the company. As entrepreneurs, they know that revenue from overseas is extremely important for the company." Export Manager, F1	Proactive approach	The interviewee recognizes the decision-maker mindset is essential to developing firms' exports.	One piece of evidence of 'decision-maker mindset' within 'the role of the decision-maker'
"Most of the time, people tend to think it is [expanding business] simple. When we go overseas, it's not like we are going to a different state of Brazil. Expansion inside the same country isn't hard; for instance, we will find the same logistic. When I go somewhere else, I need to understand local rules." Founder, F2	Proactive approach	The interviewee recognizes the difference between expanding to the domestic market and overseas.	One piece of evidence of 'awareness of the difference between domestic and international market' within 'the role of the decision-maker'
"This new administration always requests advanced payment, free of risks... Our clients are expected to be fully paid in advance for their order... This is because, at the time of the previous administration, there were some situations where we did not receive the payment from the client." Export Manager, F13	Reactive approach	The interviewee recognizes the risks from exports and adopts a risk-free by imposing advancement payment.	One piece of evidence of 'risks' within 'the role of the decision-maker'
"Some markets we reached were not deliberate or planned... For instance, Fiji island customer, I did not look for it; the other way around, it came to me." Export Manager, F9	Reactive approach	The interviewee recognizes that export happened as unplanned.	One piece of evidence of 'internationalization: planned versus unplanned' within 'firms' strategic plan'
"International customers were looking for us. In fact, customers would call us here asking about our product. So that's how we started to export... From 2015 on, we began to proactively chase and prospect overseas customers. We used to be 'passive' in our sales. We are now 'active'... [The new person hired to export] are prospecting new customers attending international trade fairs, government missions, and any events promoting exports." Sales Manager, F6	Reactive to a proactive approach	The interviewee recognizes that international market expansion was first opportunistic, relying on customers' orders, and is now strategically designed.	One piece of evidence of 'international market expansion: strategic versus opportunistic' within 'firms' strategic plan'
"It took time; in 2015, we started structuring everything... In 2016 we were way more structured, but still some improvements opportunities, and in 2017 we chose to effectively take action and participate in an international fair." Director, F8	Proactive approach	The interviewee recognizes the time needed to develop a long-term strategic plan to internationalize.	One piece of evidence of 'time orientation' within 'firms' strategic plan'
"I think the main point here for exporting, as we say, is market research; I think that sometimes when companies go abroad, they don't do their homework and study: country selected, market size. For us, before we enter a	Proactive approach	The interviewee recognizes the importance of market research to identify potential markets to expand.	One piece of evidence of 'the role of market research' within the 'international market selection'

foreign market, we basically carry out a market study, product adequacy, often acquire knowledge on the legislation." Founder, F4			
"In 2011, the company was exclusively exporting to South America. At that time, we were in five markets: Venezuela, Ecuador, Peru, Bolivia, and Paraguay... Later, we entered Central America, including the Dominican Republic, Honduras, and El Salvador. We are currently entering Costa Rica and Panama. Beyond the American continent, we were able to export Pakistan and Bangladesh through contact made at international fairs." Export Manager, F7	Reactive approach	The interviewee recognizes regional expansion, starting with South America and Central America and later reaching markets outside Latin America.	One piece of evidence of 'geographic market expansion' within the 'international market selection'
"I think the company was more committed [to exports] in the past than it is today. I think it ends up getting less involved than it was... Today I think the involvement is a little less. For example, we do not have any products developed exclusively to serve the foreign market, except chocolate products. I don't have a package that is 100% export. Or, for example, when I go to the [international] fair, I usually go alone; the directors do not join me. So, today we are less committed than before." Export Manager, F9	Proactive to a reactive approach	The interviewee recognizes firm has been more committed to exporting in the past and currently reduced its involvement in a foreign market.	One piece of evidence of 'internationalization commitment' within the 'firm's involvement overseas'
"We are very keen to adapt! We adapt the instructions, the products, for instance, the voltage when it's different from what we use here. We design and adapt products to specific markets." Sales Manager, F6	Proactive approach	The interviewee recognizes the importance of investing by adapting their product to export.	One piece of evidence of 'firms internationalization investment' within the 'firms' involvement overseas'

Table 4.11 Data analysis of Chapter 6

Interview excerpt	Event identified:	Interpretation	Coded as:
"The watershed was when I joined the company in 2011, which was the first time the company had an IB professional. When I arrived at the company, one of the owner's sons, the commercial director, was responsible for exports. But he hadn't visited clients for years; he didn't really do anything. So, we started visiting, trying to understand the client's needs." Export Manager, F7	Hire an IB professional	The interviewee recognizes the importance of introducing an IB professional to grow exports.	One piece of evidence of 'event novelty'
"The new COVID reality, from 2020 has stopped the search for new opportunities, participation on [international trade] fairs. However, on the other hand, it brought us more closely to our existing business partners. Even though we were physically distant, we started to communicate online more often, and these partners were able to increase sales in their market… Obviously, I would like to be more present, together with our distributor to do a better job there, but the pandemic prevented us." Director F8	Pandemic: COVID-19	The interviewee recognizes the changes driven by the pandemic and its effect on exports.	One piece of evidence of 'event disruptive'
"Attending international trade fairs is highly important for the F7 strategy to expand business overseas. We have been attending the most important and relevant fairs in our sectors and finding many customers through these fairs. For instance, we found our Chilean distributors at a fair in Germany. We also were able to enter Bangladesh and Pakistan through a contact that arose from a fair in Dubai... The fairs allow us to return to markets we have exited before." Export Manager, F7	International trade fairs	The interviewee recognizes the importance and relevance of international trade fairs to find customers worldwide and to enter and re-enter several foreign markets.	One piece of evidence of 'event criticality'
"The [export sales] decrease is due to 2 distributors we had in Angola. They had problems making a wire transfer in dollars, and they couldn't buy anymore. This reduced [the exports] significantly, because we had ships leaving here with ten containers of cookies, so for the company was a significant loss, in revenue and production... We didn't get paid, and therefore we wouldn't send the product. So then, it stopped." Export Manager F13	Payment issues	The interviewee recognizes the payment issues in the host country (Angola) and how they prevented the company from continuing to export to this market.	One piece of evidence of 'environment event'
"Companies often exit markets because their product does not have synergy with that country, with that culture. To succeed, the company needs to carry out a market study to adapt the product to a corresponding market... For instance, we invested 15 thousand reais in trying to enter the Asian and European markets. We adapted our product, and we are now using palm oil [ingredient of the products]. Before we used sunflower oil, we now exchanged it for palm oil." Export Manager F11	Adapt the product	The interviewee recognizes that a firm internal action, such as adapting its product, was what triggered them to enter foreign markets.	One piece of evidence of 'organizational event'
"One of our directors is an expatriate in Sweden... He made a partnership with a company in Sweden that was very important, as they started to sell our products in many countries in Asia, North America… Today, our product is in over 25 countries, either by direct supplying or through the Swedish partner supplying." Export Manager, F1	Partnership development	The interviewee recognizes that partnerships and networks are responsible for expanding business overseas.	One piece of evidence of 'individual event'

"Last year, we began a tireless search for new customers outside Brazil. We experienced a significant drop in domestic sales, and we didn't know how long this was going to last. Export was our way out, the door that helped us to maintain the company's revenue... The home sales volume was going down, and we were scared because we had an inventory full of products and a very bad cash flow." Sales Manager F5	Domestic market crisis	The interviewee recognizes the duration of the domestic crisis influenced firms to switch focus to exports.	One piece of evidence of 'event duration'
"Now we are all over Latin America; this is because we are better prepared than we were before. We already have the website and some marketing material in Spanish. In 2019 we participated in an international mission organized by the Brazilian government, and we took advantage of it to be present in other Latin countries." Export Analyst, F6	Government export promoting events	The interviewee recognizes that the company is ready to take advantage of international missions to enter new foreign markets.	One piece of evidence of 'event timing'

4.8.1 CIT

This research applies CIT from the psychology discipline (Butterfield et al., 2005; Flanagan, 1954) to collect and analyze empirical data given the nature of the study. CIT originated in the 1950s in the industrial and organizational psychology discipline (Butterfield et al., 2005; Flanagan, 1954). The technique was developed as part of research in the Aviation Psychology Program of the U.S. Army Air Force (USAAF) during the second world war (Butterfield et al., 2005; Flanagan, 1954). CIT is defined as "a set of procedures for collecting direct observations of human behavior in such a way as to facilitate their potential usefulness in solving practical problems and developing broad psychological principles" (Flanagan, 1954, p. 327). Furthermore, Flanagan (1954, p. 335) emphasizes that CIT "does not consist of a single rigid set of rules governing such data collection. Rather, it should be thought of as a flexible set of principles which must be modified and adapted to meet the specific situation at hand". Thus, Flanagan (1954) presents five main steps of CIT research method:

1. Description of general aims of the activities being studied;
2. Formulating plans and setting specifications;
3. Collecting the data;
4. Analyzing the data; and
5. Interpreting the data and reporting the results.

Butterfield et al. (2005) review the origin and evolution of CIT as a qualitative research tradition over the past fifty years. The authors argue that although the CIT has its roots in the psychology field, it has been widely used in various disciplines. Furthermore, the authors demonstrate how CIT fits qualitative research methods and shows historical credibility, examining the reliability and validity of the technique (Butterfield et al., 2005).

CIT has been particularly suitable for IB scholars examining the internationalization over time and growth of the firm (e.g., Evers & O'Gorman, 2011; Johanson & Kalinic, 2016; Nummela et al., 2016; O'Gorman & Evers, 2011; Turcan & Juho, 2014). For instance, Turcan and Juho (2014) examine how INVs made-it beyond their start-up phase by utilizing the CIT to collect, analyze and interpret their data. Similarly, Johanson and Kalinic (2016) explore the speed of the firm's internationalization process. They apply CIT to identify milestone triggering periods of acceleration and deacceleration (Johanson & Kalinic, 2016). CIT "is a set

of procedures used to collect direct observations of activities that represent key turning points" (Johanson & Kalinic, 2016, p. 832). Further, Evers and O'Gorman (2011, p. 554) argue that the "CIT focusses on capturing process through a series of discrete events". Hence, the CIT is a suitable technique for investigating how events impact firms' internationalization pathways (Johanson & Kalinic, 2016).

Aligned with Evers and O'Gorman (2011), this study utilizes a case study design to capture firms' internationalization process and identify events responsible for shaping their internationalization pathways through CIT. CIT was deployed in the current study to collect and structure the data. When participants identified particular events relating to firms' internationalization pathways, the researcher prompted them to detail further the story behind this event (Evers & O'Gorman, 2011; O'Gorman & Evers, 2011). This assisted in comprehending the events' nature and consequence (Evers & O'Gorman, 2011; O'Gorman & Evers, 2011).

4.8.2 Thematic analysis

The thematic analysis is the most prevalent technique deployed in qualitative studies (Nowell et al., 2017). Thematic analysis is a process that identifies key themes that are relevant to the phenomenon under investigation (Jones et al., 2011; Romanello & Chiarvesio, 2019). The data analysis of this present study consisted of several iterations between theory and empirical world, which result in the identification of different themes in the firm's internationalization (Andersson et al., 2020). This research applied the Miles et al. (2014) model, which contains three stages: data condensation, data display, and data conclusion-drawing (Berends et al., 2021; Miles et al., 2014; Nyamrunda & Freeman, 2021).

4.8.2.1 Data condensation

Data condensation is the initial stage in data analysis. This primary component encompasses a "process of selecting, focusing, simplifying, abstracting", which transforms raw data into relevant themes and patterns (Miles et al., 2014, p. 12). In qualitative research, this process happens through selection, summary, or paraphrasing (Miles et al., 2014). This stage enables the researcher to achieve a deeper reflection on the data, retrieving and condensing the most meaningful data (Miles et al., 2014). During this stage, the researcher selected and condensed the relevant information regarding firms' general knowledge, internationalization process, internationalization pathways entering and exiting markets, and relevant events (Gutierrez-Huerter et al., 2020).

4.8.2.2 Data display

The data display of Miles et al. (2014)'s model ensures a clear view of the data to provide an organized, compressed assembly of information. During this stage, the researcher makes sense of the gathered data by displaying relevant concepts from various interviews (Miles et al., 2014). After data condensation, this step involves systematizing, organizing, and presenting data relevant to each research question appropriately. Miles et al. (2014, p. 108) suggest that data display encompasses "the creation and dissemination of matrix and network displays for qualitative data". In this step, the researcher illustrates and connects data through matrices, graphs, charts, and networks (Miles et al., 2014). For the present study, the researcher developed two matrices: the first with firms' internationalization process, dividing it into reactive and proactive approaches, and the second with events impacting firms entering and exiting markets. In addition, the researcher also used a network display stream to link events with firms' internationalization pathways. Hence, the data display was essential to visualize the course of firms' internationalization.

4.8.2.3 Data drawing and conclusion

At the data drawing and conclusion stage, the researcher aims to understand the meaning and implications of the data. This data analysis stage seeks to verify and interpret data by noticing patterns, casual flows, explanations, and propositions (Miles et al., 2014). It requires to re-examine the data various times to cross-check the emerging conclusions in order to achieve data verification. The present study followed (Ghauri et al., 2020) and (Miles et al., 2014) guidelines to generate meaning and conclusions:

- Representation of themes and their relevance, particularly by ascertaining any similarities or differences
- Development of interrelated categories
- Recognition of interrelationships among variables
- Development of conceptual coherence and consistency.

Following the abductive approach proposed in Section 4.4, the data analysis was a recursive and iterative process whereby the researcher continuously and gradually progressed during the thematic analysis of the data (Dubois & Gadde, 2002, 2014). The researcher

concurrently engaged back and forth in data collection, analysis, and interpretation to obtain relevant information for the study and generate research findings (Biesenthal et al., 2019).

4.8.3 Coding

The present study employed coding techniques to reduce, organize, understand, and make sense of the large volume of data collected. Coding is commonly used to transform textual data into concepts and categories (Saldaña, 2021). In other words, coding refers to organizing, separating, compiling, and labelling the data (Ghauri et al., 2020). Thus, the process of coding in qualitative research encompasses organizing and gathering data into segments, placing them into categories, and bringing meaning to them (Creswell, 2013). The data was coded hierarchically with broad themes cascading into more specific sub-themes and categories (Ong et al., 2022). In qualitative research, themes are known as "broad units of information that consist of several codes aggregated to form a common idea" (Creswell, 2013, p. 186). This enables the researcher to match thematic data with the research questions and extant literature.

The data in the present study were coded using open, axial, and selective coding (Corbin & Strauss, 2008; Ghauri et al., 2020). The open code was the first coding technique applied, where the researcher conducted a line-by-line analysis to identify incidents within the transcribed data. Open coding establishes a sound base for identifying primary phenomena, concepts, and themes (Yin, 2018). The researcher assigns codes through the coding technique, which are labels with "symbolic meaning to the descriptive or inferential information compiled during a study" (Miles et al., 2014, p. 71). In other words, the researcher conceptually labeled sentences of the interviews to capture the contexts, situations, and participants' words (Creswell, 2013). The researcher read the data several times to ensure no overlap between categories (Creswell, 2013). Several data readings presented a complete picture of Brazilian firms' internationalization pathways, connecting participants' views and context (Creswell, 2013). During this stage, the data were carefully categorized into main themes related to firms' internationalization process, their pathways entering and exiting markets, and the events they encountered.

The second step involved axial coding, in which the main goal is to apply depth to categories and concepts related to empirical data (Sinkovics et al., 2008). It is essential to interconnect concepts and categories (Corbin & Strauss, 2008). The present study applied axial coding to create and link common themes related to the firms' internationalization pathways. In the last stage, the data underwent selective coding, which encompasses a process of

integrating and refining categories to generate plausible theoretical explanations of the empirical world (Sinkovics et al., 2008). The present study used selective coding to integrate the core categories and relate them to the research questions, extant literature, and theory.

4.8.4 Explanation building

Explanation building is an analytical technique deployed to build an explanation of the data (Freeman et al., 2013; Yin, 2018). The present study applied this technique through multiple iterations, following the abductive approach (Dubois & Gadde, 2002, 2014). The data revealed novel aspects that expect new theoretical understandings to emerge from the process. The semi-structured interviews' transcript was analyzed, and the literature was revisited (Biesenthal et al., 2019). This process enabled the researcher to identify convergent and divergent themes within and across cases. Hence, the abductive approach further allowed the researcher to match the findings with theoretical tenets, whereby the 'direction and re-direction' was achieved through this continuously iterative matching and explanation building process (Dubois & Gadde, 2002).

4.8.5 Within-case and cross-case analysis

The data analysis was divided into two steps. First, a within-case analysis was undertaken, where each case was analyzed separately (Chandra, 2017; Da Rocha et al., 2012; Hallbäck & Gabrielsson, 2013; Odlin, 2019). The first step of the analysis followed Nummela et al. (2014, p. 537): "The internationalisation of each case company was investigated systematically and the outcomes were summarised in respective tables containing a short description of each critical event, drivers leading to this event and its possible consequences". The present study started the data analysis by writing a case history for each firm to gain contextual understanding (Berends et al., 2021; Langley, 1999). These narratives provided a chronological overview of cases (Gutierrez-Huerter et al., 2020), documenting each firm's entering and exiting foreign markets (Da Rocha et al., 2012). In this step, a narrative analysis technique was applied, identifying temporal bracketing enabling to construct firms' pathways chronologically (Gutierrez-Huerter et al., 2020).

The second step consisted of a cross-case analysis (Chandra, 2017; Hallbäck & Gabrielsson, 2013; Kriz & Welch, 2018; Nummela et al., 2014). The cross-case analysis is a technique applied to multiple case studies to identify common, interconnecting themes and issues across cases (Yin, 2018). The themes that emerged in each case are compared to

determine similarities and differences among cases, enhancing the dependability of the data collected (Eisenhardt, 1989; Yin, 2018). In this phase, the present study followed the structure proposed by Kriz and Welch (2018, p. 504): "We sorted each case into temporal phases based on shifts in internationalisation, to understand the dynamics over time and to compare across cases". In order to simplify and illustrate critical events, the study followed Partanen and Goel (2017, p. 247) and "constructed a table that divided critical events into different categories".

4.8.6 Abductive analysis process

The abductive analysis process incorporates three techniques: revisiting the phenomenon, de-familiarization, and alternative casing (Timmermans & Tavory, 2012). The "revisiting the phenomenon" technique involves the researcher constantly re-evaluating, re-thinking, and re-experiencing the interviews and ideas expressed by the participants. The recurrent revisit "illuminates different aspects of the data and foregrounds previously undistinguishable facet" (Timmermans & Tavory, 2012, p. 171). The coding progressed as the research evolved (see Appendix G). The Nvivo software assisted the researcher to keep track of the data analysis process. The primary and secondary data collected from Phase 1 originated reports that were later integrated with the inclusion of data from Phase 2. This allowed the researcher to revisit the case.

The second technique "de-familiarization" encourages the researcher to be distant from the taken-for-granted when explaining the findings to an external audience (Odlin & Benson-Rea, 2017; Timmermans & Tavory, 2012). After collecting the data, the researcher presented the research in various seminars and international conferences, receiving insights and different theoretical perspectives from academic scholars (see Appendix G). The third technique, "alternative casing" assisted the researcher in looking for different conceptual and theoretical frameworks to explain any anomalies observed (Odlin & Benson-Rea, 2017; Timmermans & Tavory, 2012). This technique encouraged re-coding and the introduction of a new theoretical explanation (EST) to explain firms' internationalization. The ongoing interaction between theory and the empirical world was essential for refining and re-directing the research to focus on events.

4.9 Rigor and Quality

In qualitative research, rigor and quality are concerned with the ability to ensure trustworthiness in the research findings. In qualitative research, this is often achieved through

reliability and validity (Creswell & Creswell, 2018). While reliability in qualitative studies indicates consistency across different projects, validity focuses on the researcher applying procedures checking the accuracy of the findings (Creswell & Creswell, 2018). The present study follows Creswell and Creswell (2018) four criteria (credibility, transferability, dependability, and confirmability) for the rigor and quality of this study.

4.9.1 Credibility

Credibility refers to the degree of correctness of the relationships identified in a study (Yin, 2018). It is related to internal validity, representing the trustworthiness of study findings (Ghauri et al., 2020). The credibility of qualitative research may be compromised due to the researcher's own biases, assumptions, expectations, and subjective interpretation. This current study employed strategies to enhance the credibility of the findings, including explanation building (detailed in Section 4.8.4), using several data sources, cross-informant analysis, and prolonged engagement in the field (Creswell & Creswell, 2018). As highlighted in Section 4.7, this research relies on multiple primary and secondary data sources to gain an in-depth understanding of firms' internationalization pathways. This allowed the researcher to compare the information provided in the interviews with secondary data to determine the extent of congruence and contrast of the findings (Aguzzoli et al., 2021). The present study recognizes the importance of supplementing additional sources so that the meaning and inferences show convergence towards a common interpretation. Additionally, the researcher's extensive engagement in the field by interviewing participants at different phases further developed the credibility of the current study (Odlin, 2019).

4.9.2 Transferability

Transferability refers to the generalization of findings, in other words, to the degree the findings can be transferred to other settings or contexts (Creswell & Creswell, 2018). To ensure the transferability of the present study, the researcher first clearly relied on purposive sampling (see Section 4.6). Second, a multiple case study design was undertaken to provide a detailed description of the findings (Creswell & Creswell, 2018).

4.9.3 Dependability

Dependability relates to the consistency of the research process across time and the trustworthiness of the findings. While quantitative research often uses the term 'reliability' (Creswell & Creswell, 2018), qualitative studies often adopt the 'dependability' terminology.

Dependability can be achieved by adhering to a procedure during data collection and ensuring consistency in the data analysis. Qualitative scholars acknowledge that reality is constantly changing; therefore, dependability can be evaluated based on the conditions of the research context (Teagarden et al., 2018). To address the dependability issue, the researcher carefully documented every procedure within the study in precise detail. Second, a database was created incorporating all the data sources, including the participants and dates of interviews (see Table 4.7).

4.9.4 Confirmability

Confirmability refers to confirming and verifying the findings to ensure that participants' views have been accurately reflected. The core objective of confirmability is to present findings based on participants' perspectives without being affected by the researcher's biases. The present study follows Creswell and Creswell (2018)'s two suggestions to achieve confirmability. First, by using the triangulation of data, the researcher endeavored to address any possible biases that may have arisen during the interview process. Triangulation is a widely acknowledged technique to minimize errors that occur because of biases (Knight et al., 2022; Nielsen et al., 2020). The researcher interviewed multiple participants, including informants within the focal firms and industry experts represented by consultants, government representatives, and industry experts. Second, the researcher persistently reflected on the biases throughout the data collection phase, as participants were approached following an appropriate procedure.

4.10 Methodological limitations

The primary limitations associated with qualitative research are reliability, validity, and generalizability (Yin, 2018). Most concerns in qualitative research relate to their small sample size, limited representativeness, and lack of rigor (Gioia et al., 2013). These potential limitations can be minimized or overcome by the strength of qualitative research (Teagarden et al., 2018). In this sense, the primary objective of qualitative studies is to gain an in-depth comprehension of the phenomenon under investigation instead of generalization by controlling variables. The present study aimed to provide a holistic understanding of exporting firms' internationalization pathways. Triangulation was applied to minimize the undue influence of the researcher and participants' bias on the perceptions and insights derived from data (Nielsen et al., 2020). Further, this study incorporated multiple perspectives of the phenomenon by using several sources of primary and secondary data and compiling the views of the focal firms with

industry experts. Hence, this study followed the recommendation of Nielsen et al. (2020) to use triangulation in IB qualitative research to overcome potential limitations.

4.11 Ethical considerations

Understanding and undertaking the responsibility to conduct research ethically and honestly is necessary for the research process. Ethical considerations assist the researcher with norms or standards of practice, determining appropriate objectives and methods to conduct research (Ghauri et al., 2020). Throughout the research process, the researcher followed ethical considerations. This research followed the HREC's ethical guidelines, congruent with state and federal legislation for conducting ethical research (UniSA, 2021). The researcher submitted the following files to HREC:

- Ethics form (Appendix A)
- Interview protocol of pilot study English and Portuguese versions (Appendix E)
- Participant information sheet of pilot study English and Portuguese versions (Appendix B)
- Consent forms English and Portuguese versions (Appendix D)

HREC granted the ethics approval for the present study in May 2017 (REF: 009/2017 Campos). The research evolved from the pilot study; therefore, the interview protocol (see Appendix F) and the participant information sheet (see Appendix C), were revised in 2018. Accordingly, the researcher submitted the updated versions to HREC. Additionally, the researcher submitted semester progress reports and a report on the completion of the present study.

Following HREC's ethical requirements, the respect and dignity of participants were considered in all phases of the data collection. First, participants were informed of their voluntary involvement in the study and that they could withdraw at any time without fear of consequence. Second, participants received two forms before initiating the interview: A participant information sheet containing an explanatory statement of the research and a consent form to ensure they provided verbal or written consent to participate in the study. The objective of both forms was to ensure participants understood their participation was voluntary, understood the purpose of the research, procedure, and potential benefits of their involvement

in the study. English and Portuguese versions of both forms were provided to assure clear communication and a complete understanding. Finally, the sensitivity and confidentiality of each participant were ensured by not disclosing the participants' names and replacing firms' names with codes (O'Gorman & Evers, 2011; Vissak & Francioni, 2013).

Chapter 5: Exporting firms' internationalization pathways

5.1 Introduction

This chapter identifies and presents the findings relating to the first research question, namely:

RQ1 - How can we explain exporting firms' internationalization pathways?

As previously discussed in Chapter 3 (Literature Review), the internationalization of firms is a topic that has drawn considerable attention in the IB field (Jiang et al., 2020). Previous research has widely recognized firms following a continuous internationalization pathway and increasing their international involvement and commitment over time (Cavusgil, 1980; Johanson & Vahlne, 1977). Firms' internationalization is frequently expressed as a gradual process, e.g., Uppsala Model (Johanson & Vahlne, 1977); or as a rapid and early internationalization, e.g., BG (Knight & Cavusgil, 1996) and the INV Models (Oviatt & McDougall, 1994). In attempting to understand firms' internationalization over time (Welch & Paavilainen-Mäntymäki, 2014), their pathways may distinguish significantly, depending on their context (Kahiya, 2020; Welch et al., 2022). In particular, firms from BEMs experience different pathways compared to their counterparts in DMs, as firms are more likely to encounter events triggering changes due to their disruptive environment and inadequate institutional support (Deng et al., 2020). Surprisingly, studies exploring BEM, more specifically focusing on Latin American firms remain scarce (Manoel & Moraes, 2022; Pino et al., 2021).

As mentioned in Chapter 4 (Methodology), the present study relies on a sample of fourteen Brazilian exporting firms in different industries, including the food, IT, automation, electronic, and biochemistry industry. To gain a comprehensive understanding of BEM exporting firms' internationalization over time, the findings comprised the firms' perspectives, industry experts, government representatives, and academics, which were deemed to have specific knowledge regarding firms' internationalization (Nyamrunda & Freeman, 2021) from a BEM, namely Brazil. The emerging insights from the interviews reveal how each participant evaluates firms' internationalization over time. This allowed the present study to obtain a more balanced and unbiased understanding of exporting firms' internationalization and how it is

perceived by different actors involved in firms' internationalization (Trudgen & Freeman, 2014), including the role of educational institutions and the role of government.

This chapter extends the past IB studies by providing an in-depth understanding of firms' internationalization pathways, capturing the dynamism and change over time. By observing Brazilian firms' internationalization, this chapter reveals *how* firms from a BEM oscillate their behavior and characteristics toward the international market, responding to events and disruptions at a macro level and experiencing periods of reactive and proactive internationalization throughout their journey. During firms' pathways, it was noted that firms are likely to begin their exports with a reactive approach, as confirmed in previous studies (Da Rocha et al., 2012; Hilmersson et al., 2021). Surprisingly, they tend to remain reactive for many years and not evolve in their pathways. The present study suggests that this scenario modifies when particular events emerge, triggering firms to adopt a proactive approach, changing their attitude toward the international market. The findings of the present study add to the current IB literature by explaining *why* the reactive approach continues throughout the years and *how* exporting firms shift internationalization approaches over time.

The present study's findings identify various themes and subthemes related to each internationalization approach (reactive and proactive). These emerging themes were continually compared and refined to form a more comprehensive category. The role of the decision-maker in Brazilian exporting firms' internationalization, strategic plan, international market selection, and involvement overseas were some key themes that arose from the interviews; they were aspects, characteristics, and behavior firms changed in the course of their lives. Various subthemes emerged from the data, including decision-makers mindset, risks, international market expansion: strategic versus opportunistic, the role of market research, and internationalization commitment, among others.

Moreover, this chapter demonstrates the benefits and challenges Brazilian exporting firms face in their journey. It explains *how* context impacts this phenomenon by illustrating the role played by the Brazilian context, which involves educational institutions and the Brazilian government (Kahiya, 2020; Ong et al., 2022; Welch et al., 2022). In summary, this chapter explores *how* Brazilian exporting firms' internationalization pathways develop over time and *why* they have changed. The following sections elaborate on the findings of the present study.

5.2 The reactive and proactive internationalization approaches

The firm's internationalization process and its antecedents have been primarily recognized (Jones & Coviello, 2005). Despite the burgeoning research on international motivation (Campos et al., 2014; Gabrielsson et al., 2014), and the firm's first involvement with the international market, it is crucial to gain comprehensive knowledge of firms' internationalization process over time (Kafouros et al., 2022). To address this, the data collected reflects Brazilian exporting firms' internationalization pathways and identifies two internationalization approaches. The present study refers to them as the '*reactive internationalization approach'* and the *'proactive internationalization approach',* as suggested by IE6:

> *First, what we call 'the reactive approach' is characterized by accidental or opportunity internationalization. Mainly observed in small and medium-sized firms. They start without a plan or strategy and suddenly become involved with international operations. Sometimes, it happens almost by accident or when a Brazilian firm follows a client operating in other countries… The second category is related to proactive internationalization, in which firms assemble a strategic base. These firms have started to internationalize assessing firms' risk management strategies. They protect themselves against fluctuations in the domestic market, exchange rate, economic turmoil, and political issues. These firms seek diversification strategy basically to mitigate risk in the market. So, I would say these two would be two big categories: one less thoughtful and less strategic, and the other a little more strategic. IE6*

These approaches involve various aspects of firms' characteristics and behavior, distinguishing firms' internationalization at a macro level. The findings of the present study show periods of firms experiencing a reactive approach and *why* it is most prevalent during firms' internationalization. In addition, it presents moments in which firms possess a proactive approach and *how* firms shift approaches.

5.2.1 Reactive internationalization approach

Some IB scholars argue that firms tend to focus on the domestic market first and later on internationalization (Francioni et al., 2017). In contrast, others suggest firms that experience an early internationalization process since their foundation are known as BG (Cavusgil & Knight, 2015; Knight & Cavusgil, 1996) and INV (Oviatt & McDougall, 1994; Paul & Rosado-Serrano, 2019). Consistent with BG and INV models, the present study found three firms (two in the high technology industry and one in the food industry) beginning their

internationalization in the early years of their foundation (F2, F7, F9). The present study's findings support prior research suggesting that most Brazilian firms in various industries and various sizes (F1, F3, F4, F5, F6, F8, F10, F11, F12, F13, F14) first focus on the Brazilian market and later expand overseas (Carneiro et al., 2018; Da Rocha et al., 2012; Francioni et al., 2017), as confirmed by IE10:

> *Internationalization is not part of the DNA of most Brazilian firms. Internationalization comes later, which is natural, as we are referring to a large country with great market potential, as it is in Brazil. IE10*

The majority of Brazilian firms target domestic sales and begin to internationalize with low commitment and engagement (Johanson & Vahlne, 1977). In other words, they are more likely to start their first international experience cautiously, with sporadic overseas involvement, and based on serendipitous opportunities (Ciravegna et al., 2019; Hilmersson et al., 2021), suggesting a reactive approach is often encountered among firms starting their international activities (F1, F3, F4, F5, F6, F8, F10, F11, F12, F13, F14, IE1, IE2, IE3, IE4, IE5, IE6, IE10), as explained by IE6:

> *Traditionally, Brazilian firms begin exporting with little preparation; I call it 'export by opportunity.' Usually, the owner and director handle everything, as they don't have a trained department or staff prepared to deal with the international business environment… It's a late and reactive internationalization. IE6*

Most Brazilian firms start their internationalization late and with a reactive approach (Carneiro et al., 2018; Francioni et al., 2017), relying on unsolicited orders from overseas clients (Barretto & Da Rocha, 2001; Da Rocha et al., 2012). The Export Analyst of F5 explains how the firm started reacting to customers' orders (Confirmed by F1, F4, F6, F8, F10, F11, F12, F13, IE5, IE6, IE10):

> *We started to export based on the customer's initiative. Some foreign clients were chasing us, that's why we started to export. For some reason, these clients got to us, and there was a demand. Export Analyst, F5*

The findings of the present study suggest that Brazilian firms treat exports as an alternative to the domestic market (Bernini et al., 2016). In essence, firms are interested in exports when the domestic demand is reduced or when it has a production surplus. IE2 explains that Brazilian firms treat exports as a solution for their production excess (Confirmed by F1, F9, IE2, IE6):

> *Firms in all sectors of the Brazilian economy see exports when they want to get rid of the product. Sometimes they produce more than they can sell locally. They see export as a solution for surplus production. In other words, they send abroad whatever they don't sell here. IE2*

The findings suggest Brazilian firms are not consistent with their international involvement, as they treat export as an alternative (Ciravegna et al., 2019). According to IE10, most Brazilian firms seek overseas markets to protect themselves as the Brazilian economy fluctuates considerably (Bernini et al., 2016). Brazilian firms lack export culture and seek international sales when it is convenient, for instance, when the exchange rate is favorable and when the market is prosperous, as highlighted by IE3:

> *Some firms start to export because the dollar is R$ 4.00, then when the dollar drops to 2, they are no longer interested in exporting. Firms stop exporting without thinking of their overseas customers. Unfortunately, this mentality is quite common among Brazilian firms as they do not have an export culture. Another example is that entrepreneurs forget about exports when the Brazilian market is 'booming'. Their focus is on the Brazilian market. However, when the market slows down, they consider exports again. IE3*

The Brazilian firms' reactive behavior at the start of their internationalization process has been acknowledged (Barretto & Da Rocha, 2001; Da Rocha et al., 2012). However, understanding *why* this behavior exists and persists over the years is underexamined. When questioning participants about the reasons for late entrance and lack of interest in expanding business overseas, they would elaborate their responses on the importance of the domestic market (Bernini et al., 2016). All firms in the present study recognize that the home market plays a crucial role in their business (confirmed by the industry experts). This suggests that decision-makers of Brazilian firms tend to target the home market because it is easier, faster, and less effort compared to going overseas (Confirmed by F3, F6, F7, F9, F10, F11, F14, IE1, IE2, IE6, IE7, IE8).

It is known that the reactive approach prevails at the beginning of firms' international activities (Ciravegna et al., 2019); notwithstanding, the findings add to the previous studies by suggesting that the reactive approach is also present in the firms' later stages . This is evident when firms slow down and reduce their international activities after being highly involved with the global market (Kafouros et al., 2022). For instance, decision-makers prioritize the domestic market after proactively engaging with the international market (Crick et al., 2020). To illustrate, the Export Manager of F9 explains that even though F9 has been deeply involved

with the international market in the past. In the 2021 interview, she reinforces that the focus has shifted, and the company is currently prioritizing the Brazilian market:

> *Our focus today is to serve the domestic market. Let's say: export is seen as what is leftover from the domestic market… Whenever we need to get a license to export overseas, we do not usually involve the domestic sales team; otherwise, we would have to be in line, and we all know the priority is the domestic market. Export Manager, F9*

One of the critical determinants of Brazilian firms returning to the reactive approach and changing ongoing involvement overseas is associated with the relevance and the size of the Brazilian market. While previous studies have shown that market conditions affect firms' internationalization (Bernini et al., 2016; Moen & Servais, 2002), they mainly suggest that firms turn their attention to the home market when the demand in the international market decreases. However, the present study suggests otherwise. When the Brazilian market is prosperous, even firms succeeding in exporting decide to turn their focus back to the home market, treating export as an alternative because the domestic market can fulfill firms' demand. The Export Analyst of F6 illustrates this scenario (Confirmed by IE1, IE2, IE3, IE10):

> *The Brazilian market is very large. What happens is that Brazilian firms manage to develop very well domestically and end up putting the international market on the side. When there is a crisis here in Brazil, all firms want to export. When the Brazilian domestic market is booming again, they [firms] simply forget about the international market, which is a view many importers share about Brazilian firms. This is true because the Brazilian market is huge, so the company that only sells here in Brazil can really maintain itself only with domestic sales and put aside the exports. Export Analyst, F6*

The relevance of the Brazilian market is highlighted among all participants, explaining the prevalence of a reactive approach among Brazilian firms during their pathways. The following section clarifies *why* firms have lingered on a reactive approach over the years.

5.2.2 The predominance of the reactive approach: The reactive inertia cycle

The findings observed that firms maintain reactive for an extended time, suggesting that Brazilian firms predominantly endure a reactive approach. This signifies that instead of increasing their international involvement fast (Knight & Cavusgil, 1996; Oviatt & McDougall, 1994) or incrementally (Johanson & Vahlne, 1977), as the majority of IB studies assume; they remain reactive for many years, as elucidated by IE2 (Confirmed by IE3, IE4, IE5, IE6, IE10):

> *Observing the history of firms, we can see that most firms remain stagnant, do not advance, and why is that? What happens? Why don't they move forward? Investment! Firms do not have the capacity to expand their investments. To illustrate, exports usually represent an average of 5% of firms' total revenue in the [food] sector. Very little, almost like a state in Brazil… For firms to grow their international sales, they need to invest. IE2*

The present study contributes to the IB literature by shedding light on *why* firms continue to be reactive, not moving forward to a proactive approach for a certain period of time. The findings unearth many factors holding Brazilian exporting firms in the reactive approach, including: the attractiveness of the domestic market, high investment and costs related to export, lack of resources to dedicate to internationalization. This contradicts previous studies that suggest that firms grow their commitment as they mature (Gabrielsson et al., 2014; Gabrielsson & Gabrielsson, 2013; Ingley et al., 2016; Sleuwaegen & Onkelinx, 2014).

Furthermore, the extant IB literature acknowledges that export is a long-term investment that requires time and resources to succeed and involves risks (Cavusgil et al., 2020). Growing business overseas certainly requires additional challenges compared to the domestic market. Moreover, exporting demands further investments, including adapting products, developing new packaging accordingly, and obtaining international certifications (for instance: FDA, CE, halal certificate, among others). Additionally, to enhance global performance, it is essential to allocate resources, such as hiring an employee who speaks a foreign language and has substantial knowledge of IB. Most participants admitted being aware of all these factors mentioned above to succeed overseas (F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE1, IE2, IE3, IE5, IE6, IE10). Yet, most Brazilian exporting firms experience a fragmented trajectory as explained by the IE2:

> *Firms' trajectory is fragmented. As I said, it involves the issue of investment, the company's capacity, and the insertion of the export in the company's strategic planning. Firms need to start investing knowing that the return on export is not immediate; it is an investment of at least two or three years for the return to begin… Most firms export, stop, then export again, stop; because they often do not have the financial capacity to help the business partner [abroad]. IE2*

Adding to the insight above, the Export Manager of F1 explains that most firms in Brazil cease their international involvement once they realize that export requires more time and capital compared to the domestic market (Confirmed by IE2, IE3):

> *I have been noticing quite often firms quitting exports. This is because exports initially do not bring the desired results to decision-makers. The costs of maintaining the export operation are greater than the revenue. A few years back, we did some benchmarks with companies that went overseas and realized they often experience at least five, six, or seven years of loss. This happens because it [exporting] requires a long grounded and lasting investment… In addition, internationalization does take time. We see some colleagues dealing with the domestic market often asking: 'but why are you exporting if it is not something that is not bringing profitability to the company at the moment? Why continue?' So, we get this question quite often. We are aware that the [internationalization] process takes time. Export Manager, F1*

Although decision-makers are mindful of what is required to succeed, some remain reactive exporters, not investing in export. The question that arises is: '*Why does this happen?*' The context sheds light on the reasons and rationale adopted by the firms. First, as highlighted in the previous section, Brazilian firms tend to focus on the domestic market and then later extend their activities to other countries, as explained by the Export Manager of F11:

> *In the food sector, 70% of the revenue comes from the domestic market. Firms only export when they are well established domestically. To export, firms need to have a good cash flow. Without cash flow, firms don't export. It is extremely rare to see firms targeting exporting before the domestic market. Even the most successful internationalized firms in the sector started with the home market for later reaching out to overseas markets... Generally speaking, firms that export have 5, 10, 20, 30% of their revenue coming from international sales. Export Manager, F11*

The insights above indicate that the home market is primarily on Brazilian exporting firms' radar. The IE10 explains that this occurs because Brazil is a continental country with an immense domestic market (Dib et al., 2010) with an increasing middle class (Cavusgil et al., 2018). Thus, IE10 confirms the scenario previously illustrated in Chapter 2 (Context). When a firm expands its business in the domestic market, they deal with the same or similar law, same language, easy logistics access, and in most cases, no need to adapt product or packaging (Confirmed by F1, F2, F3, F4, F7, F8, F9, F10, F11, F13, F14, IE2, IE3, IE4, IE6, IE10), as highlighted by IE3:

> *The Brazilian market is immense. [Brazilian] firms often target their product to sell around the country, unlike European firms that start by developing a global product, as they suffer more competition. Brazilian firms need to adapt their product to export, which requires an ongoing investment… Markets are different, so the same product won't be sold worldwide; adaptations are necessary. So, if a company sells to Argentina, it won't be the same when they reach Colombia. There are differences*

among markets. Entrepreneurs need to do their homework, understand each market, and see who their competitors are. IE3

The insights above from IE3 suggest entering a foreign market requires more investment, mainly because each country has its peculiarities. Recognizing its uniqueness and what type of investment it requires is necessary. In essence, Brazilian firms' priority is to supply the domestic market due to its enormous size and potential. Considering this scenario, Brazilian firms see their home market as their '*comfort zone*', maintaining a reactive internationalization approach for many years. This leads to the second rationale suggesting that firms do not evolve because their export revenue is not relevant to firms' turnover, as explained by IE5 (Confirmed by IE2, IE3, IE10):

The export revenue is often not relevant to the firms' total sales. Most of the time, exports are not significant to the firm, and therefore, internationalization is not considered in firms' strategies. In most cases, export is treated as just a sale. IE5

Moreover, most Brazilian firms are SMEs, lacking resources to dedicate to exports (Sui & Baum, 2014) (Confirmed by F10, F11, F14). According to IE6, most Brazilian SMEs start reactive in their trajectory, and the Brazilian economy plays a crucial role. IE6 argues that the larger the firm, the more constant internationalization:

Brazilian firms are typically small and medium-sized firms. Their trajectory starts with fewer resources, and usually, internationalization is dealt with by the owner or CEO of the company. Their internationalization approach is opportunistic and less strategic. These firms are more fragile and susceptible to macroeconomic turmoil. The Brazilian economy is not stable; it is full of ups and downs, impacting firms to stop exporting or paralyzing their international operations literally… It becomes an intermittent internationalization, not constant. However, the larger and resourceful the firms, the more breath and robustness they have to withstand this turbulence, and therefore achieve a continuous internationalization. IE6

The reactive behavior toward the international market and lack of commitment is eminently typical among Brazilian exporting firms. Furthermore, it is essential to highlight that even though firms choose not to be proactive and allocate resources to internationalization, they still respond to foreign orders and are interested in exporting. However, they passively react to the market and are not committed to achieving growth in the international market as per their strategic plan. The Owner of F10 illustrates this scenario (Confirmed by IE2, IE3, IE6):

> *I have not been proactive in finding customers, as a matter of fact, I am very reactive. If [overseas] clients are interested in my products, I evaluate their potential and decide. I do everything on my own: I translate to English and Spanish, I negotiate with the client, I provide the documentation, such as Invoice, Packing List, I hire a freight forwarding company, seriously, I do everything… If we grow our export sales, I will invest in it and hire an export team. Owner, F10*

Furthermore, to devote themselves to the international market, Brazilian firms' decision-makers need to be confident in their investment returns. In other words, Brazilian firms will only get out of their '*comfort zone*' and invest in foreign markets with the assurance of returning their investment. The findings suggest that most firms will not spend on a global certification because it "*requires time and money*"[39] unless they have a high demand or regular export orders. Thus, firms require sales contracts pledging steady orders or a high volume to justify the investment, as explained by the Export Manager of F7 (Confirmed by F1, F3, F7, F8, F10, F11, F14, IE2, IE3, IE6):

> *Of course [we] want to increase the export portfolio]! But, to achieve this, products need to be certified. Sometimes they require a higher level of regulatory agency criteria, which sometimes costs us about $100,000 to register a single product. So, unless we find a customer who would buy on a gigantic scale, it would not justify making this type of investment. So, product development today is not focused on the international market. For us to focus on the global market, there has to be a high demand. Export Manager, F7*

As explained above, export involves a higher cost to the firm as it requires a certificate. Thus, firms often evaluate the demand to justify the cost and investment. The Owner of F10 concurs and clearly states that F10 will only invest in export certifications when exports achieve a higher volume to justify this investment. Moreover, the Export Manager of F1 adds that each country adopts a certificate that involves various requirements firms need to fulfill (Confirmed by F7, F11, IE2, IE3), enhancing the challenges of expanding globally. In addition to the cost, export return of investment takes longer, and "*it requires patience and resilience from the entrepreneur*" according to IE3. Furthermore, long-term investment is necessary, as highlighted by the Export Manager of F14:

> *We only started to get the response from the investment made over two years, practically in the third year. So, Brazilian entrepreneurs should be aware of this reality… Entrepreneurs need to be mindful that there must be an initial investment so that the product is adapted until it effectively sells*

[39] According to the Export Manager of F1.

> *appropriately. Today, what we see in the market are entrepreneurs who want to enter the international market without adapting their products. They want to start selling to have some return for later adapting the product. The way I see it is that this formula does not work; it is not very suitable. It works best when there is an initial investment, which later on will turn into sales revenue. Export Manager, F14*

It was observed that most firms experience a loop where they tend not to develop exports over time and proactively chase the market. The present study refers to this loop as '*the reactive inertia cycle*' in which firms don't evolve and grow their business internationally. The findings of the present study suggest that Brazilian exporting firms are cemented in this cycle where the company is not engaged in the international market because sales are not guaranteed. Nonetheless, the company will most likely not achieve overseas business growth without effort, investment, resource allocation, and time. In this sense, to succeed, the company needs to invest in export. However, at the same time, it requires sales revenues to justify the investment. As a result, this cycle hinders firms from growing their exports and moving to a proactive approach. This happens because participants state they would not engage in foreign sales without international sales revenue or the assurance that the business would be profitable.

The findings of the present study add to the current knowledge by unearthing the triggers to break the 'reactive inertia cycle'. The findings emphasize that firms remain reactive throughout the years and mostly change when disruptive, novel and critical events happen, such as the entrance of a new decision-maker or the COVID-19 pandemic. The present study adds to the current IB literature demonstrating *why* this scenario exists and *how* the Brazilian context plays a role in exposing why most firms face difficulties evolving from reactive to proactive. According to IE6, some events are important milestones for firms to move forward from the reactive to the proactive approach:

> *There are some events and milestones that give firms the strength to be able to maintain an international involvement, grow sales overseas and enter new markets. For instance, large projects that finance firms' global operations could be a milestone. These projects increase their international revenue and help firms develop their pathways. IE6*

The quote above by IE6 suggests that Brazilian firms often shift from a reactive to a proactive approach when a milestone or event occurs. The following section explains the Brazilian firms' internationalization approach shifts.

5.2.3 The internationalization approach shift

The findings of the present study suggest that Brazilian exporting firms shift approaches throughout their journey overseas, lending support to the argument of cycles and waves of internationalization (Kafouros et al., 2022). This scenario of changes and shifts in the internationalization approaches is observed in F1, F2, F3, F7, F9, F11, F12, F13, and F14. To illustrate, F13 is a firm in the food industry that has experienced shifts in its internationalization approach from reactive to proactive and proactive to reactive. The Export Manager of F13 exposes the actions taken by F13 to move from reactive to proactive:

> *When I started to work here, there were very few exports. So, some packaging updates were done, adding other languages. For instance, we added English, Spanish, Arabic, and French label. This was done to seek new [overseas] customers and new partners. We started participating in a few fairs and some government export missions. Export Manager, F13*

As the insights above confirm, the entrance of a new staff dedicated to developing IB changed F13's international pathways, increasing its involvement with the international market. However, many years later, F13 experienced an acquisition that restructured the firm, bringing a new administration board directing F13's focus to the domestic market. The Export Manager of F13 outlined ten employees dedicated to the export department before the acquisition. As of 2021, she and another colleague were the only two who remained in the export department since the priority shifted to the domestic market. Therefore, once again, F13 moved back to a reactive internationalization approach. The shift in firms' internationalization approach can be associated with various reasons. According to IE6, it is related to the mindset of the decision-makers, who see benefits in exports, among others:

> *Usually, it is associated with the company's top management vision. Generally speaking, top managers begin to see benefits and develop a more strategic view regarding internationalization. They start to see that by operating overseas, the company generates more competitiveness, which is reflected domestically. The company begins to export, and for that, it improves the packaging and quality of products… The company [consequently] becomes more competitive in Brazil as well. The top manager notices this and decides to adopt a more strategic and constant internationalization, using a perennial strategy that involves expansion abroad and here, by enhancing its competitiveness in several aspects. Firms' internationalization starts more accidentally, and when it gets more mature and successful, firms change the way they see the international agenda. It becomes less based on opportunities and more as a strategic path leading to growth. IE6*

The findings suggest that the internationalization approach shift is commonly observed across the cases, driven by the context within which the firm is inserted (Welch et al., 2022). Especially in BEMs, where markets are exposed to instability and generate events triggering firms to alternate their internationalization approach (Deng et al., 2020). Previous IB studies suggest that firms' behavior and strategies change according to their current development phase (Gabrielsson et al., 2008; Rialp-Criado et al., 2010; Trudgen & Freeman, 2014). In line with these studies, the findings of this present study suggest that firms adopt periods of reactive and proactive internationalization approaches in various phases of their lives. During the course of their pathways, most Brazilian firms shift their internationalization approach. However, this study differentiates by emphasizing that the shift occurs not exclusively from reactive to proactive but also from proactive to reactive, suggesting firms experience cycles and waves of internationalization (Kafouros et al., 2022), encountering moments where they are more and less involved with international activities, as explained by the Co-founder of F3:

> *Since we started exporting, there was a time when the company was more involved [with the international market], and there was a time when it was less involved. So, for example, the Angola project was massive; it involved everyone in the company. After it finished, export became not relevant to us. But, since we hired a new person to dedicate to it [export], there is more constant and appropriate attention: the development of materials in Spanish, things that we did not have before and nowadays we do. There are catalogs and other materials available in a foreign language. Co-founder, F3*

The present study adds to the IB literature by elucidating the 'events' as the main trigger of the oscillating behavior of firms towards the international market. The findings suggest that the shift in the internationalization approach is often associated with critical, disruptive, and novel events (Morgeson et al., 2015). The most significant events observed include the entrance of a new decision-maker (F6, F8, F9, F10, F12, F13, F14); domestic market limitation (F1, F2, F3, F4, F8, F11, F12); competition (F1, F2); new opportunities overseas (F3, F4, F7) and the COVID-19 pandemic (F5, F7, F11), among others. IE2 explains that milestone events trigger firms to change their strategic view toward exports. IE2 illustrates how new opportunities overseas can change firms' internationalization orientation:

> *Some milestones are what we call provocation from abroad. The decision-maker goes to an event, participates in an international fair, for instance, and in this event, export opportunities arise and awake the decision-maker to the global market... Companies end up being provoked to sell outside of Brazil; this is a milestone. IE2*

Notably, one of the most common events observed was the entrance of a new decision-maker. The findings reveal how this event moves firms' internationalization approach (Nummela et al., 2014). The present study suggests this can happen through mergers and acquisitions (F9, F13), new CEO joining the firm (F6, F8, F12), as well as through family succession (F10, F14). To exemplify, F10 and F14 moved from reactive to proactive when the daughter and the son, respectively, took over the business. According to the IE6, this shift is commonly observed in family businesses when new decision-makers arise, confirming the study of Shi et al. (2019), as exposed below:

> *Family-run companies are generally less susceptible to significant internal changes. However, when they change their management, this could be an important change in its trajectory. When this happens, firms begin to show a different decision-making mechanism. So, this could be an internal event that significantly affects the company's trajectory. IE6*

5.2.4 Proactive internationalization approach

The proactive internationalization approach is less commonly observed when firms start their first international activities. However, they exist mainly in the format of BG and INV firms, where firms start their internationalization early and as part of their business plan (Cavusgil & Knight, 2015; Knight & Cavusgil, 1996, 2004; Oviatt & McDougall, 1994, 1997), as explained by IE6 (Confirmed by IE3):

> *Brazilian firms' internationalization often starts late and reactively. When their export volume increase, firms invest and hire someone to export. So I see a movement that is amateur and less strategically driven. Nowadays, we are seeing some firms that are born global, which since the firm's first year or early years, the international agenda as part of its strategy... For us, the emergence of these firms is excellent, music for our ears. This is because we at APEX-Brasil try to develop the culture that the international plan must be part of the company's permanent strategy. For us, it is essential that export remains in their business, not just considered when the exchange rate is favorable or when exports are interesting for the company. IE6*

The findings noted that three firms (F2, F7, F9) started their international activities proactively near the firms' foundation (Cavusgil & Knight, 2015; Knight & Cavusgil, 2004; Oviatt & McDougall, 1994). F2 is a firm in the IT industry in which the Founder affirms that internationalization has been part of F2's mission since its foundation:

> *We created our brand with an English name thinking about export, for a simple reason: for the type of product I sell, the Brazilian market wouldn't be enough to maintain the company alive. So, either I would have a global*

> *vision, or it would be complicated. The company was going to compete with international corporations here in Brazil. Thus, it was important to explore their territories as well. Some Brazilian companies don't see this. We did; that's why most of our product has English names, to make it easier. Founder, F2*

Like the reactive approach, the proactive approach occurs in different moments of firms' pathways and is often represented when firms are proactively involved with the international market. For instance, even though most Brazilian firms in the present study start with a reactive approach, this scenario may change during their pathways, where they go from reactive to proactive (Vahlne & Johanson, 2017). The findings illustrate that when a firm moves from a reactive to proactive internationalization approach, it increases the level of commitment (Johanson & Vahlne, 1977), the allocation of resources (Barney, 1991), and the risk, among other aspects. For instance, this is evident in F8, when decision-makers initially had limited intention to expand business overseas. This scenario changed in 2015 with the entrance of a new member of the board of directors. The Director of F8 explains *how* the firm moved from spot sales to investing in export, demonstrating that by seeking partnership with an export industry association and participating in international fairs, the company was moving toward a proactive approach:

> *After Japan [export spot sale], we only exported again in 2015. So, 16 years later, we went to the U.S.A. The first export to the U.S. was in 2015. And then, in 2016, we associated with ABIMAPI to research potential markets… In 2017 we did our first international fair, which obviously generated lots and lots of contacts... In 2018 we participated in the most important international fair… We are moving forward, and I believe we have a much better structure today than the previous years. Director, F8*

The scenario described above by the Director of F8 was also observed with the majority of the firms (F1, F3, F4, F5, F6, F8, F10, F11, F12, F13, F14). The present study enhances our understanding of *how* a firm moves from a reactive to a proactive approach. The Export Manager of F1 explains how F1 embraced a proactive approach, taking risks and investing in export after acquiring some knowledge about the home market and gaining experience:

> *To summarize, at that time [when the company was founded], I think that the company's structure still did not allow the company to move toward exports. Today the company is already established, knows the domestic market very well, and has some well-established customers... So, now we can go abroad, visit new markets and, how can I say? Take the risk. If we have any problems trying to export, we know we would still survive here.*

Anyways, today the structure is different, allowing us to have this possibility [of going overseas]. Export Manager, F1

The following sections expose how firms diverge in behavior and characteristics following the reactive and proactive approaches. The present study contributes to the IB literature by differentiating both approaches in various aspects presented below.

5.3 The role of the decision-maker

To comprehend the internationalization of Brazilian exporting firms, it is essential to understand the crucial role of the decision-maker (Nummela et al., 2014) in three aspects: decision-maker mindset, awareness of the difference between domestic and international markets, and their willingness to take risks.

5.3.1 Decision-makers' mindset

How decision-makers perceive internationalization and their mindset guides firms' internationalization process (Cavusgil & Godiwalla, 1982; Gabrielsson et al., 2008; Lazaris & Freeman, 2018). The findings confirm that while in the reactive approach, decision-makers are indifferent and passive towards the international market, in the proactive approach, decision-makers are enterprising, endeavoring, and actively motivated to expand business internationally. In other words, a local mindset is reflected in the reactive approach, while a global mindset is seen in the proactive approach. In the reactive approach, decision-makers lack interest in internationalization (Cavusgil & Godiwalla, 1982). The Export Manager of F13 explains that although the firm got foreign demand, the decision-maker did not embrace this opportunity:

There was a demand that came through our website. Some Chinese customers were interested in our products and wanted us to go personally there to talk to them and sign the contract... Anyway, we thanked them for their interest, but at that moment, our board of directors had no interest in traveling. Export Manager, F13

The scenario illustrated by the Export Manager of F13 was also confirmed by the Owner of F10 and the Founder of F4. The Founder of F4 reflects that a potential customer from the Philippines showed interest in buying from him. However, the Founder was not interested as "*it was not worth it!*" thus, export never consolidated. The reactive approach also incorporates firms that receive unsolicited foreign orders (Barretto & Da Rocha, 2001;

Ciravegna et al., 2019; De Mello et al., 2019); however, they do not build from this opportunity. The Director of F8 explains that F8 started with a reactive approach; it was not seeking opportunities overseas and did not capitalize on the original market opportunity:

> *Our first export happened in a passive way; it was not active. We were waiting for the client to see who would come and buy from us. We were waiting for many years because, in our view, the Brazilian market was sufficient. Director, F8*

In contrast, decision-makers following a proactive approach present a solid and consolidated behavior that builds opportunities and is involved with the international market. For instance, the Founder of F2's global mindset was crucial for the development and success of F2 in the international market. Furthermore, the Director of F8 explains that F8's mindset changed when the new board of directors took over, and this changed the mentality of the firm as they implemented global thinking:

> *The company's mindset completely changed. We started to think globally from the beginning of any product development, whether that product would fit a foreign market or not, and make specific developments for foreign markets, including packaging and labeling development. We managed to implement this global thinking in the company's mind as a whole. Director, F8*

The findings suggest that the decision-maker mindset is often associated with prior experience and network relationships (F2, F4, F7, F10). How decision-makers perceive internationalization relates to previous working and personal experience and their network (Bai et al., 2021). The Founder of F4 reports that he has previously worked with export and used his expertise and knowledge to enter the international market. Correspondingly, the Owner of F10 acquired professional experience with the international market, and after joining the family business, she embraced exports.

The Founder of F2 was a high school exchange student in the U.S.A. and explained that living overseas has opened his mind to the international world. Similarly, the Founder of F7 studied for his Ph.D. in Germany and met several personal ties that were important for the start of F7's export. According to the Export Manager of F7, the first exports emerged from the Founder's personal network.

5.3.2 Awareness of the difference between the domestic and international market

The IB literature suggests that doing business overseas differs from those conducted in the domestic market (McDougall, 1989; McDougall et al., 2003). Some participants perceive and acknowledge the difference between domestic and international markets (F1, F2, F3, F4, F5, F6, F10). For instance, the Founder of F2 recognizes that international sales encounter more difficulties and need more resilience compared to the domestic market. Similarly, the Founder of F4 also perceives this difference and conducts activities in the international market with more caution. According to the Founder of F4, when a firm goes overseas, "*it's a completely different universe to face*." The Export Analyst of F6 explains that the international market requires specific knowledge that is essential to succeed in export:

> *To reach the international market, the firm needs operational knowledge, such as an Invoice, Packing list, INCOTERM. It is not a simple thing. Going overseas is totally different [compared to the home market]. For example, in some countries we export, it's not simply selling and delivering the goods! Some countries require that our product undergo certification and require some knowledge... So, I think this is something that makes it difficult for Brazilian firms to export. Export Analyst, F6*

The above insights are confirmed by the Owner of F10, who also believes the international market demands more than the domestic market. Furthermore, the Sales Manager of F5 adds that different countries require different needs and deserve specific attention. She recognizes that expanding overseas and taking into account the difference in each market is time-consuming and demands effort, as explained below:

> *We are aware that each country has different cultural beliefs, and we know that the approach must be specific to each location. We have not yet been able to draw up individual plans for each location as this requires a lot of time and dedication, which is not feasible today. However, we try as much as we can to pay attention to details when we are reaching different countries. Sales Manager, F5*

In accordance, the Export Manager of F1 explains how F1 shifted from a reactive to a proactive approach by noticing how important it is to understand the differences between expanding overseas. The decision-makers of F1 currently recognize that firms penetrating foreign markets should acquire knowledge (Bernini et al., 2016), be aware of the different necessities of each market, and adapt the product accordingly (Lazaris & Freeman, 2018):

> *We can now understand a bit more regarding the international market necessity, which differs from the domestic market. The company is now*

> *involved in opening investments following the international market needs, that is, things that didn't happen before, as the investments were more focused on domestic customers. At first, our decision-makers did not see the need to invest in what the market abroad asked for… So, let's say that today the company is more involved and interested in developing products to meet customers' needs in these [foreign] countries. Export Manager, F1*

5.3.3 Risks

Risks and mitigation have been discussed in the IB literature (Cavusgil et al., 2020; Ozkan, 2020; Puig et al., 2018). As IE2 explains, any business operation faces risks, and Brazilian firms are no different, as stated below:

> *The decision-making to export involves risk. Actually, any operation does; if the domestic market involves risk, why would it be different for the international market? So, many Brazilian firms have difficulty negotiating with African customers because they are afraid of defaulting, uncertainty, etc. IE2*

Decision-makers often evaluate their risks in foreign operations, seeking ways to lessen or even extinguish these threats (Cavusgil et al., 2020). The Founder of F4 explains that by assessing the risk in each country to enter, F4 increases its chances of success. They evaluate risks related to bureaucracy, country's economic and political condition, as explained below:

> *For each country we enter, we assess the risk. Today, for example, it's more favorable for us to develop the Peruvian market because the country is economically better, reducing the bureaucracy, among other things. So, the decision involves evaluating each country. For instance, Venezuela was a low-risk country ten years ago; today, it's chaos. Founder, F4*

The risks in international business can be diminished in various forms. The Export Manager of F13 explains that the new decision-makers had reduced their risks towards the global market by requesting advanced payment to their clients, as outlined below:

> *In the past, we had a different administration; they had a slightly different mindset compared to the current administration. So, concerning exports, we do not work with any risks, I mean, financial risk. So, payments are always made in advance; I know that many clients would like some flexibility on payment conditions, which is not feasible today. We only send the product after the customer has paid the entire invoice. We know we lose a potential customer because of this policy, but this is how the new administration thinks. Export Manager, F13*

5.4 Brazilian exporting firms' strategic plan

Internationalization is a dynamic process of exploring international market opportunities (Lazaris & Freeman, 2018). Scholars argue that firms adopt different strategies and strategic behavior according to "the phase of development in which they find themselves" (Trudgen & Freeman, 2014, p. 552). While some firms proactively design a strategic plan to enter overseas markets, others reactively enter markets based on serendipitous opportunities (Ciravegna et al., 2019; Hilmersson et al., 2021). Firms' international involvement may consist of a planned or unplanned internationalization strategic plan (Crick et al., 2020; Karami et al., 2020). Furthermore, internationalization may be part of a firm's business model in which firms undergo a strategic international market expansion; or it can be seen as opportunistic.

5.4.1 Internationalization: planned versus unplanned

The IB literature reflects that internationalization happens planned or unplanned manner (Ciravegna et al., 2019; Crick et al., 2020; Karami et al., 2020; Lazaris & Freeman, 2018). Unplanned internationalization is often commonly seen in Brazilian exporting firms' initial involvement with the international market. For instance, F3 started its internationalization occasionally and unplanned. F3's first export was reactive and happened as an opportunity (Hilmersson et al., 2021), as explained by the Co-founder of F3:

> *Our first export was not planned; we didn't intend to go overseas at all. It happened because someone I knew from the university connected me with him [Angola customer]. So, we negotiated, it worked out well, and it was a very good project, to be honest. It was a turn-key project that we set up the laboratories. Co-founder, F3*

In contrast, firms may begin proactively performing their internationalization. This signifies that internationalization is planned, solid, and consolidated in a firm's strategic plan and business model. This is reflected in the F14 internationalization process. The Export Manager of F14 explained that the internationalization of F14 was carefully planned (Nummela et al., 2014), and all details of exports were taken into account to develop the international market:

> *The internationalization process started when the son joined and planned all the way through. We started creating a brand to serve the international market. Later, the product and the packaging were adapted, especially to meet the legislation criteria imposed by the foreign market... In addition, a website was created for this new brand, and we started to develop business*

cards and promotional and marketing materials necessary to address our product portfolio. Export Manager, F14

Whilst the above insights from F3 suggests a reactive approach, F14 exposes a proactive approach. More commonly, firms experience a shift from reactive to proactive, where Brazilian firms start their activities unplanned, and after experiencing an event, they switch to a planned manner (F4, F5, F6, F8, F10). To illustrate, F5 moved from an unplanned strategy to a planned one after introducing a new staff member dedicated to exports:

[At first] the strategy was never well planned... So, whenever we had the opportunity to sell abroad, we would sell... [Now, with the introduction of an IB staff], sales to the foreign market are always made in a planned manner by our distributors, and this helps the company improve the cash flow, especially when the dollar rises. Sales Manager, F5

5.4.2 International market expansion: strategic versus opportunistic

It is known that not all international expansion was strategically thought of. Instead, some firms expand to other countries based on opportunities (Bernini et al., 2016; Ciravegna et al., 2019; Graves & Thomas, 2008; Hilmersson et al., 2021). The proactive approach represents the former, while the latter reflects the reactive approach. The relevance of strategic international market expansion reflects in continuous exports, as explained by IE2:

The reason why most firms are not consistent in their export is simple: Strategy, actually, lack of strategy! Decision-makers and entrepreneurs need to elaborate the strategy, put it on paper, draw, and talk to people who can help them. By doing this, Brazilian firms will have the base to fundamental aspects to be consistent on exports. IE2

Even though decision-makers are aware of strategic internationalization's importance, most firms amplify their global business based on opportunities, primarily relying on unsolicited orders from overseas customers (F3, F4, F5, F6, F7, F8, F10, F11). This is common when Brazilian firms are initially entering the international arena, as highlighted by the Director of F8:

The first export was in 1999, maybe 2000, there was an opportunity to export to Japan, and it happened as a spot sale… We started to export because we had a demand, this order came to our commercial department… From 2015 onwards, we decided to invest in export actively. This decision was within our strategic planning, and we switched from passive to active market expansion. Director, F8

This opportunistic and reactive behavior prevails at the beginning of Brazilian exporting firms' internationalization, as the IB literature predicts (Barretto & Da Rocha, 2001; Da Rocha et al., 2012). However, the present study adds to the prior studies by showing this behavior is maintained in some firms, mainly because they choose to be in their 'comfort zone' and do not break the '*inertia reactive cycle*', which is the case of F10:

> *I don't choose my clients; they come to me. The potential customers need to convince me that their market is interesting to give them an opportunity. To exemplify, Paraguay and Uruguay customers met us at a fair. They said: 'I really want this product in my country' I replied: 'Look, I receive a lot of emails requesting this, so I have to do a screening'... If the potential client operates within our niche market, I go further to the negation. However, if the potential customer portfolio is not related to mine, I drop out; I don't even waste my time. Owner, F10*

The present study suggests that firms often shift from opportunistic to strategic international expansion (F3, F5, F6, F7, F8). This is reflected when firms experience an event (for instance, the COVID-19 pandemic) that triggers them to switch from relying on customer orders to proactively prospecting for new clients. The Export Manager of F7 illustrates this scenario:

> *In the past, customers would buy from us. Today is different; currently, we are selling to them, reaching for international markets. Our export team is able to assist with the international regulation; they have a very active after-sales, they are all trained. Export Manager, F7*

The reality described by the Export Manager of F7 is also observed in F1, F3, F5, F6, F9, F11, F12, and F14. The introduction of a person dedicated to exports changed the firms' strategic approach toward the international market. The Export Analyst of F6 explains:

> *We were more passive than active! Before, there wasn't a person to take care of exports. So, customers who wanted to buy our products would contact F6 to export. The initiative would come from the client, not from us. Today is different; we are more active than passive. For example, when I started working here, F6 exported to five or six countries; today, we sell to sixteen countries. This is because we have someone fully dedicated to taking export forward. Export Analyst, F6*

The present study's findings demonstrate that in addition to introducing a person dedicated to export, other events also trigger firms to switch their international expansion approach. For instance, in the 2021 interview, the Export Manager of F11 highlighted that she

was more actively involved in prospecting for new customers. Similarly, the Sales Manager of F5 said that COVID-19 affected the firm, proactively seeking customers:

> *We reinvented our strategy to actively search and prospect [international market]. This happened as a need to expand and search for a new business to keep the company's revenue. Sales Manager, F5*

5.4.3 Time orientation: Long-term versus short-term strategy

The findings confirm the extant IB literature that argues that exports require more time compared to the domestic market (Chetty et al., 2014). This is supported by decision-makers of F1, F3, F4, and F14. The Founder of F4 recognizes that exports take longer, and when decision-makers understand this scenario, it becomes easy to predict what is coming ahead:

> *The [export] business takes longer to mature, but that's not necessarily negative; I think it's important to know what to expect. Founder, F4*

In contrast, the Export Manager of F14 highlights that most entrepreneurs and decision-makers lack knowledge of long-term internationalization. According to her, most entrepreneurs would not be participating in the global arena if they were aware of the entire long-term process it requires:

> *I see a lack of knowledge from most entrepreneurs regarding the whole internationalization process. If the entrepreneurs knew all the essential steps necessary to internationalize a product until they achieve their financial return, they might think twice before internationalizing. Export Manager, F14*

According to IE2, Brazilian entrepreneurs adopt a short-term strategy, which is *'problematic'* (confirmed by IE1). This is because internationalization should be viewed as a long-term strategy (Metsola et al., 2020). The findings suggest that most Brazilian exporting firms have been reactive, treating internationalization as a short-term strategy. IE2 highlights that the current COVID-19 pandemic is changing this scenario, forcing firms to reflect on their long-term strategy. However, until recently, most Brazilian firms were reactive, not allocating resources to long-term investment, as illustrated by the Export Manager of F13:

> *When [export] opportunities arise, of course, we assess the return of the investment, so we do not spend money or invest in a business or an international fair that won't bring much return soon. So, our company guideline is to be involved and participate in profitable opportunities. So, we always evaluate if it will be a long-term investment that requires investment in product and brand promotion. Export Manager, F13*

In contrast, the findings also reveal that firms that adopt a proactive approach elaborate on a long-term strategy (F1, F8, F14), in which the decision-maker designs a long-term plan investing time in internationalization. For instance, the Director of F8 narrates that its export strategy was developed and structured in 2015; it involves the following five years, where the return on investment would not be immediate. Similarly, F14's strategy also involved a long-term plan with various steps, including adapting the product and changing packaging.

5.5 International market selection

5.5.1 The role of market research

The IB literature recognizes market research's importance in choosing appropriate markets based on the product/service firms offer (Chandra, 2017). However, some firms enter markets before systematically evaluating and investigating them (Vissak et al., 2020). According to IE4, many Brazilian firms, mainly following the reactive approach, randomly select markets, mostly when they are contacted by potential customers interested in their product. These firms do not invest in research or market intelligence and do not directly focus on selecting markets to target to export. On the other hand, the findings indicate that market research is crucial in the proactive approach (Confirmed by F1, F3, F4, F5, F6, F8, F9, F11, F14, IE2, IE4). IE2 explains that firms need to focus when selecting foreign markets, instead of targeting many countries at the same time:

> *Firms need to keep in mind that instead of concentrating their effort opening more markets, like 'I'm going to export to 20 countries', they need to have focus. They should have sustainability and durability in the markets they have already opened. I have seen entrepreneurs more focused on developing fewer markets but with a better position and more significant market share in those markets. It is no use entering 200 countries; they need to stay focused and help their business partner increase their distribution in that market. The entrepreneurs need to direct their investments; otherwise, they will be doomed to inconsistencies and end up not selling anywhere. Without a clear strategy, entrepreneurs will not succeed overseas. IE2*

According to IE2, carefully choosing the market is fundamental to firms' strategic planning to export in an organized, planned, and structured manner. The Export Manager of F1 explains that the selection of countries is based on some criteria:

> *There are some criteria we need to fulfill before entering foreign countries. So, we do some research, get to know companies that are located in these*

countries, and understand if there is any space for us [market opportunity]. Export Manager, F1

Moreover, market research is essential to evaluate demand and observe each market's peculiarities. It is also vital to assess the potential of the market and its competitiveness. According to IE2, seeking opportunities in a more accessible and less competitive country is recommended. Hence, finding a suitable market for the product and focusing on it is crucial to succeeding, as explained by the Export Manager of F11 (Confirmed by IE2):

We do market research to identify which countries buy the type of product we sell… It is important to focus. Then we look for countries with the same certifications and where it does not require aggressive packaging changes. This research helps achieve better results, as we don't want to go everywhere; we need to study where best suits us. Export Manager, F11

In addition to identifying a proper market to target firms' products, it is vital to search for the right business partner to distribute products overseas. Market research assists firms in seeking for potential distributors to enter overseas markets successfully, as stated by the Founder of F3:

How did we find a good business partner? By doing research. I searched for who was importing the type of product I sell. I made a list of potential importers and classified them based on the information available on their websites. Later, I visited them and identified the one we judged best. He was invited to come to Brazil and was trained here for two weeks. The timeframe between finding this guy, training him, and getting him ready to work, took six months of dedication. Founder, F3

5.5.2 Geographic market expansion

The IB literature recognizes firms expanding their business globally or regionally (Paul & Rosado-Serrano, 2019). The present study findings reflect that most Brazilian exporting firms start expanding regionally, seeking markets in Latin America, and later reaching other countries, confirming the findings of Aguzzoli et al. (2021)'s research. This is illustrated by the Export Analyst of F6 (Confirmed by F3, F4, F6, F9, F14, IE2, IE3, IE6, IE8, IE10):

It's impossible to embrace the world; we have to take one step at a time; there are different stages... Before, we were more focused on Latin America, and today we are opening our horizons to other markets beyond Latin America. The company did change its strategy and started to see more benefits of exporting... We are reaching other countries, already selling to the African market by exporting to Angola today. Next, we are trying to move to South Africa and Thailand. Export Analyst, F6

As exposed above, firms (F3, F4, F6, F9, F14) primarily select Latin America to expand their business (Barretto & Da Rocha, 2001). According to the Export Analyst of F6, the primary selection of Latin America is due to Brazil's importance in the region. According to IE2, the choice of Latin America involves several aspects, including being culturally closer to Brazil, having fewer commercial barriers, and requiring minor product adaptation (Aguzzoli et al., 2021). The Founder of F4 recognizes the similarities of Latin American countries (Confirmed by IE2, IE3, IE6, IE8, IE10):

> *Latin American people like to have close contact. Let's put it this way; they are not just interested in purchasing the product but in the relationship itself with the seller. Brazilians are the same way, which is why we are now consolidated in Latin America. Founder, F4*

In addition, Brazilian exporting firms perceive Latin America as the ideal market to expand into for various reasons: being easier (F7, F9, F10), similar legislation (F14), less need for product adaptation (F9, F14), the physical proximity to the Brazilian market (F9), logistics (F9). To illustrate, the Export Manager of F9 explains the rationale behind the decision to select a regional approach first to Latin America:

> *The market that I deliberately chose is Latin America, as we have an easier introduction, whether by distance or by price issues and even the flavor. Latin American regions are more unanimous... I think entering Latin America is easier than if I try, for example, to cross the ocean and try to get into Asia. In Asia, I will have many difficulties; products have different flavors, and I will face competition from India, among other issues. So, we end up checking first where it will be easier to enter and involve fewer costs. It's not that we can't get into Asia, but certainly, it is going to demand a lot more from us. Export Manager, F9*

As explained above, there are various reasons why a regional expansion is the most favorable among firms. Firms expanding beyond Latin America face more challenges, demanding additional effort to succeed (F6, F7, F8, F9, F10). This scenario is recognized among firms. For instance, the Owner of F10 believes firms that begin to export beyond Latin America increase their relevance.

5.6 Brazilian exporting firms' involvement overseas

5.6.1 Internationalization commitment

Firms' internationalization commitment is associated with firms' efforts and increased investment activities in foreign countries. According to the Export Manager of F9, firms' commitment is related to the firms' revenue:

> *Firms' commitment and involvement are associated with how much it [export] represents for the company's total revenue... When export begins to represent a good share of firms turnover, firms start to be more committed and to invest further. Export Manager, F9*

The findings of the present study observed that most firms start with a low commitment (F1, F3, F4, F5, F6, F8, F10, F11, F12, F13, F14), supporting Johanson and Vahlne (1977)'s seminal model, while a few began their international activities highly committed (F2, F7, F9) supporting Knight and Cavusgil (1996)'s BG model. Although firms may commence with a low or high level of commitment, this can change over time. The extant IB literature presents two types of firms' internationalization pathways: linear internationalization, where firms increase international commitment over time (Johanson & Vahlne, 1977), and non-linear internationalization, where firms reduce or extinguish their involvement in the international market (Kriz & Welch, 2018; Ozkan, 2020). As observed in the present study, the level of commitment overseas was not linear during firms' international pathways. In particular, firms increase and decrease commitment throughout their journey by altering their internationalization approach. To illustrate, the Sales Manager of F5 explains that their level of commitment has been growing substantially in the past years:

> *The company has been conquering its place in the foreign market more and more every day. We are now very committed; we participate in all fairs abroad, we also look for overseas events and opportunities to present our products to potentially interested distributors... When we aim to reach a specific country, we plan visits and always get good results. Regardless of whether or not there is a fair in that location, we fly there to meet personally targeted distributors. Sales Manager, F5*

The findings of the present study suggest that the level of commitment is associated with firms' international performance. According to the Sales Manager of F5, the more committed the firm is, the more likely it pursues growth overseas. IE2 adds that firms' commitment and investment capacity determine firms' success abroad.

5.6.2 Firms' internationalization investment and resource allocation

The findings of the present study suggest that firms' internationalization investment incorporates resource allocation to develop an IB department, invest in international trade, and acquire foreign certifications. It also consists of adapting the product, the packaging, and translating to meet foreign market demand.

Firms' resources have been discussed previously in the firms' internationalization domain (e.g., Freeman & Cavusgil, 2007; Shi et al., 2019). Shi et al. (2019) point out that SMEs face resource constraints, which impact the extent of their international involvement (Sui & Baum, 2014). The present study confirms the existing literature, suggesting that Brazilian internationalization pathways are affected by inherent limitations on resources. Most Brazilian exporting firms, especially in the reactive approach, have minimal resources to allocate to the international market. For instance, the exports are managed by the owner, founder, decision-maker (F4, F7, F8, F10), or one employee responsible for all exports (F3, F5, F6, F11, F12, F14). Most firms following a reactive internationalization do not adequately invest in export, allocating the necessary resources. Exports are seen as a 'fatherless son' as described by IE2 because firms do not provide the proper attention and resources and juggle their responsibilities among different departments. The Export Manager of F14 confirms this is the reality of most Brazilian firms:

> *So, many Brazilian firms assign the export responsibility to people from finance, from HR. Most of the time, those people have no idea about foreign trade processes and what they are doing. Some firms desire to expand their export but can't even afford to send a product sample or hire someone to do the proper job. They are not ready, and this is the reality of most Brazilian firms, unfortunately! Export Manager, F14*

The insight suggests it is hard to find or determine who takes on the export responsibility in Brazilian firms. In particular, Brazilian firms tend to treat export as an alternative and not invest and allocate resources to exports, reacting according to events and the context they are exposed to, as illustrated by the Export Manager of F7:

> *At first, export was very concentrated on just one professional; the company did not treat export as a priority or invest resources because exports only represent 2% of our revenue. Not surprisingly, everything [all resources] was to develop the domestic market: promotion, marketing, investing in certification. Everything was geared towards what makes money. When we only have 2% of global revenue, we will proportionally pay less attention to it… Later, we started to invest in exports. So, we began to participate in*

> *international fairs more often, invest in technology to develop our products, and hire export staff, and recently, in 2019, we expanded our export department. This is reflected directly in our results. In the past two years, we exported more than the company did in the previous ten years. Export Manager, F7*

The above insight suggests firms start allocating resources when proactively seeking international opportunities. This behavior is exhibited in various forms: Hiring an IB professional (F1, F3, F5, F6, F7, F9, F11, F12, F14), obtaining international certification (F1, F2, F3, F4, F7), participating in international trade fairs (F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14), and other government export promoting events (F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F14). Furthermore, the findings suggest that firms that proactively invest in export adapt their product, packaging, and corresponding translation to meet international market prerequisites (F1, F2, F3, F4, F5, F6, F9, F11, F14 and also confirmed by IE2, IE3, IE6, IE10).

5.7 Benefits and challenges

Brazilian firms perceive the benefits and challenges of exporting during their pathways (Paul et al., 2017). They might consider more pros than cons and act proactively in some moments, whereas the contrary also appears. Firms change their priority and approach toward the international market depending on how they perceive challenges and benefits, as explained by the Export Analyst of F6:

> *When I started working here, the company didn't export much; export was not a priority. Over time people realized the benefits of exporting. This is because when firms export, the Brazilian government gives tax benefits, among other advantages. F6 changed their way of thinking when they realized there are a lot of advantages to exporting. Before that, the firm was not concerned about the international market; now that we are growing and increasing our international sales revenue every year, the company treats exports in a different way. Export Analyst, F6*

The following section discusses Brazilian exporting firms' benefits and challenges and how they shape their pathways over time.

5.7.1 Benefits

The findings of the present study reveal several benefits to exports (Bauweraerts et al., 2019; Fariborzi & Keyhani, 2018). The financial benefit is the apparent reason firms should target

the overseas market. In particular, exports are often prepaid, which helps with cash flow. Additionally, revenue is in a foreign currency, primarily U.S. dollars (Confirmed by F6, F10, F13, F14, IE2). However, the benefits of exporting go beyond sales and profit; it involves many other aspects, as indicated by the Export Manager of F1 and discussed below:

> *The export decision relies on the decision-maker believing that the international market brings benefits beyond sales revenue. The exporting firm is not just responding to market trend, but often dictating the trend, by being aware of what's happening overseas. Export Manager F1*

The Export Manager of F1 believes exports bring innovation, especially by being exposed to overseas trends (F1, F5, F14, IE2, IE3). Thus, the first benefit is enhancing firms' reputation and brand visibility (Andersson et al., 2020). The Director of F8 emphasizes exporting firms' reputations and how this is beneficial overall:

> *I see many benefits in exporting; firms have more visibility, brand attractiveness for recruitment of employees. Firms have a brand reputation for their customers, putting firms on another level. It also shows innovation, and that ongoing search, improvement, to keep up with the market… As I said, brand and media reputation, because, in a certain way, exporting brands have an added value to the brand. This is because when a firm exports, it is clear what it involves; it requires research… So, when the client sees firms exporting, it enhances their brand awareness. Director, F8*

In Brazil, exporting brands are perceived as 'superior,' and consumers tend to prefer internationalized firms (Confirmed by F6, F8, F10, F11). According to the Export Manager of F11, exports brought visibility and aggregated added value to the firm. Firms that are exporting offer worldwide recognition of the firm, as exposed by the Sales Manager of F5 (F5, F6, F8, F10, F11, F14):

> *It [export] raised our business level. Doing business with more than 40 countries makes us a unique company because it indirectly proves to customers that our products have high quality and performance to compete abroad. Sales Manager, F5*

A second benefit perceived by participants in exporting is associated with improving various aspects of the firm. According to the Export Manager of F14, exports require higher quality, international certification, adaptation to the product and packaging, and innovation compared to the domestic market. This scenario is illustrated by the Export Manager of F9 (Confirmed by F1, F4, F8, F10, F9. F14, IE2, IE6):

> *Exports end up changing [company behavior]. Exporting firms require international certification, a new label, and packaging, product adaptation. I think it brings improvements to the firm in terms of process and production… It's a fact that to be able to export, a firm needs to improve overall: the production factory, internal communication. Export Manager, F9*

This suggests that export adds value to the business overall. As mentioned above, it improves the firm's production process and internal communication. The Owner of F10 complements by stating that export is beneficial as it helps to "tidy up our house" because it involves different demands, with international certification. The Founder of F4 explains how export changed his firm, emphasizing the improvement in the quality of the product (Confirmed by F1, F2, F3, F4, F5, F7, F8, F9, F13, IE2, IE4):

> *It changed [after we started exporting]. When we began to export, we doubled our attention to quality control. Let's put it this way, to supply to the international market, a high-quality standard is required. Imagine if you export a product and it comes with some problem, the reverse logistics to bring this product back to Brazil is problematic and not feasible. Founder, F4*

The exchange rate is the third benefit stressed by participants (F1, F3, F4, F6, F7, F8, F9, F10, F13, IE1, IE2, IE3, IE4, IE10). IE1 suggests that the exchange rate is a significant determinant of Brazilian exports. The Export Analyst of F3 emphasizes that the exchange rate makes their product more profitable. According to IE1, Brazilian firms orient their effort to foreign markets with a favorable exchange rate; the reverse also occurs. The exchange rate fluctuates in Brazil, and firms that import raw materials, see exports as beneficial as it supports firms financially, as explained by IE2 (Confirmed by F8, F9, IE2, IE3):

> *The exchange rate today is quite favorable for exports. But what is important to consider is that entrepreneurs often depend on imported inputs to produce their products. Exports help to balance the exchange rate for the company. So exporting is a great choice for firms that rely on imported inputs to generate an exchange balance. In other words, there is an inflow and outflow of dollars from the company that maintains financial stability. IE2*

Government incentives and tax benefits are outlined as the fourth benefit among firms (F3, F6, F10, F13, IE1, IE2, IE3). According to the Export Manager of F13 and the Export Analyst of F6, tax benefits exemption motivated F13 to seek foreign opportunities. Similarly, the Export Analyst of F3 also highlights the benefits of reducing the tax on international sales. The Owner of F10 states:

> *I only see benefits in exporting. The best benefit I see is regarding tax incentives. Because we pay zero tax on exports, we increase the competitiveness of our product. Owner, F10*

The fifth benefit highlighted among the participants is that exporting firms are less dependent on the domestic market (F1, F2, F4, F6, F9, IE2, IE6). According to the Export Manager of F9, the most significant benefit of export is that geographic diversification brings less dependence on a single market (Patel et al., 2018). According to IE2, Brazil is a volatile market undergoing economic crisis cycles. During the crisis, Brazilian firms focus on the international market, fighting to survive. The Export Analyst of F6 highlights this scenario:

> *Firms operating exclusively in the domestic market suffer when an extreme crisis happens in Brazil. This is because their economic activity depends solely and exclusively on the domestic market. However, when they export to different countries, they can still maintain their business if a crisis occurs in the domestic market. So, if the firm exports to different countries, this problem will end up diminishing, as it does not depend only on the domestic market. This is another advantage of exporting. Export Analyst, F6*

5.7.2 Challenges and barriers hinder exports

Many challenges and barriers hinder Brazilian firms from starting, growing, and succeeding in exporting (Cahen et al., 2016; Tsuruta, 2020). Most participants in the present study recognize challenges and obstacles affecting their internationalization journey (Crick, 2004; Kahiya, 2020; Paul et al., 2017). The first one is related to the costs involved in exporting (F1, F2, F3, F5, F7, F8, F10, F11, F14, IE3, IE10). For instance, the Export Manager of F14 explains that the cost of an exporting product is higher than one they sell domestically. This is due to the high quality required to meet specific international criteria. In addition, exports also involve the cost of adapting the product, packaging, and investing in the correspondent translation (F3, F9, IE2, IE3) and acquiring an international certification (F10).

In the specific context of Brazil, participants highlight the higher production cost, referred to as "Custo Brazil" that prevents Brazilian products from being competitive overseas (F1, F2, F3, F14). This hinders firms from expanding their business abroad. Furthermore, exports also require logistics costs (F5, F7, F8, F11, IE3, IE10), including the cost of international trade (F5, F11). Participants emphasized the lack of an adequate Brazilian logistics infrastructure (IE3, IE10), preventing firms from competing globally. The Export Manager of F9 highlights the cost of adapting products and packaging to meet foreign market requirements:

> *I think today the biggest obstacle is the technical barriers. For example, I can't export anywhere without a particular label. I don't have unanimity on the packaging, even within MERCOSUR. So, if we go to Argentina, we need to have information different from what goes to Chile, which is different from what goes to Uruguay or Bolivia. Thus, labeling increases the cost of the product, at least by 5 to 7%, it ends up becoming more expensive. Export Manager, F9*

The second challenge reported is the 'non-tariff barrier,' which obstructed firms from operating abroad. This involves the bureaucracy (F1, F2, F3, F4, F6, F7, F9, F10, F11, F13, F14, IE2, IE3), the necessity to acquire a specific international certificate to export to a particular location (F1, F4, F7, F10, IE2, IE3), negatively impacted the firm's overseas presence. While the Founder of F3 expresses that the bureaucracy in other countries, like Angola[40], interrupts their activities, the Export Manager of F1 reports that Brazilian bureaucracy is responsible for preventing exports:

> *We have a very bureaucratic process here [in Brazil]; many customers out there [overseas] don't understand our procedures. We have difficulty making things easier, making processes smoother, less bureaucratic. Export Manager, F1*

Most firms highlighted the bureaucracy involved in doing business cross-border (F1, F2, F3, F4, F6, F7, F9, F10, F11, F13, F14, IE2, IE3, IE7). The Export Manager of F7 explained that they ceased their export to Ecuador because the country created a new bureaucratic certification process which prevented them from continuing their activities there. The Owner of F10 emphasizes that the bureaucracy imposed by each government and their regulatory requirement becomes a barrier to expanding overseas. Furthermore, the Export Manager of F13 explains that registering the product to export is a challenge:

> *Another one [challenge] important to mention is regarding registering our products. It is pretty bureaucratic to register our product in some countries to get the import license when dealing with a food product. Sometimes it takes a year for the registration and clearance to export to come out; in many cases, this is mandatory to issue an invoice. Export Manager, F13*

The imposition of international certification was also reported as a 'non-tariff' barrier to expanding internationally (F1, F4, F7, F10, F14, IE2, IE3). The certification required may vary worldwide, and each country demands a certification seal, as exposed by F1, F4, and F7.

[40] According to the Founder of F3, to receive an import business license to operate in Angola is extremely bureaucratic and costs approximately US$100,000.00.

The most common certificates cited by the participants were: the Food and Drug Administration (FDA) required in the United States and the Conformité Européene (CE) in Europe. To obtain an international certification involves a high cost (F7, F10, F14, IE2, IE3) as it encompasses providing evidence of the quality of your product and the capacity to supply it globally, as explained by the Export Manager of F7:

> *The developed countries have their certification agencies and their own requirements. For example: in the United States, there is the FDA; in Europe, there is the CE. They require a series of documents to approve the product. These documents show the technical quality of the product, the company's after-sales capacity in the event of a recall, if the product has any problem. Export Manager F7*

The third challenge to attaining a good outcome globally is related to firms' resources limitation (F1, F10, F11, F13, IE2, IE3, IE6). Brazilian SMEs often have minimal resources to invest in foreign markets (F1, F10, IE2, IE3, IE6). Most Brazilian firms do not possess resources to allocate to international sales, including hiring an export team or someone exclusively dedicated to exports or investing in international trade fairs. The Owner of F10 explains that they have limited resources as they are an SME firm; therefore, there is nobody exclusively to export:

> *We are an SME, and we do not have many resources, which becomes a challenge for us to move forward with exports… I am not exclusively dedicated to exports; I also work with product development, dealing with suppliers, among other tasks… We have few resources, and [to grow] it needs someone to focus because it requires time, money and effort. Owner, F10*

The fourth challenge highlighted was the nature of the product (F1, F2, F3, F8, F10, F11, IE2). The findings reveal firms selling products that require a bidding process to enter foreign markets (F3, F4), products that are designed for specific projects (F1, F3), niche market products (F3, F11), and seasonal products (F8)[41]. This suggests that the nature of the product influences firms' exports. All three participants working on F3 identified this challenge significantly impacting F3's growth in their overseas business. The Founder of F3 explains (Confirmed by Export Analyst and Co-founder of F3):

> *These types of products [we sell] are bought mainly by the government under a bidding process. To sell here or overseas is not just about having a great product and doing a good job; still, I have to win in the bidding*

[41]F8 exports panettone, a seasoning product commercialized during Christmas time.

> *process. So, this has been our greatest challenge ever. This is because I need to have a business partner overseas with access to that country's government. For example, to sell to Angola, I need to have a partner with access to the Government there. In Peru, the same thing, Argentina as well… So, the fact of making sales by bidding is very difficult, perhaps it is our biggest limitation on export growth. Founder, F3*

The nature of the product of F3 certainly influences its sales, as F3 operates within a specific market. Niche market products also encounter challenges in being distributed overseas. For instance, F11 sells exotic value-added products based on Amazon inputs. According to IE2 and confirmed by the Export Manager of F11, products that belong to the category of sophisticated, high-value, and exotic products have an extra challenge. Thus, F11 needs to invest in marketing to unearth an interest in its target consumers.

The fifth challenge highlighted is encountering an appropriate business partner overseas (F3, F4, F7, F8, F10, F11, F13, F14). The Founder of F4 stressed that achieving success overseas requires more than a good product; it is necessary to have excellent contacts to open doors abroad. However, the main challenge involves identifying a suitable distributor to commercialize the products in foreign markets. Other challenges outlined by participants include competition (F1, F2, F3, F4, F13), lack of international trade agreements (IE3, IE4, IE10), limited market opportunities (F1, F3, F4, F8), currency fluctuation (F3, F11), different technology standards globally (F4), tariff barriers (F4, F7), being unknown internationally (F1).

5.8 The role of external institutions

The findings of the present study reveal that Brazilian exporting firms' internationalization is influenced by the Brazilian context (Welch et al., 2022), which involves the role of educational institutions and the government (Estrin & Prevezer, 2011). They are responsible for shaping Brazilian firms' internationalization pathways and explaining firms' reactive and proactive behavior.

5.8.1 The role of education institutions

The findings suggest that educational institutions focus on the domestic market, overlooking support to understand the global market. The late internationalization of Brazilian firms (Da Rocha et al., 2012) is supported by the finding of this study. The support of universities to incentivize businesses to expand cross-border is very limited (IE3, IE7, IE8, IE9, IE10). Most

universities in Brazil offer few or no export courses; most classes are conducted in Portuguese, and most institutions lack exchange program partnerships with foreign institutions (IE7, IE8). For instance, in the Brazilian electronic valley, all academic institutions display two main focuses: to develop entrepreneurship and technical skills. However, the universities do not prepare the students to cultivate an international mindset and open their minds to overseas opportunities, as explained by IE8 (Confirmed by IE7):

> *We do not offer any courses directed explicitly to exports. This is done here through government programs that identify international opportunities for entrepreneurs in our region. Even though we might have some punctual workshops and seminars, I can tell you that this is not the role of the universities… Even though the university had in the past some partnerships with universities in Angola, Germany, and France; this program could be more intensified and developed further. IE8*

The findings suggest that the push for entrepreneurs to look beyond borders comes from the entrepreneur, and government institutions, indicating a low level of commitment among educational institutions to support the entrepreneur in acquiring knowledge about exports. According to IE8, this responsibility has to come from each entrepreneur; the university does not explicitly prepare them to face the international markets; this can be achieved with government support.

The language barrier is also an issue in Brazil. Most Brazilians do not speak English or any foreign language fluently. The Export Manager of F1 provides some insights on the following:

> *Many Brazilians do not consider it important to speak a second language, not necessarily English, but any other language, because there is no need. Brazil is a continental country, with a lot of people here that speak the same language...It is comfortable, a country of more than 200 million inhabitants, with a huge consumer market. It is easier to stay here, to produce here. Why bother to learn another language and hire a qualified IB person? So, I think that is the mentality in Brazil. Export Manager, F1*

Because of the existing language barrier in Brazil, most courses taught at university are in Portuguese, the national language (IE7, IE8). IE7 explains:

> *We do not have any course offered in English at all. We have a low rate of students who actually speaks English. The language barrier is extremely strong. Here we have English courses that the student studies for ten years or so, and graduates without speaking fluently. I can say for myself: I*

studied English for seven years, and I still do not feel comfortable speaking it. IE7

The aforementioned scenario explains *why* Brazilian entrepreneurs internationalize late and tend to have a more reactive behavior toward the international market. The findings suggest that because Brazilian entrepreneurs are not exposed to international knowledge and do not develop a global mindset, they will most likely not demonstrate an interest in seeking overseas opportunities. As a result, Brazilian entrepreneurs tend not to have an export culture compared to those in DMs. Most Brazilian entrepreneurs "*think locally, not globally*" [42] (IE2, IE6, IE7, IE8). They do not incorporate the export culture in their company, treating export as a strategy, suggesting a reactive internationalization approach, as exposed by IE2. In contrast, according to IE3, this reality has been changing recently. Today, more young entrepreneurs are developing the export mindset and starting their activities, considering the foreign market potential expansion.

The lack of knowledge of export procedures and overseas opportunities leads most Brazilian entrepreneurs to concentrate on the domestic market. This is explained by IE8 (Confirmed by IE3, IE7):

Most Brazilian firms focus on the domestic market. I believe this is because they [entrepreneurs] lack information on reaching [overseas] markets. Most wouldn't even know some opportunities may exist... The lack of information, I mean, 'How to start? Who should I contact? Which market should I go to? Is there potential there? How much do I need to invest in getting a return?' The firms need to do their own research to understand the possibilities regarding export. So, there is the lack of information and a bit of support too. IE8

As a result, the findings suggest that most entrepreneurs and professionals are not prepared to work with IB. The Sales Manager of F5 exposes this scenario below:

The company did not have a professionally trained team to serve the foreign market. Finding employees who spoke a foreign language in our region was and still is very difficult, unfortunately. Sales Manager, F5

5.8.2 The role of the government institutions

The findings of the present study reveal that government institutions play a vital role in BEMs (Yan et al., 2018), in particular, in Brazilian firms' internationalization pathways (Rodrigues

[42] This is the pattern suggested by IE7, that firms do not have an internationalization culture.

& Dieleman, 2018). As highlighted in Chapter 2 and confirmed by IE10, the Brazilian government did not provide support for firms' export until recently:

> *In the past, there were very few export incentive plans. In the 60s and 70s, they were mainly tax incentives aimed at specific industries. When these incentives ended, firms stopped exporting. That is it. These incentives did not develop a clear intention for firms to remain exporting. However, this [scenario] has changed a lot in the past few years. IE10*

This insight provided by IE10 suggests that government support has changed in the past two decades, which is also confirmed by the findings of De Mello et al. (2019)'s research. Several government institutions at the national, state, local, and 'industry' levels currently promote and support businesses to export in Brazil[43], which is discussed in the following section.

5.8.2.1 APEX-Brasil

The foremost Brazilian national institution supporting exports is APEX-Brasil, commonly referred to as APEX (APEX-Brasil, 2022; Cahen et al., 2016)[44]. The present study interviewed the head of the division at APEX-Brasil (IE6), who explained that the agency was created in 2007 to promote export, attract foreign investment, and support Brazilian exporting firms' internationalization. According to IE5[45], when APEX-Brasil was founded, the main objective was to introduce the idea of export to Brazilian firms. During this time, APEX-Brasil would support firms participating in international trade fairs. IE6 portrays that the agency evolved significantly and today supports products and services, and as of 2021, it offers 52 promoting export projects based on each industry. These projects incorporate 12 thousand Brazilian firms of various sizes, types, and profiles[46]. APEX-Brasil supports firms based on a business segmentation model, which they refer to as the "firms' internationalization maturity" model[47], described by IE6 (Confirmed by IE2, IE3, IE4, IE5, IE6):

> *We implemented a business segmentation model called firms' internationalization maturity model, in which we classify firms at different levels based on various criteria… The diagnosis is made based on various*

[43] The present study incorporates data from IEs that work in some of these institutions, such as APEX-Brasil (national level), FIEMG (state level), SP Negocios (local level), SINDVEL and ABIMAPI (industry level).
[44] APEX-Brasil is the Brazilian national export and foreign investment agency. Agência Brasileira de Promoção de Exportações e Investimentos, translated as the Brazilian Trade and Investment Promotion Agency.
[45] IE5 has been working directly in contact with APEX-Brasil since its creation, and shared some insights about how APEX-Brasil support Brazilian firms in their internationalization.
[46] Data collected from 2021, in the interview with IE6.
[47] In Portuguese *"modelo de segmentação de empresas"* which is called *"maturidade de internacionalização das empresas"* (IE6).

questions, for example: 'Do you have a specific team for the international operation or a commercial team?'; 'Do you have a support team in accounting, finance, legal matters?', and so on. Based on their answer, we classify the firm at a certain level. It is usually three to five different levels depending on the industry they operate... So, we offer tools suitable for these firms according to their needs, and the second thing we offer is tools to allow firms to move from the current level to the next one. For example, level 1 or 2 firms are not going to be involved in the major international fair in there are in the U.S., which is a very competitive market, and they are not ready and prepared to deal with their competitor nor to afford the cost of operating in the U.S... So, we scale the support actions according to the company's export potential at that level of maturity. IE6

The insights above suggest that this project ensures that Brazilian exporting firms receive adequate support according to their export maturity level. According to IE5, unfortunately, 90% of the firms involved in the project are classified in the first internationalization maturity level and sporadic exports. Furthermore, IE5 confirms that firms possess different export levels and should receive the corresponding tool according to their levels to foster their gains:

The first level is what we call disorganized level. Firms at this level receive immense structuring support for the export operation, training, and regulatory barriers issues in their sector. It usually checks if your product is suitable for foreign markets. Check the labeling requirements, what ingredients and products are prohibited, permitted, or restricted… At more advanced levels, firms gain support to go to an international fair and other export promotion events. IE5

This government support is offered to different industries and counts on the assistance of each industry association to accommodate the most suitable support to the exporting firms. This ensures it respects the uniqueness and demand of each sector. In addition, IE6 explains that some sectors develop faster in export compared to others, making the project *'more responsive to different types of needs*'. IE3 illustrates that the electronic association has formed a partnership with APEX-Brasil in a program to support exports among electronic firms:

This electronic project started as a partnership between SINDVEL and APEX-Brasil. The project incorporates firms from the Electronic Valley here in Santa Rita… The project is very diversified as it involves firms of different sizes and with different export maturity. This means firms that started to export now, others that have been exporting for a long time. Firms that export represent a small part of their revenue and firms that export large amounts. IE3

As the above insights confirm, the project is designed based on each sector's priority and necessity, conducted by the industry institutions involved. IE6 clarifies that the model follows standard practice, but it varies on how each institution designs it. As an example, IE2[48] demonstrates how this applies in the food industry.

> *This is how it works our export maturity. [First] Non-exporting, which are firms that have never exported.[Second] Beginning, which are firms that started exporting in the past three years, but inconsistent export, that means they started and stopped for some reason. Then [third] intermediary, which are firms exporting continuously for three years and operating in five markets. These firms have exported at least once in three years, and they have to be exporting to five countries. Most firms remain as intermediaries for a long time because they cannot expand beyond five markets or have a steady export. They sometimes enter other countries but then fall back in others. I have also noticed that firms often use trading companies to export their products, reaching maybe 10-15 markets, but it's via trading, an intermediate, not by themselves. From intermediary, they move to advanced. Advanced [forth] firms are already established in ten markets in which they have been systematically exporting for at least five years... There is the possibility of firms retreat from their export maturity level; this happens as firms pull out of markets and or decide to change priorities. IE2*

The insights from IE3 and IE2 above reveal that firms do not necessarily move forward in the export maturity level, confirming the cycles and waves of internationalization (Kafouros et al., 2022). Although government institutions' primary purpose is to assist firms' growth internationally, the dynamic environment and other events influence firms' pathways towards a more reactive or proactive internationalization (IE2, IE5, IE6). IE5 suggests that firms' decision-maker priorities and investment capabilities also affect the non-linear internationalization behavior among Brazilian firms. Therefore, according to IE5 the government's duty is "*to create a comfort zone for firms to compete internationally*".

In summary, firms' level of preparedness interferes with firms' internationalization pathways. For instance, firms experience demand from international customers but fail to engage with the opportunity because they are not prepared for cross-border activities. This is also evident in the export-promoting events sponsored by the government. All firms recognize that these events are essential for enhancing their exports. However, firms' capacity, resources, and structure influence the outcome significantly. In their initial export phase, firms might not have the products adapted correspondently, equivalent translations, or websites displayed in a foreign language. This signifies that they might not be prepared to take advantage of

[48] IE2 is the Export Director of ABIMAPI.

international trade fairs, or a global mission promoted by the government, as exposed above. The Brazilian government recognizes this issue and designs adequate support for firms considering their internationalization maturity level.

5.8.2.2 Government actions to support Brazilian exporting firms' internationalization

The role of APEX-Brasil in supporting firms' internationalization is confirmed by all participants. However, the findings suggest that other government institutions are involved in promoting exports[49]. Together, these institutions form partnerships to support Brazilian exporting firms in their journey. According to IE2, IE3, IE4, IE5, and IE6, many firms start their international involvement when the government offers support and export incentive. IE2 points out that it is ubiquitous for Brazilian firms to "*wake up and open their eyes*" to exports when they receive government support.

The government's actions to support Brazilian firms' internationalization go beyond tax benefits, as outlined in Section 5.7. The present study identified three main activities involving commercial promotion and other support the Brazilian government provides to firms. They are: international trade fairs support (F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE2, IE3, IE6); government export promoting events (F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F14, IE2, IE3, IE6); market research (F3, F6, F7, F14, IE2, IE3, IE4, IE5, IE6); and training programs (F3, F4, IE2, IE3, IE5, IE6, IE8).

The government support for firms to participate in international trade fairs was the most commonly highlighted among the participants. The government provides opportunities for firms to display their product, be exposed to what is happening in the sector, and enhance their brand visibility (F1, F2, F4, F6, F7, F8, F10, F11, IE2, IE3, IE6). IE2 states that participating in an international trade fair is considered a 'critical event' in firms' internationalization pathways. Through fairs, entrepreneurs will develop networks and be susceptible to starting international businesses. The Director of F8 highlights that their participation in the most important international trade fair[50] of the sector in 2017 was undoubtedly a milestone. Furthermore, government support is crucial, as offering a subsidy to reduce costs makes it affordable for firms to participate in important trade fairs worldwide (F4, F8, F10, F11, F14, IE2, IE3, IE6):

[49] IE3 highlights the name of a few Brazilian institutions involved in promoting exports: FIEMG, SEBRAE, and industry associations.
[50] The international trade fair: NRA in Chicago, (U.S.A.).

> *There are testimonials from firms saying that if it weren't for APEX, they certainly wouldn't be at the [internationalization] level they currently are. This is because they wouldn't be able to afford to participate in a fair. For example, at the Las Vegas fair, the square meter costs US$500.00 plus assembly, cargo handling to the U.S. costs around US$5,000.00, US$6,000.00. So, it is pretty much unfeasible for firms to go to an event like this. With APEX support, the investment is very low. APEX provides a collective booth where Brazilian firms have a space to expose their products. So, for SMEs, especially small and micro firms APEX's support is crucial, as they would not be able to participate otherwise. IE3*

Government export promoting events were the second action most cited among participants (F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F14, IE2, IE3, IE5, IE6). It contains two types of support to firms: 'buyer projects' and 'overseas missions.' The buyer project is an action from the government that invites the most important importers and buyers to visit Brazil, meet with the firms' decision-makers, visit the firms and participate in business rounds aiming to start and grow business with Brazilian firms (F2, F3, F5, F8, F9, F10, F14, IE2, IE3, IE5). With the COVID-19 pandemic situation, this project was suspended as a face-to-face. It was transferred to online business rounds, which according to the Export Manager of F9, has been an excellent alternative to the current circumstances.

While the buyer project brings the importer to Brazil, firms fly to foreign countries on overseas missions. The purpose of these missions is to provide financial support and access to a group of firms to enter and grow business in a particular potential foreign market (F1, F3, F4, F5, F6, F7, F9, F10, F11, F14, IE2, IE3, IE5, IE6). Decision-makers of firms that join the missions travel for about a week to the selected country to have business meetings with importers, visit potential clients, and acquire more knowledge about the market locally. The Export Manager of F14 outlines how these missions were critical:

> *Through these missions, it was possible to meet with local distributors and importers, building a customer portfolio to start prospecting. So, today the company already has a list of potential clients that came from these missions. We started sending them samples and have already established a partnership with one customer regularly buying through these actions. They [the missions] are also important to know your local competitors and to know how to adapt the product to that market. Export Manager, F14*

The government provides Brazilian exporting firms support in market research and identifying a potential market for their product (F3, F6, F7, F14, IE2, IE3, IE4, IE5, IE6). According to IE3, market research is conducted based on the sector; it identifies barriers, leading competitors, and potential distributors. This knowledge is shared among all firms

participating in the export project. It also offers assistance to firms in pinpointing promising markets, as illustrated by the Co-founder of F3:

> *First of all, we focus on a macro definition. Together with APEX and other government associations, we research which country exports and imports our products. Based on this information, we define our main target markets. Co-founder, F3*

Finally, the present study identified training programs as the government's action to encourage exports (F3, F4, IE2, IE3, IE5, IE6, IE8). As discussed in Section 5.8.1, most Brazilian firms lack knowledge regarding exports and demand training. According to IE2 and IE3, training is designed based on firms' necessities and current demand. They are mostly export courses aiming to develop an export culture in Brazilian firms.

5.8.2.3 The benefits and limitations of government support actions

The benefits of the government support actions described above have been concisely discussed in the previous sections. However, it is essential to highlight that not just internationalized and well-established firms can benefit from the program. Instead, small firms without any international experience can still participate and learn from the government projects. They can learn from more experienced firms and receive the adequate tools to start their activities (IE2, IE3). As a result, a second benefit is highlighted by IE3, which is sharing information and helping each other:

> *Companies involved in the project talk and share information. They are aware of what is happening overseas. They all talk to each other, some of these firms become partners, and together join efforts to reach international markets. IE3*

Although the government projects are unanimously perceived as positive for the firms' internationalization, pushing firms toward a more proactive approach, they still have limitations. The model adopted by APEX-Brasil to measure firms' internationalization maturity level presents some constraints. For instance, the IE2 questions that firms that export to many countries once a year are not necessarily more evolved than firms that export to three countries but on a regular basis:

> *A firm may be exporting all year, but each year the firm is exporting to a different country. Is this the kind of firm we want? Do we want a firm that is constantly opening [new markets] and cannot establish itself in a single nation? I don't think this shows enough maturity because if firms enter and exit markets year after year, it has no consistency in any market. For*

example, a firm that has been working in three countries for the past 20 years, and its brand is the leader in that country, has a high volume of export, is considered less mature than the one I explained above? I don't think so, because it has consistencies and is already established as a market leader in these three countries, maybe this is the firm's strategy… The quantity does not necessarily mean effectiveness and quality. High-quality market performance most of the time generates more financial return. IE2

The insights from IE2 suggest that the model and methodology can be improved. In addition, industry experts also highlight the lack of international trade agreements (IE3, IE4, IE10). According to the IE10, the Brazilian government should invest in more trade agreements to generate tax benefit advantages for firms, making them more competitive overseas. As highlighted in Chapter 2, and confirmed by IE10, currently, Brazil only benefits from the MERCOSUR trade agreement. This hinders Brazilian exporting firms' expansion into foreign markets beyond South American countries and explains why most firms tend to target neighboring countries.

5.9 Chapter summary

The findings in this chapter assist in answering the first research question: *How can we explain exporting firms' internationalization pathways?* The findings suggest that on a macro level, Brazilian exporting firms' internationalization pathways expresses periods of reactive and proactive internationalization. The reactive approach is observed when firms begin their international activities and prevails in their pathways. This occurs because Brazilian firms experience a 'reactive inertia cycle' in which they remain in their comfort zone, targeting the home market. The prominent size market with a growing middle-class offer firms the possibility of growing their business domestically. In addition, in the context of Brazil, the export culture is not incorporated among most Brazilian firms, as decision-makers lack a global mindset; this happens as the Brazilian external institutions, including educational and government institutions, provide little support for businesses to expand across borders. Furthermore, firms recognize challenges and barriers, including the high cost of production in Brazil (Custo Brazil) and logistics costs, to prevent firms from competing overseas and proactively seeking foreign markets.

Even though the reactive approach is more prevalent during firms' internationalization, the findings reveal that firms experience events that trigger them to alternate their internationalization approaches, changing their behavior and strategy towards the international

market. In BEM, where environmental disruptiveness is commonly observed, firms are more likely to encounter events triggering them to change their internationalization approach (Deng et al., 2020). Not surprisingly, the findings of the present study suggest that firms' internationalization is not continuous, building on 'cycles and waves of internationalization' (Kafouros et al., 2022). This study adds to the current IB literature by suggesting that 'events' trigger changes in firms internationalization approaches. Moreover, the present study identified various dimensions related to each approach, discussed and summarized in Table 5.1 below.

Table 5.1 Exporting firms' internationalization pathways

Themes		Empirical evidence	Contribution of the current study	Refinement of prior research
First-order theme	**Second-order theme**			
Brazilian exporting firms' internationalization approach	The reactive approach	F1, F3, F4, F5, F6, F8, F10, F11, F12, F13, F14, IE1, IE2, IE3, IE4, IE5, IE6, IE10	• Proposes firms undergo two internationalization approaches. • Explains *why* the reactive internationalization approach persists among Brazilian exporting firms over time. • Explores the role of the 'reactive inertia cycle.'	(Barretto & Da Rocha, 2001; Bernini et al., 2016; Ciravegna et al., 2019; Da Rocha et al., 2012; De Mello et al., 2019; Francioni et al., 2017)
	The proactive approach	F2, F7, F9, IE3, IE6	• Differentiates the reactive and proactive internationalization approaches, connecting various aspects of the IB literature to each approach. • Demonstrates *how* context shapes firms' internationalization approach	(Cavusgil & Knight, 2015; Knight & Cavusgil, 2004; Oviatt & McDougall, 1994; Vahlne & Johanson, 2017)
	The shift approach	F1, F2, F3, F7, F9, F11, F12, F13, F14, IE2, IE6	• Supports the non-continuous internationalization, building on cycles and waves of internationalization. • Explains *how* firms shift internationalization approach • Add to our current understanding by exposing 'events' as triggers to shift the internationalization approaches	(Kafouros et al., 2022; Morgeson et al., 2015; Nummela et al., 2014; Tang et al., 2021)
The role of the decision-maker	Decision-makers mindset	F2, F4, F7, F8, F10, F13	Illustrates the role of the decision-makers in Brazilian exporting firms' internationalization. For example, it shows how decision-makers' mindsets, awareness of the difference between domestic and international markets, and how firms face risks differ between proactive and reactive approaches. To illustrate, the former is indifferent and passive toward the international market, and the latter are enterprising, endeavoring	(Bai et al., 2021; Cavusgil et al., 2020; Cavusgil & Godiwalla, 1982; De Mello et al., 2019; Gabrielsson et al., 2008; Lazaris & Freeman, 2018; McDougall, 1989; McDougall et al., 2003; Ozkan, 2020)
	Awareness of the difference between domestic and international market	F1, F2, F3, F4, F5, F6, F10		
	Risks	F4, F13, IE2		

Brazilian exporting firms' strategic plan	Internationalization: planned versus unplanned	F3, F4, F5, F6, F8, F10, F14	Exposes Brazilian exporting firms' strategic plan. For example, it shows how internationalization, international market expansion, and time orientation can differ between proactive and reactive approaches. For example, reactive internationalization is unplanned, opportunistic, and short-term strategy compared to proactive internationalization	(Barretto & Da Rocha, 2001; Bernini et al., 2016; Chetty et al., 2014; Ciravegna et al., 2019; Crick et al., 2020; Da Rocha et al., 2012; Graves & Thomas, 2008; Karami et al., 2020; Lazaris & Freeman, 2018; Nummela et al., 2014; Rialp-Criado et al., 2010; Trudgen & Freeman, 2014)
	International market expansion: strategic versus opportunistic	F1, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F14, IE2		
	Time orientation: long-term versus short-term strategy	F1, F3, F4, F8, F13, F14, IE1, IE2		
International market selection	The role of market research	F1, F3, F4, F5, F6, F8, F9, F11, F14, IE2, IE4	Shows Brazilian exporting firms' international market selection and geographic market expansion. For example, market research is essential for proactive and not reactive.	(Aguzzoli et al., 2021; Barretto & Da Rocha, 2001; Paul & Rosado-Serrano, 2019; Vissak et al., 2020)
	Geographic market expansion	F3, F4, F6, F7,F8, F9, F10, F14, IE2, IE3, IE6, IE8, IE10		
Brazilian exporting firms' involvement overseas	Internationalization commitment	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F13, F14, IE2	Demonstrates that Brazilian exporting firms' involvement overseas changes according to the firms' internationalization approach. For example, in the proactive approach, firms are more committed, invest and allocate resources to export compared to the reactive approach	(Freeman & Cavusgil, 2007; Johanson & Vahlne, 1977; Knight & Cavusgil, 1996; Kriz & Welch, 2018; Ozkan, 2020; Shi et al., 2019)
	Firms' internationalization investment and resource allocation	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F13, F14, IE2, IE3, IE6, IE10		
Benefits and challenges	Benefits	F1, F2 F3, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE1, IE2, IE3, IE4.IE6, IE10	Presents the benefits and challenges perceived by Brazilian exporting firms in their internationalization pathways and how this affects their internationalization approach. For example, firms that perceive more benefits than challenges act more proactively toward the international market	(Andersson et al., 2020; Bauweraerts et al., 2019; Cahen et al., 2016; Crick, 2004; Fariborzi & Keyhani, 2018; Kahiya, 2020; Paul et al., 2017; Tsuruta, 2020)
	Challenges and barriers hinder exports	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE2, IE3, IE7, IE10		
The role of external institutions	The role of education institutions	F1, F5, IE2, IE3, IE6, IE7, IE8, IE9, IE10	Exhibits the role of the Brazilian context, expressing how external institutions such as educational and government institutions affect and support Brazilian exporting firms' internationalization. This brings a more holistic view of the process, looking at the firms' perspectives and industry experts.	(Da Rocha et al., 2012; De Mello et al., 2019; Estrin & Prevezer, 2011; Kafouros et al., 2022; Rodrigues & Dieleman, 2018; Yan et al., 2018)
	The role of the government institutions	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE2, IE3, IE4, IE5, IE6, IE8, IE10		

Chapter 6: Events influencing exporting firms' exiting and (re)entering foreign markets

6.1 Introduction

The following chapter identifies and examines the findings relating to the second research question, comprising:

RQ2 - How do events influence exporting firms' entering, exiting, and re-entering foreign markets?

This chapter's findings emerge from respondents' experience regarding exporting firms' internationalization from a BEM, namely Brazil. It incorporates the views of Brazilian exporting firms' managers, directors, founders, as well as industry experts, government representatives, and academics. This expresses a more robust, informed, and unbiased understanding gained through the study concerning Brazilian exporting firms' internationalization pathways (Nyamrunda & Freeman, 2021). As highlighted in Chapter 4 (Methodology), this study relies on multiple case studies and identifies a temporal sequence of events as the basis for tracing *why* and *how* Brazilian firms change their internationalization pathways (Welch & Paavilainen-Mäntymäki, 2014), including entering and exiting foreign markets constantly. The findings are presented in their aggregate form based on the cross-case analysis (Lazaris & Freeman, 2018), which emerged from the respondents' views.

Having discussed the findings of Research Question 1 (Chapter 5), the Brazilian exporting firms' internationalization pathways at a macro level, this chapter sought to examine the role of events in Brazilian firms' internationalization pathways at a micro level. The extant IB literature highlighted in Chapter 3 (Literature Review), exhibits research focusing on firms' internationalization pathways, including exiting and (re)entering (Aguzzoli et al., 2021; Kafouros et al., 2022; Kriz & Welch, 2018; Ozkan, 2020; Vissak et al., 2020). However, less research has been devoted to understanding *how* events impact firms' internationalization and *how* it shapes firms' pathways (e.g., Nummela et al., 2014; Nummela et al., 2016). This chapter covers firms entering, exiting, and re-entering foreign markets, addressing *why* and *how* firms

seek to initiate export or cease presence from overseas markets. By describing firms' internationalization entering and exiting foreign markets, this chapter demonstrates firms' irregular and interrupted pathways, where firms experience cycles and waves of internationalization (Kafouros et al., 2022).

This chapter adds to the current IB literature by delving into the breadth and depth of events shaping firms' pathways over time, which remains under-explored (Vahlne & Johanson, 2017). In particular, it contributes by exploring *how* events trigger firms to enter and exit foreign markets. The chapter presents novel, disruptive, critical events; environmental events in the home and host countries, organizational and individual level events; and event duration and timing. The following sections elaborate on the findings of the present study.

6.2 Brazilian exporting firms' irregular and interrupted internationalization

6.2.1 Brazilian exporting firms' exiting and/or (re)entering foreign markets

The previous chapter demonstrated *how* and *why* Brazilian exporting firms undergo reactive and proactive internationalization approaches during their pathways at a macro level. The current chapter presents firms' activities in foreign markets at a micro level, revealing irregularities and interrupted internationalization in which firms exit and re-enter markets (Benito & Welch, 1997; Tang et al., 2021; Vissak et al., 2020; Welch & Welch, 2009).

To comprehensively understand firms' internationalization , it is essential to deepen the analysis of each foreign market that firms are involved. Firms exporting to several foreign markets may cease operations in some markets while penetrating new ones over time. As a result, firms' total international sales may demonstrate growth and constant sales increase (Gabrielsson et al., 2014; Puig et al., 2018). However, when looking at each market separately, it is possible to identify that even though some market shows ascendant growth, in others, firms experience retrenchment and even foreign exit (Gabrielsson & Gabrielsson, 2013; Kafouros et al., 2022). For instance, in the past years, F8's export report[51] shows that the firm has been exporting to the U.S. and Chile. The report indicates an increase in total international sales of F8 from 2015 to 2020, suggesting that they are continuously growing their export. However,

[51] Secondary data, export report provided by the Director of F8. It reflects F8's export sales from 2015 to 2020 and also reflects the forecast of sales for 2021-2023. The export reports show % of sales by each country, compared to the domestic market.

the export report dispersed exports by country, showing that in 2019, F8 increased its sales significantly in the U.S., whereas it exited the Chilean market. In other words, the total international revenue in 2019 was higher than the previous year, but this did not signify that F8 was experiencing continuous internationalization. Instead, their pathways were interrupted in one market, as they stopped selling to Chile. In this sense, it is crucial to consider firms' trajectory in each market (micro level).

Analyzing the firm's trajectory at the micro level enhances our in-depth understanding of the firm's internationalization. In line with Vissak et al. (2020), which profoundly examines a single firm's trajectory in each overseas market over an extended period of analysis, the present study carefully observes firms' exiting and (re)entering countries. To exemplify, F7 is a medium-sized family firm exporting since 1988 and has experienced several foreign exits and re-entries into overseas markets. The Export Manager of F7 recognizes the relevance of understanding the reality of each market. According to the Export Manager of F7, there are various reasons why F7 has discontinuous exports in some markets, primarily relying on the host country's environment (Benito & Welch, 1997; Bernini et al., 2016; Ozkan, 2020) suggesting that high bureaucracy, crisis, and payment issues were among the main reasons for F7's foreign exits:

> *Ecuador, we stopped because the country created a bureaucratic certification process that made it impossible to certify our products. However, we are planning to return to Ecuador soon… Well, Venezuela, we have exited and re-entered a few times… Venezuela, we stopped because there was a crisis, but we are already negotiating with them again, and we will sell our product through Colombia to access Venezuela. Venezuela is quite complicated, to be honest; in the past, we also stopped our export because they were not able to pay us; the same issue with Cuba now. Cuba is a very interesting market, it pays high prices for our products, great volume, but it also has payment issues. Export Manager, F7*

The insight above suggests the singularities and uniqueness of each country, and customers within that country should be considered in their journey (Bernini et al., 2016). In other words, in-depth comprehension of each market and how it affects firms' experience entering, growing, retrenching, and discontinuing their activities are relevant to understanding firms' internationalization. The insights from IE6 extend previous IB studies by showing that macroeconomic effects directly influence firms' international activities (Bernini et al., 2016; Ozkan, 2020):

> *It's important to highlight the macroeconomic or political turmoil that may limit or even interrupt firms' investment strategy in foreign markets. Some examples would be the impact of the exchange rate, along with other major events that may interrupt firms' trajectory in a given market. IE6*

The insights from IE6 above add to prior research by suggesting events as triggers for firms to enter, exit, and/or (re)enter foreign markets. Although the most recent studies emphasize non-continuous internationalization (Kafouros et al., 2022; Tang et al., 2021), limited attention was paid to *why* and *how* firms exit and/or re-enter the foreign market exhibiting irregularities. Therefore, the present study's findings contribute by providing a holistic comprehension featuring events as trigger to firms' irregular internationalization.

6.2.2 Brazilian exporting firms' irregular and interrupted internationalization

Although previous studies demonstrate firms exiting and re-entering foreign markets (Vissak et al., 2020), *why* firms present non-continuous internationalization remains underexplored (Kafouros et al., 2022). There are various reasons and triggers behind their irregular and interrupted journeys (Vissak et al., 2020). In the context of Brazil, exporters' serendipity (Ciravegna et al., 2019) and intermittent behavior toward international engagements (Bernini et al., 2016) are associated with events. In particular, the present study contributes by offering a nuanced understanding of *how* events affect firms' international journey and *how* much firms are prepared to manage the effect of these events.

The findings suggest that most firms in the study are not well prepared to export and do not allocate sufficient resources to export development, making them more vulnerable to oscillation exposure, resulting in erratic export activity. When questioned about *why* Brazilian exporters exhibit such a sporadic export pattern, most interviewees explicitly replied that Brazilian firms do not reach the point of focusing on and treating exporting as a priority but rather view it as *'an alternative to the domestic market' (Export Manager, F13).* The Export Manager of F11 explains the reasons behind intermittent exporting (Bernini et al., 2016) and *why* firms are not ready to consolidate exports (confirmed by F3, F6, F7, F9, F10, F14, IE1, IE2, IE6, IE7, IE8):

> *Overall Brazilian companies are not ready to export for the following reasons: they need to have an IB professional, need to be familiar with a foreign language, need to adapt somehow your product, packaging to the [foreign] market. The Brazilian firms want a fast result, a quick return on investment. The domestic market is certainly much quicker; firms have more control compared to the international market… It's not simple;*

> *entrepreneurs need to wait, they need to learn. It is important to understand the culture of the other country. The client doesn't need to adapt to you; in fact, you need to adapt to your client. Export Manager, F11*

The above insights indicate that management commitment to exporting is crucial for firms to succeed internationally. More specifically, when firms face rapidly changing events impacting their competitiveness overseas, those more adept at allocating resources, expertise, and competence in IB are more likely to overcome the events' repercussions. The extant IB literature foresees a lower modal involvement of firms when they begin to internationalize (Da Rocha et al., 2012; Johanson & Vahlne, 1977). Spot, sporadic, serendipitous, and unplanned international sales happen when an unsolicited order event emanates, where foreign buyers demonstrate their interest in firms' products (Hilmersson et al., 2021). These events are expected and are commonly detected in an export debut (Ciravegna et al., 2019). However, the presence of spot and sporadic sales remains unclear in the firms' later phases. The findings of this present study add to previous studies by suggesting that spot sales are not exclusively linked to the early phases of the exporters' journey; instead, it was observed throughout firms' pathways (F1, F3, F7, F8, F10, F11, F14, IE2).

Whereas previous studies debated whether firms increase or decrease their export commitment over time (Johanson & Vahlne, 1977; Stump et al., 1998), this study explores, in the context of a BEM, the reasons behind *why* firms' internationalization is discontinuous (Benito & Welch, 1997; Fletcher, 2001; Ozkan, 2020). The findings indicate that spot sales did not evolve to constant and consolidated international sales for various reasons, such as: lack of focus on exporting (F8, F10); not finding the correct distributor for their product (F7, F10, F11); lack of foreign product certification (F7); logistical issues (F7, F11); specific project or opportunity (F1, F3, F11), and price not being competitive (F11, F14). For instance, F10 is a small firm in the food industry that has experienced spot sales during its whole export pathway. Their first exports were spot sales to Chile and Poland in 2006, and even after a decade, they still rely on 'spot' and 'unsolicited orders'. In Phase 1 interviews (2018), F10 was consolidating its first exports to Portugal, and in Phase 2 interviews (2021), the Owner affirmed that F10 was no longer selling to the Portuguese market, that it became *'spot single sale'* because the distributor was not the appropriate one[52]. Spot sales may emerge at indefinite times in firms'international journey, as firms may complete the initial export but not re-sell to that

[52] According to the Owner of F10: "*We are no longer exporting to Portugal, it was one time sale, they didn't make another order. I believe it was because it was not the right channel for us, the distributor focus was not aligned with our products…*".

market again. The Owner of F10 defines 'spot sales' as when a firm is not consolidated in a particular market. According to her, the consolidation materializes after the 4th export:

> *I only consider exports after the 4th order. When customers place 1 or 2 orders and do not continue, it doesn't mean I am exporting to that market. From the 4th purchase order onward is when I consider being consolidated in that country. This is because there is continuity, repurchase, and turnaround. A single spot sale does not mean I am supplying to that market. Owner, F10*

This insight suggests that firms consolidate their presence overseas when they no longer rely on unsolicited orders and continuously supply to foreign markets. The findings indicate that beginning to export does not guarantee success in that market. The challenge consists of establishing a continuous presence in the foreign market. To illustrate, the Sales Manager of F5 affirms that the effort should be higher to continue sales rather than to open a new market (confirmed by F10, IE2, IE6):

> *The first sale is easy, but keeping this distributor active monthly is a big challenge. It is necessary to have a quality product, a good price, and excellent customer service to gain their trust. The confidence gained will make sure the distributor places large purchase orders and gives us greater cash flow for the company. Sales Manager, F5*

The Sales Manager of F5 highlights several factors that guarantee its presence overseas, including having a quality and competitive product and delivering excellent customer service to satisfy customers. In line with Benito and Welch (1997), who argue that poor foreign market performance, such as having problems with the distributor, is a reason for firms to pull out of markets, the present study confirms and suggests that not finding the appropriate distribution channel is a central issue responsible for firms' foreign market exit (F3, F4, F5, F6, F7, F8, F10, F11, F13, F14, IE1, IE2). IE2 emphasizes that finding the correct commercial partner to distribute and sell firms' products is complicated as both the firm and the distributor need to be aligned, as explained below:

> *All firms seek to find the right commercial partner for their business, the one that will focus on the type of product they sell and their target market. However, it's not easy; it takes time. Firms should know that it needs to go both ways; the relationship needs to be good for both the Brazilian firm and the partner overseas. It needs to be 'win-win', in which both benefit from the transaction. IE2*

As highlighted above, the difficulty surrounding finding the correct and suitable partner/distributor is complex. The present findings extend Benito and Welch (1997)'s study by suggesting that the 'ideal' distributor should be aligned and synchronized with the type of product they are selling (F10, F11), should invest in the product certification overseas (F7), should be in line with price and demand (F11), and should help the firm to access the market (F3). The encounter of the appropriate distributor is seen as a significant and novel event for firms that results in growing sales and prevents them from withdrawing exports.

6.3 Events influencing Brazilian exporting firms' internationalization

The previous section demonstrates *why* Brazilian exporters portray irregularities throughout their lives. However, for a deeper comprehension of Brazilian firms' interrupted internationalization, the present study adds to our knowledge by delving into the breadth and depth of events encountered by these firms. These events shape firms' cross-border activities over time, provoking them to (re)enter and/or exit markets (see Table 6.1). The findings suggest firms encounter events through their journey that are responsible for (re)entering overseas markets, events triggering foreign market exit, and events that generate both effects. Therefore, the present chapter demonstrates events that positively and negatively impact firms' exporting. Furthermore, it also emphasizes the existence of both internal and external events (Nummela et al., 2014). The IE2 illustrates how events at both organizational and environmental levels affect Brazilian exporting firms' internationalization:

> *So, there are some events that can affect firms, triggering them to stop activities in international markets. Some of these events are internal, and the company has some control over them. However, they also experience external events that the firm does not control but can react to them. For example, the issues in Angola and Venezuela… depending on the company's financial structure; these events can certainly result in firms getting out of the market. Re-entering these markets may be feasible later. For instance, when a firm re-enters a market after a crisis, it will most likely seek new [business] partners, as the old ones may have gone bankrupt or no longer exist. It's pretty much starting from scratch in that country; we have to do everything over again, visiting the market, talking to potential partners. IE2*

Despite the burgeoning IB research acknowledging the presence of events (e.g., Bell et al., 2001; Evers & O'Gorman, 2011; Nummela et al., 2014; Nummela et al., 2016; O'Gorman & Evers, 2011; Vissak et al., 2020), scholars have largely neglected the interactions of these events nor explored several aspects of these events simultaneously; and their corresponding

effects. Events were used as background to start international activities (Bell et al., 2001; Bell et al., 2003) to associate with transitions between life cycle phases (Lindqvist et al., 2011; Romanello & Chiarvesio, 2017; Turcan & Juho, 2014), to expose firms' non-continuous internationalization (Aguzzoli et al., 2021; Kriz & Welch, 2018; Vissak et al., 2020). These studies mention and report events as part of firms' internationalization, referring to them as internal or external, but do not delve into the dimensions of the events. The present study adds to previous research (Kriz & Welch, 2018; Vahlne & Johanson, 2017; Vissak et al., 2020) by demonstrating *how* these events elicit changes and systematically affect firms' internationalization. In other words, it extends knowledge by exploring the event system and how it affects firms' internationalization. The notion of exploring the dimensions of events and its outcome is novel, and although it has been studied in other fields (refer to Table 3.3), it has been underemphasized in the IB field.

Table 6.1 Events triggering Brazilian exporting firms exiting and/or (re)entering foreign markets

Events	F1	F2	F3	F4	F5	F6	F7	F8	F9	F10	F11	F12	F13	F14
Government export promoting events	in	in	in	in	in	in	In	In	in	in	in			in
The opening of the Brazilian economy	in													
Payment issue in Angola			out			out			out			out	out	
Political crisis in Chile			out					out						
Political crisis in Bolivia						out								
Economic Crisis in Argentina	out			out		out			out	out				
Economic and political crisis in Venezuela	out						out		out					
Domestic market crisis	in		in			in			in					
Exchange rate			in & out	in & out	in		in	in	in & out	in	in			in
COVID-19 pandemic	out	out	out		in	out	in & out	in & out	in & out	out	out		in & out	
International trade fairs	in	in		in	in	in	in	in	in	in	in		in	in
Encounter the appropriate distributor			in	in	in	in	in	in		in	in		in	in
Family succession										in		in		in
Firm sell part of the business or acquisition									out				out	
Hire an IB professional	in		in		in	in	in		in		in	in		in
Adapt the product	in	in	in	in	in	in	out		in		in		out	in
Protectionist barriers: certification and bureaucracy	out	out	out	out			out		out	out	out		out	
Network / rely on personal contacts		in	in		in	in	in							in
Partnership development	in	in	in				in	in			in			

'Out' represents firms' exiting foreign markets, and 'in' represent firms' (re)entering foreign markets

6.3.1 Event novelty

Previous studies show various events as part of a firm's journey (Kriz & Welch, 2018; Vissak et al., 2020). However, these events were not distinguished between novel and past routine events (Klonek et al., 2022). Adding to this discussion, this study extends understanding by indicating that even though firms experience several events, only a few were identified as '*new'* to the firm. The '*new*' events embody the idea of a nonroutine foundation, where firms may experience many unexpected changes without anticipation of the results (Liu et al., 2018). The interviewees were asked to identify '*new'* events that affect their export significantly. The present study contributes to the IB field by empirically showing the two major *'first-time'* events identified as influential for exporters' pathways: hiring an IB professional (F1, F3, F5, F6, F7, F9, F11, F12, F14, IE2, IE6); and introducing a new decision-maker either by family succession (F10, F12, F14, IE2, IE6) or when firms are acquired or sold part of their business (F9, F13).

All firms that have hired an IB professional fully dedicated to exporting suggest that 'the introduction of this staff' is a novel event that brought about a chain reaction to firms' internationalization. The decision to hire a skilled IB professional to promote international sales, support overseas customers, and build foreign market knowledge (Romanello & Chiarvesio, 2017) signifies a new milestone event to broaden firms' exports. For instance, F5 is a micro firm in the electronic industry exporting since 2003 with limited resources. In 2018, F5 hired an export analyst to enlarge its presence overseas, and F5's international revenue increased immensely. F5's exports report[53] shows the progress of its global sales, which has experienced considerable growth since hiring an IB professional in 2018, confirmed in the interviews[54]. This scenario was not exclusive to F5; most cases mentioned it, including the Sales Manager of F6, who highlights the importance of hiring an export analyst and how much the firm is currently more prepared to grow their business overseas (confirmed by F1, F3, F5, F6, F7, F9, F11, F12, F14, IE3, IE6):

> *Everything has changed since we hired the IB staff. Now we have someone fully dedicated to the international market... Today, we have marketing material, website, product, packaging, instructions, everything designed for the international market. Before [the IB person joined the firm], there were*

[53] Secondary data provided by the Sales Manager in 2021, showing the international sales revenue from 2014 to 2020.

[54] The Export Analyst of F5 confirms in the interview: *"we grew more than 100%, because of this specific job on developing export and new customers".*

> *only a few customers, we did everything ourselves, and when he joined the firm, we started to participate at international fairs, participate in government missions, prospect new distributors, and everything moved forward. Sales Manager, F6*

The above insight indicates that hiring a skilled employee designated to expand exports is a novel event for the organization. Employing a staff devoted to enhancing firms' international activities was perceived as a novel, nonroutine event that brought a meaningful impact to the firms. This is because by allocating skilled human resources to seek global expansion, firms penetrate foreign markets and commit to nurturing their exports. Reymen et al. (2017) imply that 'hiring an employee' is an event for the firm. The present study confirms and extends by suggesting that this is a novel and impactful event to firms' internationalization.

The second event that appeared as a *'new'* event that essentially affected exports was the introduction of a new decision-maker (Bell et al., 2001; Graves & Thomas, 2008; Partanen & Goel, 2017). The IB literature has emphasized the decision-makers' role and how entrepreneurs influence a firm's internationalization (Nummela et al., 2014; Reid, 1981). Accordingly, this study extends prior research by suggesting that introducing a new decision-maker is a novel event that affects firms' internationalization, including exiting and (re)entering foreign markets. When a new decision-maker joins the firm, it is expected that there will be some changes within the organization, especially regarding the firm's strategic plan. In particular, prioritizing the domestic market over exports relates to firms' decision maker's view of export markets. In this sense, introducing a new decision-maker may alter firms' strategy toward cross-border business. In other words, the new decision-maker mindset influences the firm's attitude towards the international market. The change in the firm's decision-maker may occur in assorted forms, including family succession (Graves & Thomas, 2008; Shi et al., 2019), merger, acquisition, or management buyout (Bell et al., 2001), among others.

The present study recognizes the 'succession of a family firm' as a *novel* event potentially associated with changes in firms' exports (Shi et al., 2019). This was evident in three family businesses (F10, F12, F14). In all three cases, the introduction of the family member to the firm brought a new, innovative mindset, targeting and entering overseas markets. The present study suggests that no effort, time, or attention was dedicated to foreign markets in all firms before the succession. For instance, F14 is a small family firm in the food

industry that the mother founded. The son's entrance brought a new mindset to the firm and the desire and commitment to export, as illustrated by the Export Manager of F14:

> *I would say that from the moment the son took over with a new and more innovative mindset, the company changed and along with these changes, came the decision to export and expand business. Export Manager, F14*

This insight is similar to the experience of F10, a family firm in the food industry, exporting sporadically since 2006, mainly spot sales based on unsolicited orders (Hilmersson et al., 2021). When the daughter joined the company in 2015, the novel 'family succession' event occurred. The daughter had some previous experience exporting; she perceived the potential to expand the family business overseas by investing in exports, as she reports:

> *At the end of 2015, I joined the company; I used to work for a multinational company before, where I acquired experience in the export area. I was working in the commercial department, mostly selling to the Latin American market... So, when I started here in November 2015, I decided to take over the export area. I saw a lot of opportunities for our brands; we have a name in English, and we have the potential to grow outside of Brazil. So, I asked why not start to focus on the international market? Owner, F10*

The family succession impacting firms' internationalization has been previously addressed in the context of Chinese SMEs with different theoretical lenses (Shi et al., 2019; Yang et al., 2020)[55]. This study adds to previous research by observing this phenomenon as a novel event directly impacting firms' internationalization. Similar to the family succession event, when firms experience a management buyout, merger, acquisition, or selling part of the business, it often implies the entrance of a new decision-maker (Bell et al., 2001). This was experienced with F13 (acquisition) and F9 (sold part of their business). F13 is a medium-sized firm in the food industry, which experienced an acquisition in 2016. The acquisition was a novel, significant event for F13, modifying the firm's strategic refocus on the domestic market while resources to invest overseas were downsized. The Export Manager of F13 explained that when F13 was acquired, the new administration's focal point was to re-structure the domestic market and no longer focus on export:

> *Before [the acquisition], we had another administration that had a different mindset [focusing on export]… Before [the acquisition], we had ten people working in the IB department; today, it's just me. I understand that they [the new decision-makers] wanted first to target the domestic market, but so far,*

[55] Theoretical lens applied: Socioemotional wealth (SEW), The resource-based view (RBV), The Uppsala Model.

no investment has been allocated to the international market. Export Manager, F13

A similar experience occurred in F9, a medium-sized firm in the food industry with two types of products in its portfolio: coffee and cookies. Although both products were available in the domestic and international market, the coffee was primarily directed to sell internationally, while cookies mainly were concentrated in the home market. In 2016, a new, nonroutine event arose: F9 sold part of its business: The coffee part of the business was acquired by another firm. This event diminished F9 exports considerably because the part of the business that was sold involved primarily exported products. The part that remained mainly involved products targeting the domestic market. After the sale was consolidated, F9's decision-makers prioritized the Brazilian market over exports, as the Export Manager of F9 explains:

After the firm sold the coffee business, F9 was almost a year with no export department. Exports reduced significantly. Well, during this time, we were just responding to orders from existing customers, we lost a lot of markets. It was a decision of the directors, there were some issues at that time, and they decided to prioritize the home market. The truth is: The domestic market was prioritized, and exports were left out. Export Manager, F9

In the 2018 interview (two years after the company sold part of the business), the Export Manager stated that F9 was returning their exports. This was observed and confirmed in the 2021 interview when the Export Manager recognized that company involvement increased but not to the same level before part of the business was sold. To exemplify, F9 used to sell to 33 countries[56], reduced to 13 countries in 2018 with the restructuring, and increased to 22 countries in 2021. In this sense, the findings suggest that '*new*' and nonroutine events such as the entrance of a new structure or administration driven by family succession, acquisition, sale of part of the company's business, or the introduction of a new decision maker significantly affect commitment to exports.

6.3.2 Event disruptiveness

Firms experience various events in their pathways; however, the present study adds to our understanding by suggesting that only some are disruptive events. Disruptive events often originate in the environment, causing changes and pressuring firms to adapt to the new reality imposed by those events (Lin et al., 2021). Although scholars have recognized that external

[56] When the coffee was still part of its business.

events influence firms' non-linear internationalization (e.g., Nummela et al., 2016), this study introduces the discussion by examining disruptive events. More specifically, this study enhances understanding by analyzing in-depth the disruptiveness of these events and *how* they alter firms' export commitments. Interestingly, events reported as disruptive were frequently associated with being out of firms' control, where decision-makers had to adjust to survive. The present study highlights three major disruptive events: The opening of the Brazilian economy, protectionist barriers, and the COVID-19 pandemic.

The opening of the Brazilian economy in the early 1990s provoked reforms targeting trade liberalization, eliminating most non-trade barriers, and reducing trade barriers (Nassif & Castilho, 2020; Rodrigues & Child, 2003). This new scenario generated a tremendous increase in foreign direct investment (Rodrigues & Child, 2003; Wilkins et al., 2020); the privatization of various state-owned enterprises (Nassif & Castilho, 2020; Wilkins et al., 2020), and consequently, an increase in foreign competition (Barretto & Da Rocha, 2001). To illustrate, the opening of the Brazilian economy directly affected F1, a medium-sized firm in the electronics business established in 1982. According to the Export Manager of F1, the firm had to adapt and develop a global product to compete with international competitors in both the Brazilian market and overseas. Thus, the Brazilian economy's opening is viewed as a disruptive event because it induced firms to change their product and invest in export to be able to survive, as illustrated below by the Export Manager of F1 (confirmed by IE2, IE5, IE10):

> *For sure, if the company had not made a move to act as a global company, we wouldn't be here today. I am saying this because the market is completely open at home in Brazil now and very competitive. We just survived because we developed a product that was able to compete with other competitors around the world. The opening in the Brazilian market was important for the F1 to change how it was acting; otherwise, we wouldn't stand a chance. Export Manager, F1*

Another example of a disruptive event is the implementation of non-tariff barriers through increased bureaucracy and the formalization of processes requiring a certificate to export. This event is disruptive as it triggers all firms to exit overseas markets. IE6 explains how protectionist barriers interfere with firms discontinuing exports:

> *Events that produce a negative impact could be related to protectionism barriers, technical barriers. So, for example, some firms need to get an FDA certification to enter the United States today, which takes a long time and requires a lot of investment… In addition, governments and public policies can create protectionist measures making it very difficult for firms to enter*

a new market or make it difficult for firms to survive in the market where they are already operating. IE6

The insights above reflect how the introduction of a barrier prevents firms from penetrating new markets and withdrawing from the ones they were exporting. The majority of the interviewed firms mentioned that bureaucracy and the requirement of certification to export had constrained their exports (F1, F2, F3, F4, F7, F9, F10, F11, F13). The Export Manager of F7 attributes the barriers to their cessation of business in Ecuador (Confirmed by IE2, IE3, IE6):

Unfortunately, Ecuador became so strict in terms of registration, given the volume of non-tariff barriers they imposed. For example, they required some documents we provided, and the Ecuadorian Government purposely let the documents expire. So, we couldn't register and certify our product there, so we left Ecuador. Export Manager, F7

Recently, a prominent worldwide disruptive event has emerged: the COVID-19 pandemic (He & Zhang, 2022; Klonek et al., 2022). This event has been responsible for changes in firms' overall business strategy and influenced firms' international activities. According to IE6, the pandemic has changed the way IB is conducted. Both firm interviewees and industry experts highlight *how* the pandemic has disrupted operations and triggered changes (He & Zhang, 2022). Interviewees reported that international travel had been restricted, and international trade fairs had been canceled due to the pandemic that has adversely impacted firms' exports (confirmed by F1, F2, F3, F6, F7, F8, F9, F10, F11, F13, IE2, IE6, IE10). The Founder of F2 reports how the pandemic has fundamentally changed the way they do business:

I had to cancel five international trips I had planned last year. When things come back to 'normal', the expectation is that travel will reduce because many things we figured out we can solve through video-conference calls. Founder, F2

The COVID-19 pandemic has changed how people communicate and how firms negotiate. Even though the Founder of F2 claims that face-to-face interactions are essential, the 'new' reality of virtually interacting proves to be still effective in communicating, as most issues can be resolved online. In contrast, international trade fairs that initially were canceled at the beginning of the pandemic are resuming, albeit virtually. While some firms took advantage of these increasing online events, others found that attending those did not benefit the firm. For instance, the Export Manager of F7 believes virtual international trade fairs do

not have the same effect as face-to-face interactions. Since the pandemic started, he has stopped attending trade fairs. In contrast, the Export Manager of F9 reports that online trade negotiation is fundamental to identifying prospective new clients. She is currently negotiating with four potential distributors she met in these virtual events.

The COVID-19 pandemic also affects firms' exports, preventing them from carrying on their negotiations with foreign partners. Interviewees expressed that encountering and developing new business partners has always been challenging. Finding and establishing a new business partner in the pandemic scenario is even more arduous. This is because further negotiations are put on hold as there is no physical contact, they cannot visit their facilities and organizations, and everything has turned digital. The Export Analyst of F6 affirms that F6 is maintaining its existing foreign customers but penetrating new markets is not feasible at the moment (confirmed by F2, F3, F7, F8, IE2, IE8):

> *The international customers we have been supplying since last year, we are keeping them. However, they will not include new products with the current situation. We'll hardly be able to get in the countries we have not entered yet because we can't travel, we can't show them our products. Export Analyst, F6*

The importance of conducting business virtually has never been so evident and was highlighted by most interviewees. This was certainly reflected in the data. Of the seventeen interviews conducted in 2021, thirteen interviewees responded from home (F1, F2, F3, F6, F7, F9, F10, F11, F13, F14, IE2, IE6, IE10). Online tools such as WhatsApp, Zoom, and Skype, among others, were highlighted by interviewees as solutions to overcome the disruptiveness and challenges brought by COVID-19.

6.3.3 Event criticality

Although critical events are apparent in the IB literature (Nummela et al., 2014; Zineldin, 2007), the criticality and relevance of these events remain underexplored. Event criticality is associated with the degree to which an event is essential, relevant, and important to an organization (Liu et al., 2018; Wang et al., 2021). This study reflects on the interviewees' perspectives on 'critical events' to gain a comprehensive understanding of the event's criticality. Interviewees were asked to identify some of the most critical and impactful events in their internationalization course. They related the most *'critical events'* to those which provoke the most impact, triggering firms to enter or exit several markets. In their perspective, significant and critical events are the ones that prompt firms to enter, exit, and re-enter various

countries, consequently causing a more significant effect on firms' internationalization. The first event highlighted was connected to firms participating and exposing their products at international trade fairs, international missions, and events sponsored by the Brazilian Government to promote exports. Attending those events was of paramount importance to firms, as they provide opportunities to engage with new customers and develop networks. The Export Manager for F11, a micro firm in the food industry that sells niche market sweets, illustrates the importance of participating in government events promoting exports (confirmed by F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F14, IE2, IE3, IE6, IE8, IE9):

> *I point out ABIMAPI and APEX projects as the main and more powerful events throughout our journey. I say this because regardless of all the financial problems the company is currently experiencing, being part of these events is still part of the company strategy. We know that customers look for our firm in these events, it generates many contacts, so they are very important for us. Export Manager, F11*

Even though F11 is a micro firm with limited resources, it invested in these events as they certainly provide a positive return to the firm. The government subsidizes these events, making it feasible for firms to engage. By participating in these events, firms meet potential buyers worldwide, facilitating their entrance and re-entrance in several foreign markets. As a result, these events become critical for firms as they assist firms in penetrating various markets. In a similar vein, exposing the products to recognized and crucial international trade fairs was also perceived as a strong and critical event prompting firms to enter various markets. International trade fairs gather importers and exporters from all over the world. Thus, through these fairs, firms develop and nurture relationships with worldwide customers, including markets that firms had no initial intention to enter (Vissak et al., 2020), as illustrated by the Export Manager of F9 (confirmed by F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE2, IE3, IE5, IE6, IE8):

> *When we participate in international trade fairs, there are markets that we enter even though we have not deliberately chosen them. So, when we are at a fair, we make contacts with 30, 40 different countries. So, a distributor comes interested in our product, and sometimes this is a market we didn't even consider entering, but we go forward. For instance, we are currently exporting to Suriname, Samoa, and some other countries in Africa because of the fair; it was not purposeful. So, let's say they were not my focus, but they showed up at the fair, we talked, and export happened. Export Manager, F9*

Attending and getting exposed at international trade fairs brings various benefits to firms, enhances brand visibility, and most importantly, opens doors for them to meet potential buyers and consequently enter and re-enter foreign markets. As explained in the insights above, firms penetrate non-planned markets due to the experiences gained in trade fairs. Thus, interviewees perceive international trade fairs and government events as critical and significant events (Vissak et al., 2020). The present study adds to our understanding by suggesting that these events are 'critical' because their impact is more significant than other events that firms' experience.

6.3.4 Events at the environmental level

Environmental-level events arise in the environment and are often referred to as 'external events' (Nummela et al., 2014). Even though these events emanate at the environmental level, they produce an effect on firms' strategy and behavior toward the international market. The IE6 explains how they affect firms:

> *We have seen recently that external events, such as the domestic crisis, the pandemic, among others, have internal implications for the firms. For example, the decision to close franchise stores, rethink firms' international strategy and close a subsidiary abroad. So, I think most changes in firms' trajectory have their origins in external events. These events trigger changes in firms' plans and trajectory affecting the company's internal environment as well. IE6*

The findings of the present studies encountered environmental events that originate in the host country and the home country (Kafouros et al., 2022; Tang et al., 2021). The present study offers explanations for how these environmental events impact firms' export journey.

6.3.4.1 Environmental level events (host country)

Some events are specifically bound to the host countries. Interestingly, it was observed that the effect of host country events was the same across all cases operating in a specific market, regardless of the industry, size of the firm, and international experience. This suggests that host country events trigger equivalent reactions among firms. For instance, Angola is a popular destination for Brazilian firms, as both nations share similar background of colonization by the Portuguese. Not surprisingly, five have exported to Angola out of the fourteen firms interviewed (F3, F6, F9, F12, F13). According to IE2, Angola experienced a serious 'problem to make overseas payments' around 2015 to 2017 as the country was not receiving enough foreign currency to be able to stabilize its trade balance, which explains the IE4's comments:

> *Firms that were selling to Africa experienced the same milestone: difficulty in receiving payment. In other words, all firms that were exporting there had problems with payment... This affected SMEs mainly but other large firms too, to cease exports to this market. IE4*

The insight above suggests this 'payment issue' affected all firms exporting to that market. This was confirmed in the present study's findings, as all of the five firms that were exporting to Angola ceased their exports to the country as they were not receiving payments. The Founder of F3 explains this scenario (confirmed by F3, F6, F9, F12, F13, IE2, IE4, IE6):

> *Angola recently experienced a problem with payments. The country depends on oil, and once the price of the oil dropped, they did not have US dollars and were not able to import anything. They were interested in our products but were not able to import them... Thus, we have no problem with the client in Angola or any issues with our products. There were macroeconomic situations that stopped us from keeping our business there. The problem in Angola was general and impacted all sectors. Firms selling grains, firms selling cars, firms selling food, anyways, everyone had the same problem there. Founder, F3*

Angola used to be one of the most relevant markets for the food industry, specifically for medium and large firms exporting mass-production cookies (F9, F12, F13, IE2). Angola was described as a '*very important market*' by the Owner of F12. When Brazilian firms stopped exporting to Angola, there was a considerable decrease in Brazil's overall cookie exports, as expressed by IE2 and the Export Manager of F9. According to the Export Manager of F9, Brazilian cookie exports are concentrated in some destinations. Angola and Latin American countries are the major markets for F9 (confirmed by F13, IE2):

> *We are affected by market conditions. Some markets are more important to us. I would say Argentina and Angola. Angola was a very, very important market for us. Cookies exports dropped when Angola started to run out of currency; they no longer had the means to pay, so exports reduced significantly. At the same time, Argentina, where we used to export an average of 5, 6 trucks per month and reduced to 1, 2, due to their economic challenges. So, we felt a lot the effect of these events. Export Manager, F9*

As noted above, other Latin American countries are important export destinations for Brazilian firms (Aguzzoli et al., 2021). Yet, Latin American countries are unstable markets (Brenes et al., 2019) that experience economic and political events. When adverse events arise in Latin America, Brazilian exporting firms discontinue their exports and return once the situation is re-established. Thus, the internationalization of Brazilian exporters in Latin American markets is intermittent (Bernini et al., 2016). For instance, all firms exporting to

Venezuela reported a 'political crises' event, followed by an 'economic crises' event in the past decade, which reduced imports to Venezuela (F1, F7, F9, IE2, IE10). In the past decade, a similar scenario was reported in Chile (F3, F8, IE2), in Argentina (F1, F4, F6, F9, F10, IE3, IE10), and Bolivia (F6, IE2). The Export Analyst of F6 explains:

> *Some events happening in other countries may affect our exports. For example, in Bolivia, if I'm not mistaken, in 2019, when Evo Morales was about to leave, many protests ended up affecting our exports to Bolivia. A second example is that Argentina's very strong economic crisis affected us as customers ended up not buying. So, these events hinder our exports. Export Analyst, F6*

When a Latin American market suffers from a political or economic crisis, it causes sales reduction or even exit from this market by exporters, temporarily ceasing exports. It was observed that firms return to their activities in these markets once this event is no longer active and the market is recovered.

6.3.4.2 Environmental level events (home country: Brazil)

Both firm interviewees and industry experts widely recognized the importance of the Brazilian domestic market on firms' export journeys. As demonstrated in the previous chapter (Chapter 5), it is common for Brazilian firms to essentially develop their business based on the domestic market, as the market has immense potential, given a large population and the emergence of the middle-class (Cavusgil et al., 2018). The Founder of F3 further explains (confirmed by IE2, IE4, IE6):

> *Another important point to highlight is that Brazil has 200 million people. The domestic market is huge… Brazil is not an exporting country because it has a large domestic market. In my opinion, countries with an export culture are those that have already explored the domestic market... When the domestic market is booming, it has a lot of demand that we can't even look outside... For instance, in the Lula government, we had orders that fulfilled our production for one entire year. How would we expect to think about supplying overseas? Impossible. Founder F3*

The above insights indicate that the Brazilian domestic market is the primary focus for Brazilian firms. According to the Export Manager of F7, the resources and attention dedicated to the international market are proportional to its total revenue. In other words, the domestic market becomes a priority when firms concentrate their sales in Brazil. The empirical data suggest that a high percentage of Brazilian exporters' revenue originates from the domestic

market[57] , and firms deviate from their original focus when an event occurs. In particular, the *'domestic market crisis event'* is a featured event that turns Brazilian firms' attention overseas, prompting them to seek exports. IE7 and IE8 explain the international market's importance in maintaining firm employees and revenue when the home demand decreases (Bernini et al., 2016). To illustrate, IE8 shows that exports can become a possible solution for firms to overcome domestic market retrenchment:

> *In the past two years, we experienced a crisis in the domestic market which affected a lot the electronics sector. The sales revenue declined 30%, causing them [firms] to drastically reduce their staff and investments in research and development… One of the firms here identified a solution: expanding to England. They got a niche market to sell their products in England, which helped them keep going. IE8*

The insights above point out how a crisis in the domestic market event reduces the local demand and firms' home market sales (Bernini et al., 2016). To overcome this issue, firms seek alternatives to maintain their revenue and income. Exports are often seen as an alternative, as the Export Manager of F9 stated in the insights below (confirmed by F1, F3, F6, F9, IE1, IE2, IE4, IE6, IE7, IE8):

> *When the domestic demand went down [Brazilian crisis], people started asking here: 'What about exports?' At this moment, there were products available, and export was one way to increase the company's revenue. That's when they decided to focus on exports again. Export Manager, F9*

6.3.5 Events at the organizational level

Organizational level events are commonly referred to as 'internal events'. These events happen within the organization and play an essential role in firms' exiting and/or (re)entering exports. Previous studies have recognized that internal factors, enablers, and events prompt firms' internationalization (Nummela et al., 2016). This study extends previous research by explaining *how* these organizational level events influence firms' internationalization, triggering them to enter and/or exit foreign markets. The introduction of a '*new strategy*' is an organizational level event, as it involves adjustments in the organization and reflects on firms' export outcomes (Nummela et al., 2014). For instance, firms undertake measures to meet market singularities, such as '*adapt the product'*. IE2 recognizes the importance of adapting

[57] Observing these firms for four years, it was noticed that the domestic market represents 65% or more of these firms' total sales.

the products to penetrate foreign markets (Confirmed by F1, F2, F3, F4, F5, F6, F9, F11, F14, IE2, IE3, IE6, IE10):

> *The products should be adapted to suit the target market and follow consumers' consumption habits. In addition, products should be adapted following the foreign country's regulatory environment and laws. Decision-makers should keep in mind that the product needs to still be interesting and attractive to their customers. IE2*

Similarly to adapting the product, '*adapting the packaging*' is essential for firms' success. In this sense, adopting translations makes instructions available in a foreign language such as English or Spanish. Interviewees recognize that adapting their product and packaging to meet foreign market expectations is necessary to achieve foreign market engagement (confirmed by F1, F2, F3, F4, F5, F6, F9, F11, F14, IE2). The Export Manager of F14 confirms the necessity to adapt products and packaging to be able to succeed in diverse markets:

> *Due to regulatory requirements, it was necessary to adapt our product. For example, in the case of fortified flour, which was a requirement for some South American countries and was not a requirement in Brazil, so we had to find a supplier of fortified flour. We had to do some chemical analysis; it was time-consuming… Then we had to adapt the label to each country, and we had to do a study to come up with a packaging label. Export Manager, F14*

In contrast, when decision-makers choose not to adapt their product, it results in a cessation of business in a specific market (F7, F13). For instance, the Export Manager of F13 explains that one international customer requested them to adapt their product. Since it was not possible, F13 exited that market and is no longer engaging with them:

> *The client said: 'Oh, I want less filling in the biscuits, decrease the quality to lower the price' But this is not feasible as we produce on a large scale. We are not able to change our production just to serve this customer, in the sense that our product would not be of the same quality as our standard. So, we declined, and they are no longer buying from us. Export Manager, F13*

6.3.6 Events at the individual level

While this study associates organizational level events with those within the firm, individual-level events are related to the entrepreneur and the key decision-maker. The findings identified the role of personal contacts, social ties, and partnerships in influencing firms' pathways (Evers & O'Gorman, 2011). Partnerships developed by decision-makers may help enter foreign markets (confirmed by F1, F2, F3, F7, F8, F11, IE1, IE2). To exemplify, at the beginning of

F7's international journey, the owner's network was responsible for opening many markets in South America (confirmed by F2, F3, F5, F6, F7, F14). F7's owner's personal contacts established the first international distributors' partnership. They were all his friends, as explained below by the Export Manager of F7:

> *The personal contacts developed by the owner were crucial for the company. It turned out that our first distributors in foreign markets were also his friends. So, for example, he would go to Ecuador and stay at the distributor's house, and the same happened in many other countries. So, it was always a relationship based on friendship rather than commercial. It came from his network. Export Manager, F7*

6.3.7 Event duration

The event duration is related to how long an event lasts, and while some might extend for a long period of time, others might be brief. The findings add to the IB field by offering insights suggesting that the duration of events affects firms' international activities, as the longer the event, the more the impact will trigger a change by the firm (Lu et al., 2020). For instance, an ongoing economic and political crisis ultimately affects firms' strategy to continue or discontinue exports. BEMs face an unstable environment full of 'ups and downs' (Aguzzoli et al., 2021); consequently, it is common to see an economic crisis. However, the duration of this crisis varies, ultimately influencing the effect it has on firms. The present study emphasizes that the longer the crisis lasts, the more resources and attention the firm needs to invest in maintaining its business. This was observed during the crisis in both the home and host markets.

The findings of the present suggest that when a '*domestic market crisis*' event arises, firms reduce their sales domestically, but if it is only a short event, they may not turn their attention to overseas markets. However, a 'long-lasting' crisis produces a higher impact on firms, forcing them to look for an alternative to survive; consequently, exports become attractive and a solution to overcome this issue. Hence, firms that initially retained their effort in their 'comfort zone' (the domestic market) because it requires less effort, time, and money; direct their focus to exports. The Export Manager of F1 states (confirmed by F1, F3, F6, F9, IE1, IE4, IE6):

> *Brazil for the past years has been facing a very strong crisis, and since it started, the domestic market went down, shrinking. Because this scenario has been happening for a while, our firm had to adjust. We have been looking for alternatives to increase revenue. Export has been selected as*

> *one of the chosen options. So, because the domestic market is facing a downturn and does not have an estimated time to grow again, F1 decided to explore the international market in a way to keep up its sales and productivity. Export Manager, F1*

Long-lasting events trigger firms to adapt and adjust to the 'new realities', to survive. To avoid this, interviewees point out an effective strategy: to diversify their sales, to reduce their risks, especially when dealing with BEMs, where institutional voids and other constraints hinder expansion. The dependence on a single market makes firms more vulnerable, lowering their chances of survival during a period of crisis, as explained by the Founder of F4 (confirmed by F6, IE2, IE6):

> *To reduce our risks, we can't put all eggs in a single basket. When Brazil experiences an economic crisis, a company that concentrates its business exclusively here will certainly be more likely to suffer. When we go to other markets, we certainly balance our risks. Founder, F4*

6.3.8 Event timing

Most events are exclusively associated with one effect direction, pushing or pulling firms to export (Vissak et al., 2020). The findings indicate events that trigger firms to export, such as international trade fairs and government export-promoting events, as they open doors for firms to (re)enter new markets. In contrast, the findings display events that induce firms to exit exports, including political and economic crises in the host country (e.g., the crisis in Argentina and Venezuela) and payment issues in Angola. These events consistently implicate a negative effect, such as firms exiting that market.

Interestingly and less examined in the literature, this study encountered specific events that produce opposite effects, depending on the time they occur. For instance, the exchange rate fluctuation directly influences the price; thus, depending on the moment, it can favor or hinder exports (confirmed by F3, F4, F9, IE1, IE2, IE3, IE4, IE6, IE10). The Co-founder of F3 explains further:

> *The exchange rate is a little circumstantial. Depending on the dollar rate, we offer a competitive price abroad, given that my competitors are Germans… When the local currency in all Latin American countries depreciates, buying from Germany in Euros becomes not feasible, it is better to buy from us. So, we get a competitive advantage that allows us to increase our sales. Co-founder, F3*

Previous studies suggest that firms present different phases in their internationalization, with different demands and needs (Gabrielsson et al., 2014; Rialp-Criado et al., 2010; Romanello & Chiarvesio, 2017). The present study suggests that events are bounded in time, and depending on when they happen, their impact will vary on the firm. When an event emerges, some firms are more likely to be prepared than others, depending on their resources and capabilities to respond to it. This was evident when the COVID-19 pandemic started, and some firms were more prepared than others to deal with it. The pandemic effects differed significantly among industries, based on the product's nature and the firms' size (Vaziri et al., 2020). The Co-founder of F3 explains (confirmed by F2, F7, F10, F11, IE2, IE6, IE9, IE10):

> *At the same time that we saw firms in certain industries going bankrupt, we saw an excessive growth in other industries. For example, everything related to delivery, logistics, and e-commerce is booming. But, tourism was drastically affected, firing many people... It's kind of crazy the effect of the pandemic; some markets plunged while others took off. Co-founder, F3*

Interestingly, the findings show adverse effects within the food industry. While firms selling mass production low-cost food products such as cookies and pasta experienced a massive sales boom, firms focusing on niche and non-essential products experienced decreased sales domestically and overseas. According to IE2, the Brazilian Government imposed lockdown measures to reduce the risk of spreading the virus during the COVID-19 pandemic. In response, the demand increased for essential products and necessity items, such as toilet paper, cleaning supplies, and food. In particular, IE2 highlights 'panic buyer behavior' worldwide, in which people were stocking long expiration dates and low-cost products.

> *COVID affected companies differently. Each company was affected in some way, no doubt about it. Some companies are experiencing a boom in their export, while there are companies that had great losses, left the market, and are no longer exporting. So, for example, companies that sell pasta, frozen products had a great demand during the pandemic because people would buy these products and store them. We notice a change in consumption patterns due to the pandemic. So, it reduced the number of visits to the supermarket, so people were stocking up. IE2*

The insight above was confirmed by F13's Export Manager, who explains that the demand for their low-cost mass production food products increased during the pandemic in all markets (confirmed by F9, IE2):

> *Last year, we had a lot of demand as markets were short of supply. So due to COVID, we had some clients from Chile, Paraguay, and Argentina looking for food products and essential products; there was a lot of demand.*

> *We also carried out an export process to Venezuela through the Government, basically pasta, so there sold 700 tons of pasta… So, they were quite expressive exports. Export Manager, F13*

In contrast, food firms targeting a niche market, selling high value-added food (i.e., healthy snacks, gourmet products, products with refined ingredients), such as F10, F11, and F14 suffered from adverse effects of the COVID-19 pandemic. For instance, F11, a micro firm selling gourmet food[58] experienced financial issues and no longer existed in a physical presence, only virtually. In a similar vein, F10, a medium-sized firm that sells healthy snacks with gluten-free, sugar-free niche products, has experienced reduced sales as niche products were the most affected by the pandemic (confirmed by IE2, IE6):

> *Well, people got afraid during the pandemic and started buying just first necessity products. Products like ours, that are not the first necessity or for daily consumption were left out… In Argentina, we stopped selling, and in Uruguay, what we used to export four times a year, last year [2020] we only got two purchase orders, it decreased a lot. Owner, F10*

In other industries, the same effect was observed during the pandemic: depending on the nature of their product, they achieved better performance than others. F3 is a small firm that supplies automation lab products to universities. When the pandemic started, most universities were shut down, or classes were transferred online, reducing their sales in both domestic and foreign markets. Similarly, F1 is an automation firm that supplies to MNEs large projects that were put on hold during the pandemic and thus suffered a decrease in sales. The Export Manager of F1 explains the impact of the pandemic:

> *In 2020, everything was canceled, and all of our customers felt the impact of COVID. Unfortunately, the company's internationalization did not reach the desired goal; in fact, it was most impacted precisely by our partners abroad. A lot of things stopped: big projects of big companies. We have customers that use our equipment in all types of applications: transportation, industrialization, power generation, and infrastructure, a lot of things were paralyzed because of COVID, and this directly impacted our internationalization growth. Export Manager, F1*

The insights above point out the pandemic's adverse effects and decrease in sales overseas. In contrast, the pandemic brought several growth opportunities for F7, a medium-sized firm in the diagnostic solution for health. F7 develops and produces diagnostic kits for

[58] F11 is specialized in sweets using Amazon exotic inputs, and sells to a very specific niche market. Its product is not considered a first necessity product, even though they are in the food industry.

clinical analysis laboratories, including biochemistry, hematology, and rapid testing. When the pandemic arose, F7 started to produce and sell COVID-19 tests. Not surprisingly, the company experienced colossal growth, increasing the number of employees, production, and sales. According to the Export Manager, F7 has been preparing to grow as it has invested in its capacity for the past few years. The pandemic happened in 'perfect timing' as they were ready to explore the opportunities:

> *As we are a company in the diagnostic area, I say that the COVID-19 is positive for us because we have a product portfolio that meets the demand of the pandemic. To fulfill this demand requires a lot of work, and it coincided with the strategic plan designed by the firm in 2012 to grow the business. In 2020 we achieved 'THE' growth explosion. It was an enormous growth, at around 100% growth in our revenue. But the company was already developing its structure for the past ten years, and as we had the capacity, we were able to enjoy the opportunities the pandemic brought to us. Export Manager, F7*

Although the demand for the COVID-19 tests was enormous in Brazil, other Latin American countries also needed this product as the pandemic was a global event. The Export Manager of F7 exemplifies that the company doubled its profit on sales to Peru of COVID-19 tests, as there was a desperate need for the product. The export revenue did not increase at the same rate as the domestic market because, according to the Export Manager, F7 is already operating over total capacity.

A similar experience was observed in F5, a micro firm in the electronics industry that designs tech products and devices for radio. While the Brazilian market reduced its demand during the pandemic period, the Sales Manager of F5 perceived export as an opportunity to compensate for the sales loss in Brazil, mainly to take advantage of the favorable exchange rate. According to the Sales Manager of F5, exports were vital to maintaining its business during the pandemic:

> *Export was what sustained the company mainly during the pandemic; I would say April, May, and June 2020. Export was accounting for almost 60% of the company's turnover. Sales Manager, F5*

The findings suggest that the timing of the event and the level of preparedness of firms matter. Often firms receive overseas demand but are deprived of this opportunity due to the lack of preparation to engage in cross-border activities. This is also evident in the export-promoting events sponsored by the Brazilian government. All firms perceive the importance of these support events to enlarge their exports. However, firms' capacity, resources, and

structure significantly influence when the event happens. The Brazilian government recognizes this issue and offers adequate support to firms considering their '*internationalization maturity level*'[59]. IE6, who is a government representative in APEX-Brasil, explains (Confirmed by IE2, IE3, IE4, IE5):

> *In our internationalization maturity model, we segment firms in different levels…based on various criteria… After they are classified into different levels, we offer tools suitable for the level this company is… For example, level 1 or 2 firms are not going to be involved in the major international fair in the U.S., which is a very competitive market. They are not ready and prepared to deal with their competitor or to afford the cost of operating in the U.S., So we scale the support actions according to the company's export potential at that level of maturity. IE6*

The insights above indicate that firms possess different export levels and receive the correspondent support tool according to their level. In their initial export phase, firms might not have the products adapted correspondently, the translation, website in English. This signifies that they are not ready to take advantage of international trade fairs, or an international mission promoted by the government. In this sense, the event's timing is unsuitable for these firms.

6.4 Chapter summary

This chapter is developed to answer the second research question: *How do events influence exporting firms' entering, exiting, and re-entering foreign markets?* The findings focused on exploring firms' internationalization at a micro level. The chapter adds to our understanding by explaining *why* and *how* these firms experience irregular and interrupted journeys, demonstrating firms exiting and/or (re)entering foreign markets. In particular, the chapter has identified events that Brazilian exporting firms experience over time, showing *how* specific events unfold in their internationalization and their implication for entering and/or exiting markets (Welch & Paavilainen-Mäntymäki, 2014). This chapter advances our understanding of the breadth and depth of events, as little research has been conducted emphasizing the events. The present study adds to the IB field by delving into the events' novel, disruptive, critical dimensions as well as their space and time, discussed and summarized in Table 6.2 below.

[59] According to IE5, the internationalization maturity level "*is a methodology adopted by APEX-Brasil to segment firms in each sector, based on the singularities of each industry... The main goal is to develop skills and offer incentives and support for firms to further evolve in their internationalization process*" IE5.

Table 6.2 Events influencing Brazilian exporting firms' (re)entering and exiting foreign markets

Themes		Empirical evidence	Contribution of the current study	Refinement of prior research
First-order theme	**Second-order theme**			
Brazilian exporting firms' irregular internationalization	Brazilian exporting firm' exiting and/or (re)entering foreign markets	All firms, IE1, IE2, IE3, IE4, IE5, IE6, IE10	Illustrates how important it is to focus on a holistic comprehension of the internationalization by delving into the firms' trajectory in each market at a micro level. This recognizes the singularities of each market.	(Benito & Welch, 1997; Freeman et al., 2013; Kriz & Welch, 2018; Vissak et al., 2020; Welch & Welch, 2009)
	Brazilian exporting firms' irregular and interrupted internationalization	All firms, IE1, IE2, IE3, IE4, IE5, IE6, IE10	Exposes how irregular and interrupted exports are present throughout Brazilian exporting firms' journey, confirming cycles and waves of internationalization.	(Bernini et al., 2016; Ciravegna et al., 2019; Kafouros et al., 2022; Ozkan, 2020; Tang et al., 2021; Vissak et al., 2020)
Events influencing Brazilian exporting firms' internationalization	Event novelty	F1, F3, F5, F6, F7, F9, F10, F11, F12, F13, F14, IE2, IE6	Demonstrates how novel, disruptive and critical events have an effect on Brazilian exporting firms' internationalization.	(Aguzzoli et al., 2021; Bell et al., 2001; Bell et al., 2003; Berko & Damoah, 2018; Evers & O'Gorman, 2011; Johanson & Kalinic, 2016; Lindqvist et al., 2011; Nummela et al., 2014; Nummela et al., 2016; O'Gorman & Evers, 2011; Partanen & Goel, 2017; Reymen et al., 2017; Vissak et al., 2020)
	Event Disruptiveness	F1, F2, F3, F4, F6, F7, F8, F9, F10, F11, F13, IE2, IE3, IE5, IE6, IE10		
	Event criticality	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11 F13, F14, IE2, IE3, IE5, IE6, IE8, IE9		

	Events at the environmental level	F1, F3, F4, F6, F7, F8, F9, F10, F12, F13, IE2, IE3, IE4, IE6, IE7, IE8, IE10	Indicates that events that affect firms' internationalization occur at different hierarchical levels, such as the environmental, organizational, and individual levels.	
	Events at the organizational level	F1, F2, F3, F4, F5, F6, F7, F9, F11, F13, F14, IE2, IE3, IE6, IE10		
	Events at the individual level	F1, F2, F3, F5, F7, F8, F11, F14, IE1, IE2		
	Event duration	F1, F3, F4, F5, F6, F9, IE1 IE2, IE4, IE6	Reveals that event duration and timing interfere with Brazilian exporting firms' internationalization.	
	Event timing	F3, F4, F9, IE1, IE2, IE3, IE4, IE6, IE10		

Chapter 7: Discussion and integration of theory

7.1 Introduction

This chapter offers a discussion and integration of theory. As outlined in Chapter 3 (Literature Review), this study investigates the following research questions to further our understanding of firms' internationalization over time:

Research Question 1 (RQ1): How can we explain exporting firms' internationalization pathways?

Research Question 2 (RQ2): How do events influence exporting firms' entering, exiting, and re-entering foreign markets?

The review of the extant internationalization IB literature in Chapter 3 revealed that previous studies have widely explored antecedents and outcomes of firms' internationalization, yet there is limited knowledge of the long-term behavior of these firms (Efrat & Shoham, 2012; Hagen & Zucchella, 2014) and their evolutionary process (Welch & Paavilainen-Mäntymäki, 2014). In the past decade, scholars have increased their attention to capturing firms' growth and post-establishment (Andersson et al., 2020; Øyna et al., 2018). While scholars have explored a wealth of themes related to phases of growth (Gabrielsson et al., 2014; Romanello & Chiarvesio, 2017), paths of growth (Almor, 2013), post-entry performance (Cerrato & Fernhaber, 2018; Sadeghi et al., 2018), and survival (Fariborzi & Keyhani, 2018; Puig et al., 2018; Sleuwaegen & Onkelinx, 2014), they have neglected the role of events in firms' post establishment (Ibeh et al., 2018). Moreover, most of these studies were variance-based and limited attention has been given to the process-based approach (Cloutier & Langley, 2020). The present study extends previous studies by delving into how events impact firms' internationalization using a process-based approach (Cloutier & Langley, 2020; Ong et al., 2022). In addition, most of the research pertaining to internationalizing firms' post-entry focused on DMs; the present study responds to calls (Ibeh et al., 2018) to generate empirical evidence from BEMs.

The present chapter draws insights from Chapter 5 (Findings for research question one) and Chapter 6 (Findings for research question two), relating to the existing literature, to present

an integrated discussion on the underexamined phenomenon such as the impact of events on exporting firms' internationalization pathways (Kafouros et al., 2022; Vahlne & Johanson, 2017). The findings of the present study suggest that exporting firms from BEMs face irregular and interrupted pathways, propounding cycles and waves of internationalization (Kafouros et al., 2022). At a macro level, firms express moments of reactive and proactive internationalization; at a micro level, firms experience irregular and interrupted internationalization, exiting, and (re)entering the market (Vissak et al., 2020). This study sheds light on *how* irregular and interrupted internationalization ensues, *why* this occurs, and *what triggers* firms to change from a reactive to proactive internationalization approach; and exit and re-enter international markets.

Furthermore, this chapter differentiates from previous studies by integrating and aggregating the current research findings with a new theoretical lens, EST (Morgeson et al., 2015). This study extends knowledge of firms' internationalization process by applying a fresh theoretical lens to the IB field. In particular, this study demonstrates *how* firms' internationalization pathways develop, *why* they change, and the role of events. Based on the findings, a theoretical discussion is disclosed. Furthermore, the present chapter develops and presents a new conceptual model of exporting firms' internationalization pathways.

7.2 The internationalization theoretical models

This section discusses the applicability of the IB theoretical models to explain *how* firms' internationalization processes unfold over time. In the IB field, firms' internationalization has essentially been treated as a growth process (e.g., Gabrielsson et al., 2014; Romanello & Chiarvesio, 2017). The literature advocates that previous studies have relied upon theoretical models to explain firms' internationalization: The Uppsala Model, which initially assumed firms gradually, incrementally increase their commitment overseas (Johanson & Vahlne, 1977; Vahlne & Johanson, 2020). The BG and INV models observe firms starting internationalization early and faster with a high global commitment since their foundation (Cavusgil & Knight, 2015; McDougall et al., 1994). Even though their timing and speed differ, these models extensively explain firms' internationalization.

The Uppsala theoretical model has been the main theoretical underpinning in the IB studies in the past four decades (Hult et al., 2020) and has been the primarily relevant model when attempting to explain firms' internationalization process (Dow et al., 2018; Hult et al.,

2020). The model has been revised a few times by the authors to disclose the current context and time (Hult et al., 2020; Schweizer & Vahlne, 2022; Vahlne & Johanson, 2017) and offers potential explanations to expound on firms' internationalization from a BEM. At the center of the Uppsala Model's theoretical significance are the context and micro-foundations, acknowledging that internationalization is dynamic (Håkanson, 2021). For instance, the most recent version of the model emphasizes the evolution and growth of the firm (Vahlne & Johanson, 2017, 2020), potentially representing a dominant explanation of the current research on how firms evolve in internationalization (Vahlne & Johanson, 2017). In essence, the model recognizes the 'states' and 'changes' in firms' internationalization process (Vahlne & Johanson, 2017). The current study extends theoretical knowledge by demonstrating the *trigger* for firms' internationalization change over time. Furthermore, it builds on the most recent literature suggesting events trigger irregular and interrupted pathways in which firms experience cycles and waves of internationalization (Kafouros et al., 2022).

7.3 EST

The present study revisited IB theoretical models (e.g., Cavusgil & Knight, 2015; Johanson & Vahlne, 1977; Knight & Cavusgil, 1996; Vahlne & Johanson, 2017) to explain internationalization in the context of a BEM, Brazil, introducing the nascent body of research focusing on events. Scholars have been seeking novel approaches in the IB field (Deng et al., 2020). This study initiates an event-oriented approach to the IB field, specifically extending the dimensions of events into studying firms and their internationalization process. In doing so, this study addresses omnipresent calls to introduce a new theoretical lens to complement existing IB theories (Deng et al., 2020). Rooted in the management discipline, EST encourages researchers to rethink the role of events and their dimensions in provoking changes in firms' features and behavior, such as firms' internationalization. Although EST sheds light on dimensions of events and their outcome in various fields (refer to Table 3.3), it has been under-emphasized in the IB field. In particular, EST offers a more nuanced understanding of firms' internationalization pathways by providing a theoretical process-based explanation of the temporal sequence of events and the corresponding firms' reactions. Incorporating and extending new theoretical insights, such as the system of events, into the IB field "provides opportunities to generate interesting, innovative, and influential studies" (Deng et al., 2020, p. 51).

Applying an EST perspective advances theoretical knowledge IB field by conceptualizing how events affect firms' internationalization over time. EST is used to explain the temporal sequence of events influencing firms' international pathways prompting them to shift their internationalization approach; and eliciting a range of foreign market exits and (re)-entries. EST offers insights into why firms portray cycles and waves of internationalization (Kafouros et al., 2022; Welch & Paavilainen-Mäntymäki, 2014). Drawing from EST, the present study extends knowledge on events' strength, space, and time to explain how events unfold, affecting firms' internationalization pathways and how they change their behavior, organization structures, and characteristics (Fisher, 2020; Morgeson et al., 2015). More specifically, by employing an EST lens, the current study contributes by unearthing *how* novel, disruptive and critical events influence firms' internationalization pathways.

Moreover, it furthers our understanding by examining how events at multiple levels and how events' timing and duration affect firms' journeys (Morgeson et al., 2015), inducing them to adjust to emerging realities. Hence, EST is an appropriate theoretical tenant to answer the two research questions proposed by the present study. The following section discusses the findings of the first research question, in which two primary internationalization approaches were observed.

7.4 The reactive and proactive internationalization approaches

The first research question unearths *how* exporting firms' internationalization pathways unfold over time, capturing change and its trigger (Vahlne & Johanson, 2017). It responds to calls to develop process theoretical contributions to consider the dynamic unfolding firms' internationalization over time (Cloutier & Langley, 2020; Ong et al., 2022; Welch et al., 2022). Studies using contextualized explanations to comprehend how firms evolve and change their behavior and characteristics are still underrepresented (Axinn & Matthyssens, 2002; Welch et al., 2022). Employing an EST (Morgeson et al., 2015), the present study explains how events influence organizations' behavior and features. Moreover, this theoretical insight adds to the vast body of the IB field by capturing temporal aspects of firms' internationalization pathways within their context. The current study reflects the reality of exporting firms from a BEM, delving into the breadth and depth of their context (Knight et al., 2022). As highlighted in Chapter 2 (Context), BEMs are constantly exposed to instability, environmental disruptiveness in which novel, disruptive and critical events are more likely to emanate, eliciting changes in firms' internationalization pathways (Deng et al., 2020).

By observing firms' pathways, the findings suggest that BEM exporting firms encounter two internationalization approaches based on their behavior and characteristics. More specifically, the findings of the first research question alluded to the presence of both a 'reactive' and 'proactive' internationalization among Brazilian firms at a macro level. The 'reactive' and 'proactive' terms emerged from the interviews with the firms' decision-makers and industry experts. As delineated in Chapter 5, interviewee IE6 expresses the transitions in Brazilian firms' internationalization approach, in which they sometimes react to international opportunities and, at other times, proactively seek global expansion. This was endorsed by interviewee IE2 who stressed the presence of instances where Brazilian exporting firms are passively and actively involved with international activities. The firms participating in the current study confirm the above as they evidenced reactive and proactive internationalization oscillations over time. This aligns with one of the critical tenants underpinning the Uppsala theoretical model, which posits that different commitment levels of internationalization are reflected in firms' pathways (Johanson & Vahlne, 1977; Vahlne & Johanson, 2017). Therefore, the model yields a succinct portrayal of BEM exporting firms' internationalization pathways marked by dynamism (Vahlne & Johanson, 2017).

The present study contributes to the IB field by elaborating two distinguished internationalization approaches: reactive and proactive (see Table 7.1). Table 7.1 was developed from the findings of the first research question and summarized firms' behavior and characteristics aspects associated with the dynamics of reactive and proactive internationalization approaches. Within the broader IB studies, there are a number of aspects rather than a single aspect that applies and differentiates the reactive and proactive approaches. These include risks (Cavusgil et al., 2020), commitment (Johanson & Vahlne, 1977), and the role of the decision-maker (Cavusgil & Godiwalla, 1982; Crick et al., 2020), to name a few (see details in Table 7.1). However, there is limited evidence on how these aspects underpin differences between these two internationalization approaches. Vissak et al. (2020) argue that the vast body of IB studies have discussed firms' aspects impacting internationalization in an isolated manner. In other words, the literature is fragmented in a way that it overlooks a capture of the relationship between firms' behavior and characteristics aspects and internationalization approaches. For instance, Rialp-Criado et al. (2010) suggested firms adopt different strategies during their life phases; Trudgen and Freeman (2014) cover firm behavior and performance in their phases of development, Gabrielsson et al. (2008) explore founder vision, risks, and resource development in firms progress; while Nummela et al. (2014) shed light on the

decision-making logic influencing firms growth and survival. In line with Vissak et al. (2020), the present study extends prior research by identifying, expressing, and combining overlapping firms' behavior and characteristic elements influencing the development of firms' internationalization approaches. As a result, their connection with firms' internationalization approaches is unearthed in the present study. Hence, a combination of interrelated factors emerged from the findings, delineating the reactive and proactive approaches proposed by this study (see Table 7.1).

Table 7.1 The reactive and proactive internationalization approach

Concepts	Dimensions	Internationalization approach		Empirical evidence	Refinement of prior research
		Reactive	Proactive		
The role of the decision-maker in firms' internationalization	Decision-makers mindset	Indifferent and passive. Do not capitalize on the original market opportunity.	Enterprising, endeavoring, and actively motivated. Solid and consolidated behavior builds opportunities and is involved with the international market.	F2, F4, F7, F8, F10, F13	(Bai et al., 2021; Cavusgil et al., 2020; Cavusgil & Godiwalla, 1982; De Mello et al., 2019; Lazaris & Freeman, 2018; McDougall, 1989; McDougall et al., 2003; Ozkan, 2020)
	Awareness of the difference between domestic and international market	Perceive and treat equally domestic and international markets. Domestic mindset: the domestic market is a priority; investments are not designed for internationalization.	Perceive and acknowledge the difference between domestic and international markets. It is aware that different countries require different needs and deserve specific attention. Global thinking.	F1, F2, F3, F4, F5, F6, F10	
	Risks	Not willing to take risks.	Willing to take risks.	F4, F13, IE2	
Firms' strategic plan	Internationalization: planned versus unplanned	Internationalization is not planned. Internationalization is not critical to the current business model or part of the firm's strategic plan. Instead, internationalization relies on spot sales and is intermittent.	Internationalization is planned, solid, and consolidated. Internationalization is part of a firm's business model and strategic plan. It focused on constant international sales.	F3, F4, F5, F6, F8, F10, F14	(Barretto & Da Rocha, 2001; Bernini et al., 2016; Chetty et al., 2014; Ciravegna et al., 2019; Crick et al., 2020; Graves & Thomas, 2008; Hilmersson et al., 2021; Karami et al., 2020; Lazaris & Freeman, 2018; Nummela et al., 2014; Rialp-Criado et al., 2010; Trudgen & Freeman, 2014)
	International market expansion: strategic versus opportunistic	Internationalization is seen as opportunistic. Firms treat export as an alternative to the domestic market. Serendipitous opportunities, unsolicited orders from overseas clients, reacting to customers' orders Lack of an export culture.	Internationalization is seen as a selection choice. Deliberate opportunities are seen in the international market. Export culture is part of the company.	F1, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F14, IE2	

	Time orientation: long-term versus short-term strategy	Firms target short-term orientation focusing on execution. Tasks are designed to focus on the present.	Long-term orientation. Firms target long-term planning, execution, and results. Tasks are designed focusing on the present and future.	F1, F3, F4, F8, F13, F14, IE1, IE2	
International market selection	The role of market research	Do not invest in research or market intelligence. Randomly select markets.	Market research is crucial. Carefully choose the market(s) to enter. Firms systematically evaluate and investigate the potential of markets and expand in a structured manner.	F1, F3, F4, F5, F6, F8, F9, F11, F14, IE2, IE4	(Aguzzoli et al., 2021; Barretto & Da Rocha, 2001; Paul & Rosado-Serrano, 2019; Vissak et al., 2020)
	Geographic market expansion	Expand regionally, mainly in the Latin American region.	Expand globally.	F3, F4, F6, F7, F8, F9, F10, F14, IE2, IE3, IE6, IE8, IE10	
Firms' involvement overseas	Internationalization commitment	Low engagement / commitment. Internationalization comes without or with minimum effort.	High engagement / commitment. Internationalization results from effort and energy put into seeking international sales.	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F13, F14, IE2	(Freeman & Cavusgil, 2007; Johanson & Vahlne, 1977; Knight & Cavusgil, 1996; Kriz & Welch, 2018; Ozkan, 2020; Shi et al., 2019)
	Firms' internationalization investment and resource allocation	Internationalization comes to them without or with minimum resources allocated and investment. E.g., No resources dedicated to an IB department or investment in international certifications. E.g., Product and packaging: Minimum adaptation or no adaptation to serve the international market.	Allocating and investing resources to seek international sales. E.g., invest in the IB department, an international certification. E.g., Product and packaging: Adapt to each market's needs.	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, F13, F14, IE2, IE3, IE6, IE10	
Benefits and challenges	Perceive of Benefits versusChallenges/barriers	Challenges are greater than benefits.	The benefits are greater than the challenges.	F1, F2 F3, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE1, IE2, IE3, IE4.IE6, IE7, IE10	(Andersson et al., 2020; Bauweraerts et al., 2019; Cahen et al., 2016; Crick, 2004; Fariborzi & Keyhani, 2018; Kahiya, 2020; Paul et al., 2017; Tsuruta, 2020)

As disclosed in Table 7.1 and described in Chapter 5 in the reactive approach, internationalization is (i) opportunistic, (ii) not planned, (iii) not seen as key to the business model, and (iv) often comes without or with minimum effort (Hilmersson et al., 2021). Firms tend not to invest in an international certification, adapt the product to meet overseas expectations, or hire a professional designated for exports. They are mainly indifferent and passive, with low engagement and commitment toward the international market (Ciravegna et al., 2019). In contrast, the proactive approach suggests a planned internationalization being part of firms' business model and strategic plan, in which firms are highly engaged and committed to international activities (Cavusgil & Godiwalla, 1982). Enterprising, endeavoring, and actively motivated, this approach shows firms investing, allocating resources, and spending energy and effort to deliberately seek overseas markets (Sui & Baum, 2014). In the proactive approach, firms accumulate experience as they are exposed to foreign markets.

The explanation of the firms' internationalization pathways inquiry in the first research question is elucidated in Chapter 5 and discussed further in this section. In line with prior studies, the findings confirm that most of the firms in the current study commenced their international journey late, espousing a reactive approach, where firms show a low level of commitment cross-country (Francioni et al., 2017). In other words, the findings suggest that exporting firms from BEMs tend to be late exporters and initially engage in the domestic market. In contrast, other IB studies conducted in DMs observe firms begin internationalization near their foundation following the BG and INV theoretical models (Cavusgil & Knight, 2015; McDougall et al., 1994). Even though most firms started their internationalization reactively, three firms (F2, F7, and F9) began their internationalization early and proactively. Not surprisingly, two of these firms are in high-tech industries. This suggests that the Brazilian context and the industry they belong to play a role in firms' behavior, explained further in Section 7.7.

The findings revealed that most exporting firms from BEMs begin their international activities reactively based on serendipitous opportunities (Ciravegna et al., 2019; Hilmersson et al., 2021). They start with an intermittent behavior toward global markets (Bernini et al., 2016) with a low level of commitment and engagement (Ciravegna et al., 2019). Confirming the findings of Da Rocha et al. (2012), the present study emphasizes that BEM exporting firms' internationalization is primarily opportunistic, exporting when it is convenient, mostly responding to unsolicited orders, spot, and sporadic sales. As a result, Brazilian exporting firms

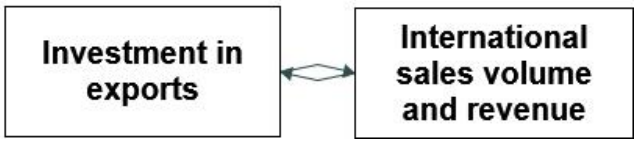
are sensitive to market fluctuations and environmental events, prompting them to alter their internationalization approach, showing a non-continuous export behavior.

Previous research has shown that the reactive approach is eminently typical at the commencement of Brazilian firms' international activities (Da Rocha et al., 2012). However, it does not comprehensively explain what happens in the later phases of their lives. The present study adds by empirically demonstrating that the reactive approach remains and prevails in firms' internationalization pathways, contradicting IB studies that predict an increase in commitment in later phases of their lives (Gabrielsson et al., 2014; Gabrielsson & Gabrielsson, 2013; Ingley et al., 2016; Sleuwaegen & Onkelinx, 2014). In other words, exporting firms from BEMs tend to remain reactive throughout the years and do not evolve gradually as previous research indicated. As observed in firms' pathways and confirmed with industry experts (IE2, IE3, IE4, IE5, IE6, IE10), firms from BEMs, such as Brazil, maintain their reactive internationalization approach for a while, experiencing an irregular, interrupted non-continuous export development (Bernini et al., 2016). The reactive approach prompts firms' vulnerability to market oscillation, dynamic environment, and events they encounter along their journey (Morgeson et al., 2015; Welch et al., 2022).

The present study provides a critical explanation as to *why* exporting firms from a BEM persist reactively for a more extended period of time. The findings suggest that the Brazilian context drives this ongoing reactive behavior among firms. First, the relevance and large market size, and its growing middle-class (Cavusgil et al., 2018). In other words, the domestic market offers a potential market for decision-makers to explore and expand domestically instead of globally (Barretto & Da Rocha, 2001; Carneiro et al., 2018; Da Rocha et al., 2012).

Secondly, decision-makers are aware that exports require investment, time, and resources to succeed in foreign markets (Cavusgil & Godiwalla, 1982; Liedong et al., 2020). It often requires adapting products, developing packaging, obtaining international certifications, and involves risks (Cavusgil et al., 2020). With no overseas sales guarantee, most decision-makers are oriented primarily toward the home market (Bernini et al., 2016). This suggests that decision-makers tend to target the home market because it is easier, faster, and takes less effort compared to expanding cross-borders (Confirmed by F3, F6, F7, F9, F10, F11, F14, IE1, IE2, IE6, IE7, IE8). The present study observes a cycle where decision-makers choose their '*comfort zone*' focusing locally, as they do not want to invest without the assurance of international revenue. The present study refers to this cycle as '*the reactive inertia cycle*' (see Figure 7.1).

Figure 7.1 The reactive inertia cycle



The 'reactive inertia cycle' illustrates a loop involving investment in exports and international sales volume. Liedong et al. (2020) recognize that firms have fewer chances to succeed overseas without investment and resource commitment; and was confirmed by interviewees IE2, IE3, and IE6. The findings indicate that decision-makers of F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F13, and F14 were aware of this scenario (confirmed by IE1, IE2, IE3, IE5, IE6, IE10). However, most decision-makers expect a short-term return, claiming the precondition of international sales volume to justify their investment. In other words, they will not leave their *'comfort zone'*, without the guarantee of returning their investments. Consequently, firms experience a 'reactive inertia cycle' loop, which prevents them from moving forward from the reactive approach. Hence, this cycle explains why most exporting firms from BEM tend to embrace a reactive approach throughout their internationalization pathways, not evolving to a proactive approach.

In the context of BEMs, the findings suggest that the reactive inertia cycle is difficult to break because most firms are SMEs, lacking resources and export culture. They are not committed to the international market and are unwilling to take risks (Barretto & Da Rocha, 2001). Therefore, it requires an influential force to change this situation. The findings add to the current knowledge by revealing that critical, disruptive, and novel events (Morgeson et al., 2015) are the triggers that break the reactive inertia cycle, moving firms to a proactive approach. As highlighted in Chapter 5, the events encountered were: the entrance of a new decision-maker (F6, F8, F9, F10, F12, F13, F14); domestic market limitation (F1, F2, F3, F4, F8, F11, F12); competition (F1, F2); new opportunities overseas (F3, F4, F7) and the COVID-19 pandemic (F5, F7, F11), among others. These events emanated at different hierarchical levels and were reported to be important triggers altering firms' internationalization approaches, shifting firms' internationalization from reactive to proactive and vice-versa (Morgeson et al., 2015), as illustrated in Figure 7.2:

Figure 7.2 Events triggering internationalization approach shift



Previous studies have argued that firms are involved with the international market continuously or sporadically, alternating between a low and high level of commitment to exports (Ciravegna et al., 2019; Freeman et al., 2013). Furthermore, firms adopt different strategies and behavior based on the development phase in which they are situated (Rialp-Criado et al., 2010; Trudgen & Freeman, 2014) and are driven by their context (Welch et al., 2022). The present study emphasizes that firms adopt periods of reactive and proactive internationalization approaches. It adds to our knowledge by illustrating that some events are strong, critical, and disruptive to trigger changes in a firm's behavior and characteristics toward international markets (see Table 7.1), represented by reactive and proactive internationalization. Consistent with Nummela et al. (2014)'s research which argues that firms experience moments of causation and effectuation decision-making logic, the present study shows that firms alternate periods of reactive and proactive approaches throughout their journey. This is because firms are exposed to events at a macro level. The current study demonstrates that decision-makers favor internationalization, accelerating firms' international involvement and proactively seeking market in some instances; while in others, they react to market opportunities, not dedicating effort, investment, or committing resources to internationalization (Liedong et al., 2020). The shift in internationalization approaches is observed in F1, F2, F3, F7, F9, F11, F12, F13, and F14. It occurs from reactive to proactive and proactive to reactive, supporting the recent argument of cycles and waves of internationalization (Kafouros et al., 2022).

The present study builds on the IB studies that do not presume continuous growth and increasing international involvement (Schweizer & Vahlne, 2022). Instead, it answers the first research question by showing alternative pathways in which firms oscillate their commitment to the international market and shift internationalization approaches (Aguzzoli et al., 2021; Bernini et al., 2016). In other words, it builds on process research incorporating the temporal progression to shed light on their internationalization pathways (Cloutier & Langley, 2020; Langley, 1999; Welch et al., 2022). Furthermore, it extends the most recent version of the Uppsala model (Vahlne & Johanson, 2017) by exposing events as triggers to the evolutionary

growth of the firm. Finally, it suggests that at a macro level, internationalization is dynamic and cyclical (Kafouros et al., 2022; Welch et al., 2022). The following section highlights firms' pathways in foreign markets at a micro level and addresses the second research question of the present study.

7.5 Exporting firms' irregular and interrupted internationalization

Studies exploring continuous growth are dominant in the internationalization domain. Yet, recently, scholars have been drawing their attention to irregular and interrupted, in which firms exit foreign markets (Benito & Welch, 1997; Freeman et al., 2013; Vissak et al., 2020) and re-enter them again (Aguzzoli et al., 2021; Welch & Welch, 2009). While the first research question explores firms' internationalization approaches at a macro level, the second research question examines exporting firms' internationalization at a micro level, showing firms exiting and re-entering foreign markets (Benito & Welch, 1997; Tang et al., 2021; Vissak et al., 2020; Welch & Welch, 2009).

7.5.1 Foreign exit and re-entry

The second research question sheds light on *how* events impact exporting firms' exiting and (re)entering foreign markets (refer to Table 6.1). It employs EST as the theoretical underpinning to offer novel insights into events affecting firms' internationalization over time. At a micro level, it is crucial to profoundly analyze firms' activities in each foreign market over an extended period of time (Vissak et al., 2020). This allows a deeper understanding of firms' journeys in each country they have entered. The present study suggests that firms recognize the singularities and uniqueness of individual markets, in which firms present different pathways across countries. In line with previous studies, it was observed that in some countries, firms demonstrate growth (Gabrielsson et al., 2014; Puig et al., 2018), experience retrenchment and foreign exit (Gabrielsson & Gabrielsson, 2013; Ozkan, 2020; Tang et al., 2021), and in others re-enter overseas markets (Aguzzoli et al., 2021; Welch & Welch, 2009).

The findings of the present study observed several foreign exits and re-entries, suggesting that exporting firms from a BEM face irregular and interrupted internationalization. Although prior studies acknowledge firms exiting and re-entering overseas markets (e.g., Aguzzoli et al., 2021; Vissak et al., 2020), *why* firms exhibit these irregularities remains underexplored (Kafouros et al., 2022). In the context of BEMs, firms encounter a large market with potential growth, which they see as their comfort zone, as exposed above. The present

study adds to the extant literature by suggesting that BEM exporting firms' intermittent export behavior (Bernini et al., 2016) is associated with firms not being prepared to export. The findings suggest that context plays a vital role in shaping this scenario (Bernini et al., 2016). In particular, most Brazilian firms do not allocate resources or time to invest in foreign markets. As a result, Brazilian firms are more likely to enter, exit, and re-enter foreign markets during their journey instead of consolidating their presence in these markets.

The findings suggest that Brazilian firms portray erratic export activities because of a lack of management commitment in which exports are not treated as a priority but instead as "an alternative to the domestic market" according to the Export Manager of F13 (confirmed by F3, F6, F7, F9, F10, F14, IE1, IE2, IE6, IE7, IE8). IB studies demonstrate that foreign exit results from a lack of management commitment (Benito & Welch, 1997) and misalignment of firms' strategies (Ozkan, 2020). The present study complements these studies by suggesting that these factors combine to make BEM exporting firms more vulnerable to environmental oscillation, in which they face disruptive events impacting their competitiveness overseas.

The present study expands our knowledge by unearthing triggers of firms' non-continuous internationalization: events. The current IB literature has overlooked the effect of events on firms' internationalization (Vahlne & Johanson, 2017). In other words, while most studies conceptualize the internationalization process, few studies have examined events and their corresponding impact (Aaltonen, 2020), discussed in the following section.

7.6 Events influencing exporting firms' internationalization

Drawing from EST, the present study offers suggestions on advancing the IB research agenda further, particularly by exploring *how* events impact firms' internationalization (Hagen & Zucchella, 2014; Morgeson et al., 2015). The findings reveal that Brazilian exporting firms' international journey is dynamic. While in some countries, firms follow a constant and increasing growing trajectory (Gabrielsson et al., 2014; Romanello & Chiarvesio, 2017), in other markets, they cease business and discontinue exports (Vissak et al., 2020) and may re-enter them later (Aguzzoli et al., 2021). The present study highlights events that provoke firms to exit and/or (re) enter foreign markets (refer to Table 6.1). To gain a comprehensive understanding of firms' pathways, the present study brings new perceptions to the IB field by deepening the analysis of events firms experience along their live course (Morgeson et al.,

2015). It suggests events as triggers for firms entering, exiting, and re-entering foreign markets (refer to Table 6.1), as shown in Figure 7.3.

Figure 7.3 Events triggering exporting firms exiting and (re)entering foreign markets



IB scholars have recognized 'events' as: antecedents to internationalization (e.g., Bell et al., 2001; Bell et al., 2003) and turning points in firms' growth and transition in life cycle phases (e.g., Lindqvist et al., 2011; Romanello & Chiarvesio, 2017; Turcan & Juho, 2014). Most recent IB studies briefly report the presence of events on firms' non-continuous internationalization trajectory (e.g., Aguzzoli et al., 2021; Kriz & Welch, 2018; Vissak et al., 2020). Even though prior studies point to the presence of events in firms' internationalization (Aaltonen, 2020; Nummela et al., 2014; Vissak et al., 2020), they have not delved into the dimensions of the events. Thus, there is a need for a more in-depth understanding of the appearance of events and their corresponding effects (refer to Table 6.1). The present study adds to previous research (Kriz & Welch, 2018; Vahlne & Johanson, 2017; Vissak et al., 2020) by offering a nuanced understanding of how events elicit change and systematically impact firms' internationalization. It differentiates from prior studies by building on the breadth and depth of events to explain firms' internationalization.

In particular, it captures *how* events have an effect on exporting firms' behaviors and characteristics over time and shape their pathways. The findings show that firms encounter events along their journey that play an important role and influence them to leave and/or re-enter foreign markets (refer to Table 6.1). It presents the system surrounding events and *how* they connect and interrelate with firms' journeys. Due to the dearth of explanations regarding the role of events on firms' internationalization (Aaltonen, 2020), the current research explores the events' dimensions (Morgeson et al., 2015). Applying an EST perspective (Morgeson et al., 2015), the present study contributes to the IB field by demonstrating that firms encounter events and their strength, space, and time determine their pathways, discussed in the following sections.

7.6.1 Event strength

Previous studies have recognized that events impact firms' internationalization (Nummela et al., 2014). Yet, scholars have overlooked the *strength* of these events. According to Morgeson et al. (2015), EST assumes the strength of an event is associated with novelty, disruptiveness, and criticality (Lu et al., 2020; Morgeson et al., 2015). Drawing from EST, this study examined *how* events' strengths in three dimensions affect firms. First, it demonstrated how novel and non-routine events reflect on Brazilian exporting firms' internationalization(e.g., establishing a new IB department, acquisitions, family succession). Second, it highlighted how disruptive events trigger changes preventing them from unbendingly pursuing a linear path, inducing firms to adjust and adapt to their new realities (e.g., the opening of the Brazilian economy, the COVID-19 pandemic). Third, it showed how critical events are relevant to their international journey, prompting various firms to exit and enter foreign markets (e.g., participating in government promotion of exporting events and exposing them to international trade fairs).

7.6.1.1 Event novelty

Although prior research has recognized events as part of firms' trajectory (Kriz & Welch, 2018; Nummela et al., 2014; Vissak et al., 2020), they were not distinguished between novel and recurring events (Klonek et al., 2022). The current study adds knowledge by emphasizing that despite encountering various events along firms' journeys, a small number of events were categorized as *'novel'*. EST explains that novel events differentiate from previous events for being uncommon, not anticipated, and non-routine (Liu et al., 2018; Morgeson et al., 2015).

The present study's findings showed the appearance of novel events relevant to the firms' internationalization: the hiring of an IB professional (F1, F3, F5, F6, F7, F9, F11, F12, F14, IE2, IE6); encountering an appropriate distributor (F3, F4, F5, F6, F7, F8, F10, F11, F13, F14, IE1, IE20); and the introduction of a new decision-maker (F9, F10, F12, F13, F14, IE2, IE6). The present study builds on EST, suggesting that novel events trigger changes in firms' behavior and characteristics and consequently affect their internationalization pathways (Morgeson et al., 2015). To exemplify, hiring a new IB professional for the first time devoted to expanding international sales was perceived as a milestone that brought a meaningful increase in firms' global sales. Hiring and investing in an IB professional demonstrates firms' interest in developing exports, implying an increase in the firm's international involvement. Conversely, encountering an appropriate distributor opens doors for firms to enhance their presence in overseas markets.

The introduction of a new decision-maker is also considered a *'novel'* event and can occur by family succession (F10, F12, F14, IE2, IE6) or when firms are acquired or sold part of their business (F9, F13). Depending on the new decision maker's mindset, the event can have a dual effect, suggesting that if the new management prioritizes export, this event trigger changes in firms' internationalization, leading to a proactive approach. In other words, if the new decision-maker focuses on enlarging cross-national sales, firms will be more proactively involved with international activities, entering and re-entering foreign markets. In contrast, if the new decision-makers first concern is the domestic market, a more reactive attitude to the global market is observed, in which firms tend to exit international markets. Previous studies have recognized that a new decision-maker joining the firm influences the firm's internationalization strategy and business plan, particularly the firm's decision to export (Bell et al., 2001; Graves & Thomas, 2008; Nummela et al., 2014; Shi et al., 2019). The present study extends the IB field by building on EST (Morgeson et al., 2015) suggesting that novel events directly impact firms' internationalization. In other words, it emphasizes that novel events trigger changes and affect firms' internationalization over time.

7.6.1.2 Event disruptiveness

Firms encounter several events during their journey; however, the present study adds to our knowledge by suggesting that a few are considered disruptive events. Drawing from EST, event disruptiveness involves a discontinuity, triggering organizational changes and forcing firms to adjust to their 'new reality' (Morgeson et al., 2015). The theory posits that "disruptive events break entities out of their conventional thinking and response mode and compel them to change" (Morgeson et al., 2015, p. 521). In the psychology field, scholars have drawn from EST to argue that disruptive events cause changes and pressure organizations to adjust to the reality imposed by those events (Lin et al., 2021). The present study builds on EST (Morgeson et al., 2015) to introduce an in-depth analysis of the events' disruptiveness and how they alter firms' internationalization. The findings illustrate three major disruptive events: The opening of the Brazilian economy (F1, IE2, IE5, IE10), protectionist barriers (F1, F2, F3, F4, F7, F9, F10, F11, F13), and the COVID-19 pandemic (F1, F2, F3, F6, F7, F8, F9, F10, F11, F13, IE2, IE6, IE10). The findings suggest that these events emanated at the environmental level and were out of the exporting firms' control, forcing decision-makers to adjust to survive. For instance, the opening of the Brazilian economy and the introduction of protectionist barriers affected firms to be able to compete globally.

Recently, the COVID-19 disruptive event has triggered organizational changes (He & Zhang, 2022; Klonek et al., 2022). The findings add insights into how the disruptive pandemic event has changed how IB is conducted, moving firms out of their comfort zone and triggering them to alter their behavior toward international markets. It demonstrates that the constraints of face-to-face interactions, negotiations postponed, cancelation of international trade fairs, and international travel restrictions adversely affected exports (F1, F2, F3, F6, F7, F8, F9, F10, F11, F13, IE2, IE6, IE10).

7.6.1.3 Event criticality

The literature review in Chapter 3 demonstrates that the term 'critical events' is commonly used among IB scholars (e.g., Nummela et al., 2014; Zineldin, 2007). However, a theoretical explanation delving into the criticality and relevance of these events remains underexamined. Drawing from EST, the present study proposes that event criticality expresses how much an event is essential, crucial, influential, and relevant to the firms (Liu et al., 2018; Morgeson et al., 2015). The present study suggests that a critical event often has a more accentuating effect requiring resources and provoking a meaningful impact on firms' outcomes. More specifically, critical events were associated with events that triggered firms to enter or exit several markets. The findings demonstrated how participating in international trade fairs (F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE2, IE3, IE5, IE6, IE8) and participating in government events promoting exports (F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F14, IE2, IE3, IE6, IE8, IE9) were of paramount importance to firms. This is because these events generate contacts that facilitate firms to penetrate various markets simultaneously. The present study contributes by suggesting that the 'criticality' of these events is associated with their impact; therefore, a critical event has a more significant influence on firms' internationalization.

In summary, applying an EST perspective, the present study proposes that exporting firms encounter novel, disruptive, critical events that shape their internationalization. The more novel, disruptive, and critical an event, the more likely it will change firms' strategy and behavior toward international markets.

7.6.2 Event space

EST assumes the event space implies the location where an event arises and how its effect is spread through firms (Morgeson et al., 2015). According to EST, events can originate at different hierarchical levels, including environmental, organizational, team, and individual (Morgeson et al., 2015). Most studies on firms' internationalization focus on a single level of

analysis, with some exceptions (e.g., Hagen & Zucchella, 2014). However, a single case analysis has prevented us from comprehending the complexities of events and their effect on firms' internationalization. Therefore, the present study builds on EST to enhance our understanding of firms' internationalization pathways by recognizing events at three hierarchical levels: Environmental, organizational, and individual.

7.6.2.1 Events at the environmental level

Events originating at the environmental level have caught the attention of IB scholars. Examples are global disruptive events, including a terrorist attack (e.g., September 11) and the 'Dot.com' repercussions (Freeman & Cavusgil, 2007; Nummela et al., 2016). Previous studies point to various environmental events: government regulations (Lindqvist et al., 2011), market uncertainty (Reymen et al., 2017), crisis or recession, and lay-off of personnel (Partanen & Goel, 2017), to name a few[60]. The findings suggest that environmental level events determine firms' internationalization pathways. Drawing from EST, the present study emphasizes that environmental level events allow or compel firms to change their original strategy and behavior. In this sense, the current research offers explanations for how these environmental events produce an effect on firms' internationalization journey.

The present study validates the presence of events at an environmental level in both the host and home countries, affecting firms' pathways. Within the host country, the empirical evidence shows that payment issues (F3, F6, F9, F12, F13, IE2, IE4, IE6), political instability, and economic crises (F1, F3, F4, F6, F7, F8, F9, F10, IE1, IE2, IE3, IE4, IE6, IE10), were the most commonly observed events. These events were perceived across all firms involved in that market, with different sizes and industries, showing a pattern of effect caused by these host market events. This suggests that host country events trigger equivalent reactions among firms, forcing firms to temporarily cease their exports in these markets.

Events originating in the home country (Brazil) were primarily associated with the domestic market demand. In line with Da Rocha et al. (2012), Brazilian firms tend to essentially target the domestic market. However, firms modify their behavior when conditions change (Bernini et al., 2016; Santangelo & Meyer, 2017). The present study extends these studies by highlighting the home market event that altered firms' internationalization. The findings suggest that firms deliberately seek foreign markets when the exchange rate is favorable to

[60] Refer to Table 3.6 for more examples of environmental level events.

exports, when they reach domestic market saturation or when they no longer grow their business domestically because of environmental issues such as political or economic crisis. The domestic market crisis event was highlighted to drive firms' attention overseas and re-enter foreign markets (F1, F3, F6, F9, IE1, IE2, IE4, IE6, IE7, IE8).

7.6.2.2 Events at the organizational level

Events at the organizational level were also featured during firms'internationalization. Even though prior studies have mentioned organizational level events (refer to Table 3.6), the present study builds on EST (Morgeson et al., 2015) to demonstrate how these events play an essential role in firms' internationalization over time. The present study suggests that an introduction of a 'new strategy toward the international market' is an organizational level event affecting firms' international market engagement. For example, if firms adopt a deliberate strategy targeting foreign markets, this generates a positive impact on exports. Adapting the product (F1, F2, F3, F4, F5, F6, F9, F11, F14, IE2, IE3, IE6, IE10) and adapting the package (F1, F2, F3, F4, F5, F6, F9, F11, F14, IE2) to access foreign markets was seen as an effective strategy elaborated to grow exports.

7.6.2.3 Events at the individual level

Over time, firms face individual level events, triggering changes in firms' internationalization. They are often associated with the role that entrepreneurs and decision-makers play in the firms' internationalization (Evers & O'Gorman, 2011). Building on EST, the present study suggests that events at the individual level trigger changes in firms' internationalization. For instance, personal contacts and networks of firms' founders can enhance firms' opportunities to establish a presence in foreign markets (F2, F3, F5, F6, F7, F14). The partnership established by decision-makers resulted in firms entering foreign markets (F1, F2, F3, F7, F8, F11, IE1, IE2).

In summary, applying an EST perspective, the present study proposes that exporting firms encounter events at the environmental level (in both host and home countries), organizational level, and individual level shaping their pathways. The three hierarchical level events will likely change firms' strategy and behavior toward international markets.

7.6.3 Event time

"Events are bounded in time" and depending on how long they last and when they happen, their impact on the firm will vary (Morgeson et al., 2015, p. 527). The present study enhances

our understanding of the temporal aspects of events by explaining how event duration and timing affect exporting firms' internationalization. Drawing from EST, it suggests that the chain of events and their impact on firms are the building blocks for an in-depth explanation (Morgeson et al., 2015).

7.6.3.1 Event duration

Drawing from EST, the present study suggests that the events' duration determines the events' impact on firms' internationalization (Morgeson et al., 2015). In other words, it enhances theoretical knowledge on how the duration of events influences firms' international journey. It suggests that more extended events are more likely to produce a higher impact and changes (Lu et al., 2020). To exemplify, an economic and political crisis event (both in the home and host markets) that lingers ultimately influences firms to continue or discontinue their international activities. This is evident in BEMs, where economic crises are apparent due to unstable environments (Aguzzoli et al., 2021). However, the duration of this crisis varies, ultimately influencing the outcome it has on firms. The longer the crisis lasts, the more resources and investment the firm requires to adjust to the new reality and succeed domestically and overseas (Confirmed by F1, F3, F5, F9, IE1, IE4, IE6).

7.6.3.2 Event timing

The present study emphasizes that events are meaningful "when they are placed in their temporal context" (Welch et al., 2022, p. 14). This is because events incorporate temporality and context to explain how outcomes are produced in firms' internationalization pathways. The exchange rate fluctuates during different times and can trigger positive or adverse effects on firms' internationalization (F3, F4, F5, F7, F8, F9, F10, F11, F14, IE1, IE2, IE3, IE4, IE6, IE10).

The present study builds on EST's assumption that events are bounded in time, suggesting that it is essential to consider the event's timing and how prepared the firms are to face it. The current study complements the findings of Kriz and Welch (2018)'s study that argues that firms undergo different trajectories depending on industry conditions. More specifically, it shows that when an event arises, some firms will be more capable than others to respond to this event. To illustrate, the findings demonstrated that the COVID-19 pandemic affected firms differently (confirmed by F2, F3, F7, F10, F11, IE2, IE6, IE9, IE10). It shows that the effect of the pandemic differed among industries, the nature of the product, size of the firms (Vaziri et al., 2020). For instance, firms in the food industry selling essential products

boosted their sales during the pandemic (F9, F13), while others targeting niche markets, high-value-added food (F10, F11, F14), were drastically affected by it negatively.

In summary, applying an EST perspective, the present study proposes that exporting firms encounter events with different duration and timing that shape their internationalization. The longer the duration and the less prepared the firm is to face this event, the more likely it will change the firm's strategy and behavior toward international markets. Table 7.2 summarizes events influencing exporting firms' internationalization pathways.

Table 7.2 Events influencing exporting firms' internationalization pathways

Theory	Theoretical assumptions		Events encountered	Empirical support
EST	Event Strength	Novel events	Encounter the appropriate distributor	F3, F4, F5, F6, F7, F8, F10, F11, F13, F14, IE1, IE2
			Family succession	F10, F12, F14, IE2, IE6
			Firm sell part of the business or acquisition	F9, F13
			Hire an IB professional	F1, F3, F5, F6, F7, F9, F11, F12, F14, IE2, IE6
		Disruptive events	COVID-19 pandemic	F1, F2, F3, F5, F6, F7, F8, F9, F10, F11, F13, IE2, IE6, IE10
			The opening of the Brazilian economy	F1, IE2, IE5, IE10
			Protectionist barriers: certification and bureaucracy	F1, F2, F3, F4, F7, F9, F10, F11, F13
		Critical events	International trade fairs	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE2, IE3, IE5, IE6, IE8
			Government export promoting events	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F14, IE2, IE3, IE6, IE8, IE9
	Event Space	Environmental level events	Political and economic crisis in Latin American countries (Argentina, Bolivia, Chile, Venezuela)	F1, F3, F4, F6, F7, F8, F9, F10, IE2, IE3, IE10
			Domestic market crisis	F1, F3, F6, F9, IE1, IE2, IE4, IE6, IE7, IE8
			Payment issue in Angola	F3, F6, F9, F12, F13, IE2, IE4, IE6
		Organizational level events	Adapt the product	F1, F2, F3, F4, F5, F6, F9, F11, F14, IE2, IE3, IE6, IE10
		Individual level events	Network / rely on personal contacts	F2, F3, F5, F6, F7, F14
			Partnership development	F1, F2, F3, F7, F8, F11, IE1, IE2
	Event Time	Duration of events	Political and economic crisis in Latin American countries (Argentina, Bolivia, Chile, Venezuela)	F1, F3, F4, F6, F7, F8, F9, F10, IE2, IE3, IE10
			Domestic market crisis	F1, F3, F6, F9, IE1, IE2, IE4, IE6, IE7, IE8
		Timing of events	Exchange rate	F3, F4, F5, F7, F8, F9, F10, F11, F14, IE1, IE2, IE3, IE4, IE6, IE10
			COVID-19 pandemic	F1, F2, F3, F5, F6, F7, F8, F9, F10, F11, F13, IE2, IE6, IE10

7.7 BEM context

Context-specific experience is essential in the IB field (Kahiya, 2020; Niittymies, 2020). The context selection is guided by the broad research problem and the investigated phenomenon. Recently, scholars have been drawing attention to potential contextualized explanations to explain firms' internationalization (Knight et al., 2022; Ong et al., 2022; Reuber & Fischer, 2022; Welch et al., 2022). Theoretically, the present study deliberately selects a context set to provide a strong contextualization in which spatial and temporal aspects are unearthed to explain exporting firms' internationalization. In line with Axinn and Matthyssens (2002), the present study observes context-sensitivity, marked by the dynamism situated in time and space, pushing firms to adjust to new conditions.

Chapter 2 provides the rationale for choosing Brazil, a BEM in the Latin American region, as the current setting to apply this research. BEMs are known for their complexities, undergoing rapid changes, and disruptive environments that influence firms' internationalization pathways. Hence, to understand BEM exporting firms' internationalization over time, it is necessary to delve into the peculiarities of BEM, more specifically Brazil. Latin America is an underexplored region with the potential to yield relevant insights into the effects of events on firms' internationalization pathways (Manoel & Moraes, 2022; Pino et al., 2021). In particular, Brazil is the largest and most populous country in Latin America, with a history of economic instability (De Mello et al., 2019), unpredictable political and legal turbulence (Child & Rodrigues, 2011), social upheavals (Rodrigues, 2006), and corruption (The Economist, 2022). Brazil has a long and unique history of uncertainties, making firms subject to uncertain structural changes (Contractor et al., 2007) and a wide variety of internationalization pathways.

Firms embedded in the Brazilian context navigate and manage continuous fluctuation (The Economist, 2022). Their journeys are particularly affected by events entrenched in economic and political circumstances pertaining to BEMs (Deng et al., 2020). In particular, unexpected events tend to be more profound in BEM contexts. Building on EST (Morgeson et al., 2015), the present study suggests that Brazilian exporting firms frequently experience critical, disruptive, and novel events triggering changes and disruption in firms' internationalization. Although BEMs represent appropriate contexts to apply this study, IB studies addressing events affecting firms' internationalization pathways were primarily

conducted in DMs (e.g., Bell et al., 2001; Evers & O'Gorman, 2011; Nummela et al., 2014; O'Gorman & Evers, 2011; Partanen & Goel, 2017).

According to previous research, firms from small economies are inclined to export from their foundation (e.g., Almor, 2013; Gabrielsson et al., 2014). In contrast, firms from large economies tend (Vahlne & Johanson, 2017) to prioritize the domestic market over exports in the early phases of their business and later expand cross-border (Barretto & Da Rocha, 2001; Da Rocha et al., 2012). The findings of the present study have captured the Brazilian market's influence on firms' internationalization (refer to Section 7.4 and Section 7.7). The Brazilian large home market brings local opportunities, driving firms' behavior to target their 'comfort zone' and predominantly acting reactively throughout the years, not evolving, as prior studies indicated (Vahlne & Johanson, 2017). First, the relevance and large size of the Brazilian market with a growing middle-class (Cavusgil et al., 2018) drives this behavior to chase domestic opportunities instead of international (Barretto & Da Rocha, 2001; Carneiro et al., 2018; Da Rocha et al., 2012). Second, BEM firms' decision-makers choose their 'comfort zone' focusing on Brazilian market arguing that exports require investment, time, and resources to succeed internationally (Cavusgil & Godiwalla, 1982; Liedong et al., 2020). Third, most BEM firms are SMEs and lack resources, commitment to international sales and export culture.

The institution-based view is a popular perspective to discuss how context has been employed to assess firms' internationalization (Deng et al., 2020; Meyer & Peng, 2016). IB scholars have discussed the role of institutions in firms' internationalization, in particular on BEMs (e.g., Bangara et al., 2012; Deng et al., 2020; Elg et al., 2017; Meyer & Peng, 2016; Yan et al., 2018). By describing the mechanisms and role played by the educational and government institutions affecting firms' internationalization, the present study provides novel conceptualizations of how the context of Brazil, embedded in the complexities of BEM, shapes firms' internationalization over time. To illustrate, the findings elucidate that educational institutions provide limited support and knowledge to entrepreneurs to expand cross-borders (IE3, IE7, IE8, IE9, IE10)[61]. This explains why most Brazilian exporting firms internationalize late, extending Da Rocha et al. (2012)'s study.

Moreover, the present study sheds light on how the Brazilian government plays a role in firms' internationalization. According to industry experts, the degree of assistance of government institutions has expanded over the last two decades. The Brazilian government is

[61] For details, refer to Section 5.8.1.

currently providing support with international trade fairs (F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F13, F14, IE2, IE3, IE6); government export promoting events (F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F14, IE2, IE3, IE6); market research (F3, F6, F7, F14, IE2, IE3, IE4, IE5, IE6); and training programs (F3, F4, IE2, IE3, IE5, IE6, IE8). Currently, the assistance offered by the government is tailored for each industry. This ensures the support is suitable as it considers the particularities and demands of each industry. Thus, it explains why recently, more Brazilian exporting firms are shifting to a more proactive internationalization strategy[62]. The present study adds to the IB field by offering a context-bound analysis of how educational and government institutions shape firms' internationalization.

The present study displays Brazil as an empirical driver in building theoretical knowledge that extends to other BEMs. The current study adds to IB studies (Aguilera et al., 2017; Brenes et al., 2019; Ciravegna et al., 2019) that perceive and feature the uniqueness and variability of Latin America BEMs. Hence, this study elects a BEM context setting to develop a context-driven theoretical contribution (Hernandez & Guillén, 2018; Teagarden et al., 2018).

7.8 Cycles and waves of internationalization

The present study heeds previous calls to investigate the post-entry internationalization phase (Romanello & Chiarvesio, 2019) by offering a nuanced understanding of firms' internationalization over time. By employing a process approach (Cloutier & Langley, 2020), adopting case narratives, and drawing from an EST fresh theoretical lens (Morgeson et al., 2015), this study demonstrated that firms encountered several events that led them to change their internationalization over time (refer to Table 6.1 and Table 7.2).

The idea of 'cycle' within the non-linear and non-continuous internationalization has been introduced recently by Kafouros et al. (2022)'s conceptual paper and is empirically confirmed by the present study. The findings of the first research question indicated that firms experience both continuous and sporadic involvement with the international market (Freeman et al., 2013), and events within their contexts were responsible for the alternation between the reactive and proactive internationalization approaches. Additionally, the findings of the second research question emphasized that firms displayed random, irregular, interrupted, and intermittent internationalization (Bernini et al., 2016). As a result of the events they face, firms constantly enter and exit foreign markets (Vissak et al., 2020). The present study adds to our

[62] For details, refer to Section 5.8.2.

knowledge by showing that novel, disruptive and critical events placed within their space and time trigger cycles and waves of internationalization.

The present study confirms that BEM exporting firms' internationalization is dynamic and cyclical (Kafouros et al., 2022), shaped by the context. The present study adds to the IB field by exposing a deep and more profound analysis of the reality of events shaping the irregularity and interruption of firms' internationalization. This suggests that firms' internationalization should not be perceived as linear nor non-linear, as the mainstream IB studies advocate (Tang et al., 2021). Instead, firms' journeys overseas are observed more closely to reveal the role of events on *'cycles and waves'* of internationalization (Kafouros et al., 2022).

7.9 The new conceptual model

This section discusses and presents a new theoretically grounded conceptual model (see Figure 7.4) that captures a comprehensive essence of events affecting BEM exporting firms' internationalization. The new conceptual model was developed based on the empirical findings of the current study and refinement of the existing literature. By integrating ideological proclivities regarding firms' internationalization process from Uppsala's theoretical model (Vahlne & Johanson, 2017) and the event system mechanism from EST (Morgeson et al., 2015), the new conceptual model depicts that firms' internationalization process is cyclically shaped by events. To date, there is limited research examining these concepts in a systematic manner. The new conceptual model offers a nuanced view of internationalization, suggesting that exporting firms follow different pathways (De Mello et al., 2019). At a macro level, firms shift internationalization approaches (reactive and proactive) along their journey, and at a micro level, firms exit and/or (re) enter foreign markets.

This study extends the IB field by introducing an EST perspective (Morgeson et al., 2015) to explain BEM exporting firms' internationalization pathways. The model suggests that firms' internationalization pathways are depicted by events shaping firms' expansion and retractions in foreign markets. It offers a basis for understanding events and their effects on the extent of BEM exporting firms' internationalization over time, broadening the knowledge about events and providing evidence from a BEM context perspective. The focus on 'event' extends current IB models by disclosing more adequately the dynamic and systematic nature of events than current existing models reflect. Delving into the depth and breadth of events, the

present revealed the connection between events and their implications. Grounded on EST, the new conceptual model advances research on how event dimensions such as event strength, space, and time influence firms' activities in foreign markets (see Table 7.2). In addition, it associates events with their positive and negative effects on firms' internationalization (refer to Table 6.1). Hence, the model contributes to the IB field by conceptualizing *how* events affect firms' internationalization.

Furthermore, the new conceptual model moves beyond existing internationalization pathways typologies (e.g., Kriz & Welch, 2018), which predominantly were based on DMs, by investigating a BEM. As exposed above, the Brazilian context provides an appropriate setting with a disruptive environment triggering rapid and constant changes that reflect BEM exporting firms' internationalization. It emphasizes the connection between the BEM context and firm internationalization (Doh et al., 2017). For instance, it shows the role of the large domestic market in pushing firms to remain reactive. In addition, IB conceptual models often offer a static approach to understanding factors related to firms' internationalization. The new *'cycles and waves'* approach appears more relevant to comprehending BEM exporting firms' internationalization. Figure 7.4 below presents the new conceptual model of BEM exporting firms' internationalization pathways. The new contributions to the IB field are highlighted in blue (see Figure 7.4). Table 7.3 delineates the concepts and multiple theoretical perspectives required to explain the findings of the present study.

Figure 7.4 BEM exporting firms' internationalization pathways

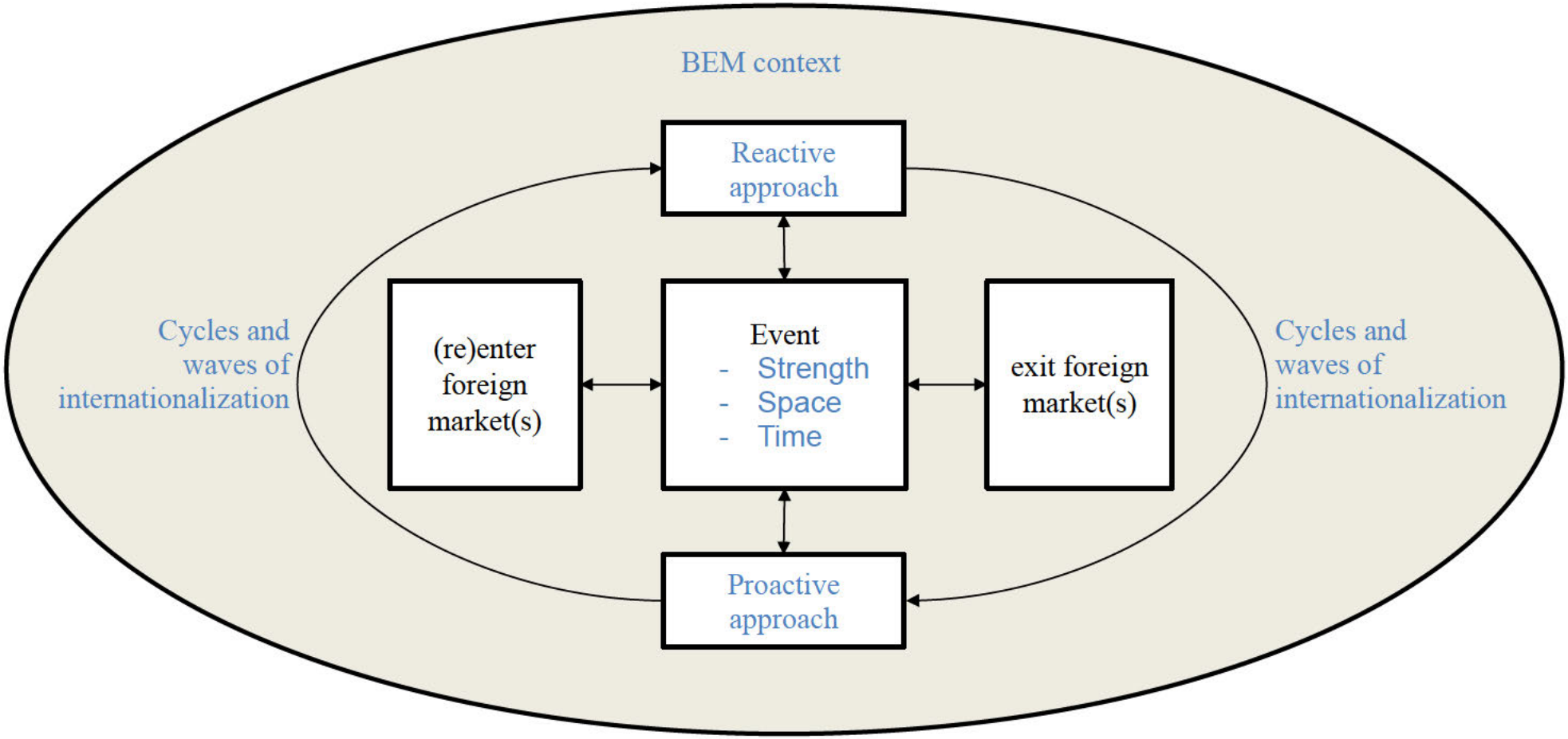


Table 7.3 Delineation of concepts and related theories of BEM exporting firms' internationalization pathways

Concepts	Dimensions	Literature	Supporting theories	Contribution of the current study	Relevant research question	
					RQ1	RQ2
Firms' internationalization approach	Proactive approach	(Cavusgil & Knight, 2015; Knight & Cavusgil, 2004; Oviatt & McDougall, 1994)	BG theoretical model	* Differentiates the reactive and proactive internationalization approaches, connecting various aspects from the IB literature to each approach. * Explains why the reactive internationalization approach persists among Brazilian exporting firms over time, exploring the role of the Brazilian domestic market as a comfort zone and introducing the concept of the 'reactive inertia cycle.' *Investigates further how firms alternate internationalization approaches (reactive and proactive), explaining firms' behavior and characteristics during their pathways. It describes how events shift internationalization approaches.		
	Reactive approach	(Barretto & Da Rocha, 2001; Bernini et al., 2016; Ciravegna et al., 2019; Da Rocha et al., 2012)	Uppsala theoretical model			
Firms' (re) entering and exiting foreign markets	(re) enter foreign market(s)	(Aguzzoli et al., 2021; Kriz & Welch, 2018; Vissak et al., 2020; Welch & Welch, 2009)	BG theoretical model / Uppsala model	* Exposes the dynamics that involve firms' irregular and interrupted internationalization, in which firms enter, exit, and re-enter markets during their pathways * Identifies the triggers (events) that operate upon this continuous irregular movement, explaining *why* firms' internationalization oscillates and *how* particular events unfold in firms' pathways		
	exit foreign market(s)	(Benito & Welch, 1997; Freeman et al., 2013; Ozkan, 2020; Tang et al., 2021)	BG theoretical model / Uppsala model			
Event	Event strength	(Bell et al., 2001; Morgeson et al., 2015; Nummela et al., 2014; Vissak et al., 2020)	EST	* Employs a new theoretical lens into the IB field, demonstrating events impacting the dynamism of firms' internationalization pathways		

	Event space	(Aguzzoli et al., 2021; Brenes et al., 2019; Morgeson et al., 2015)	EST	* Demonstrates how novel, disruptive and critical events have an effect on Brazilian exporting firms' internationalization pathways.		
	Event time	(Morgeson et al., 2015; Romanello & Chiarvesio, 2017; Vissak et al., 2020)	EST	* Indicates that events that affect firms' internationalization pathways emanate at different hierarchical levels, such as the environmental, organizational, and individual levels * Reveals that event duration and timing interfere with Brazilian exporting firms' internationalization pathways.		
BEM context	The role of external institutions in Brazilian firms' internationalization	(Da Rocha et al., 2012; Deng et al., 2020; Meyer & Peng, 2016; Yan et al., 2018)	Institution-based view	Exhibits the conditions of context firms are exposed to and how they affect firms' internationalization pathways. It highlights the role of the Brazilian context, expressing the importance of the domestic market and how external institutions such as educational and government institutions affect Brazilian exporting firms' internationalization.		
Firms' internationalization	Cycles and waves of internationalization	(Kafouros et al., 2022)	EST	* Extends the more recent revision of the Uppsala Model (2017) by empirically showing firms' growth process, shedding light on 'events' as the trigger of change in firms' internationalization. * Explains firms' internationalization pathways based on the context and the nature of events they encounter. It expands our knowledge of how events trigger firms to shift their internationalization approach and enter, exit, and re-enter markets, suggesting cycles and waves of internationalization.		

7.10 Chapter summary

This chapter has outlined a discussion on the theoretical contributions of the present study based on the two research questions. It provides a foundation for understanding exporting firms' internationalization in the context of a BEM. The chapter integrated theoretical and empirical observation, contributing to the IB field by offering a nuanced understanding of firms' internationalization. More specifically, it provides a holistic perspective on the role of events and their outcomes on BEM firms' international pathways. The present study extends the firm growth evolution model (Vahlne & Johanson, 2017) by shedding light on events as triggers impacting BEM firms' internationalization over time. Introducing a new theoretical lens EST (Morgeson et al., 2015), to the IB field, the present study enhances theoretical knowledge on firms' internationalization and complements existing models.

In the first research question, the present study unearths *how* firms' internationalization pathways develop. It shows firms altering between two approaches (reactive and proactive) and how events trigger them to experience cycles and waves of internationalization. In addition, the present study elucidates *why* exporting firms from BEM remain reactive over time, suggesting that the large domestic market is a comfort zone and, therefore, firms tend not to evolve because they undergo a 'reactive inertia cycle'. In the second research question, the present study offers comprehension of firms' trajectories in each international market. It exposes firms' presence and absence in markets throughout their journey, suggesting irregular and interrupted internationalization. The study contributes by illustrating how events impact firms entering, exiting, and re-entering foreign market(s) (refer to Table 6.1).

The present study contributes by exploring firms' post-internationalization, building on the most recent literature suggesting cycles and waves of internationalization (Kafouros et al., 2022). Building on EST (Morgeson et al., 2015), this study expands knowledge on how events affect firms' characteristics and behavior toward the international markets shaping their pathways. Moreover, it provides empirical evidence of a less explored and potential BEM context, where firms are more likely to experience disruptive events, triggering irregular and interrupted pathways. The new conceptual model provides a holistic and in-depth understanding of BEM exporting firms' internationalization pathways. Hence, the present study adds to the current IB literature offering comprehensive knowledge on *why* firms' internationalization oscillates and *how* events impact BEM exporting firms, suggesting cycles and waves of firms' internationalization.

Chapter 8: Conclusion

8.1 Introduction

The purpose of the current study is to provide a comprehensive understanding of firms' internationalization pathways, in particular, the influence of events on the firms' journey. Chapter 1 provides an introduction to the study; Chapter 2 outlines and justifies the selection of a BEM, Brazil, as the proper context to apply to the current research. Chapter 3 critically and systematically address the research issues and gaps in the IB body of knowledge. From the critical review of the literature, two key research questions emerged. Chapter 4 outlines and justifies the appropriate method employed by the present study to address the two research questions. Chapter 5 and Chapter 6 are devoted to discussing the empirical findings of Research Question 1 and Research Question 2, respectively. Chapter 7 is dedicated to a discussion regarding the theoretical implications of the empirical findings. This final chapter offers a concluding overview of the current study in terms of theoretical (Section 8.2), methodological (Section 8.3), and policy and practice contributions (Section 8.4). In addition, the chapter delineates the limitation of the current study and offers future research directions for the IB field (Section 8.5).

8.2 Theoretical contributions

While the uncertainty of the environment combined with the temporal sequences of events affect firms' internationalization a nuanced understanding of their effects offers several theoretical contributions. The present study contributes to the IB field by building on the most recent literature Kafouros et al. (2022), exploring the irregularity experienced in firms' pathways, suggesting cycles and waves of firms' internationalization. Moreover, this study implements novel theoretical contributions by cross-fertilizing core ideas from two disciplines (Deng et al., 2020): IB, and management through event system tenets. By focusing on two interesting but underexplored questions, this study endeavors to contribute to the literature in four ways. First, explore firms' internationalization pathways in detail, exposing *how* and *why* firms oscillate internationalization approaches and exit and enter markets during their journey (Vissak et al., 2020). Second, the study addresses calls for a new theoretical lens in the IB field by applying a theory from the management discipline to the internationalization domain, (Deng

2020). Third, explore the role of context in building theoretical knowledge (Hernandez & Guillén, 2018). Finally, this study develops and offers a new conceptual model integrating various dimensions involved in firms' internationalization pathways.

8.2.1 Exploring cycles and waves of firms' internationalization pathways

The present study contributes to the IB literature by offering a more nuanced understanding of firms' internationalization pathways. By responding to preceding calls to examine the post-entry phase of internationalization (Romanello & Chiarvesio, 2019), this study investigates firms' internationalization over time. In particular, the study draws upon the internationalization concepts and general characteristics of the Uppsala Model (Johanson & Vahlne, 1990, 2006, 2009) with empirical observations demonstrated in the proposed evolution and growth model of the firm (Vahlne & Johanson, 2017). Doing so, provides the rationale behind this study that is anchored in process ontology (Vahlne & Johanson, 2017), offering empirical evidence that broadly contributes to the understanding of firms' internationalization for periods of time. Therefore, the present study extends theoretical knowledge of the firm evolution model (Vahlne & Johanson, 2017) by deepening our understanding of events as triggers affecting BEM exporting firms' internationalization pathways.

Moreover, the findings suggest that exporting firms in BEMs broadly can experience two internationalization approaches that shape their behavior and international involvement during their journey: Reactive and proactive. Through exploring the 'reactive inertia cycle,' and underscoring the relevance of the Brazilian home market, the empirical evidence explains *why* the reactive approach is most prevailing among firms over time. The findings reveal how firms oscillate among these two approaches over time and the role of events in altering firms' trajectories, such as international commitment(s), investments and resources allocation, and geographic market expansion.

Furthermore, the findings suggest that firms experience random, irregular, interrupted internationalization. During their journey, it was observed moments where firms were either present or absent in an overseas market: Firms exiting and re-entering markets (Aguzzoli et al., 2021). This study contributes by identifying the triggers (i.e., events) that operate upon this continuous irregular movement. As a result, the present study adds to the IB literature by displaying *why* firms' internationalization oscillates and *how* particular events unfold in firms' pathways.

Building on the more recent line of inquiry (Kafouros et al., 2022), this study suggests that internationalization should be seen as 'cycles and waves'. As exposed in Chapter 3, the IB literature in this stream of research has overlooked the reality that internationalization is frequently interrupted, stopped, and may even re-start. For this reason, the purpose of this study has been to explore such irregularity exhibited in firms' internationalization.

8.2.2 Employing a new theoretical lens to the IB field

The present study offers a new theoretical lens to advance the IB field: EST (Morgeson et al., 2015). EST provides a theoretical explanation focusing on 'events' that have been under-emphasized and overlooked in the internationalization of firms' domain. Drawing from EST (Morgeson et al., 2015), this study examines more deeply the role of events in shaping firms' internationalization pathways. The present study advocates that this new theoretical perspective introduced should be considered complementary to existing theories rather than a competing theory (Deng et al., 2020). The current study advances the IB field by exploring how firms react to different sets of events. EST theoretical perspective is suitable for explaining firms' internationalization from the particular context of a BEM, specifically Brazil.

More significantly, by adopting an EST explanation, the current study identifies events relevant to Brazilian firms' international pathways provoking firms to switch their internationalization approach; and prompting a range of simultaneous exits and (re)-entries in foreign markets. The study addresses the theoretical gaps, advancing theoretical knowledge by demonstrating *how* novel, disruptive and critical events influence firms' internationalization pathways. By employing EST, the present study first illustrates *how* novel and non-routine events reflect firms' courses (e.g., establishing a new IB department, acquisitions, family succession); and exposes *how* disruptive and critical events trigger changes and induce firms to continually adjust and adapt to emerging realities (e.g., the opening of the Brazilian economy, COVID-19 pandemic. Second, this study presents how events at multiple levels, including environmental level (e.g., both in host and home countries), organizational level, and individual managerial level, cause irregular internationalization pathways. Finally, this study shows *how* events' timing and duration affect firms' journeys.

8.2.3 Exploring the role of context in exporting firms' internationalization

Given the extensive number of studies in IB that are increasingly recognizing that context matters in building theoretical knowledge (Kahiya, 2020; Welch et al., 2022). Hence the present research carefully chose the context set to apply this study. In particular, firms' internationalization pathways hinge on the context (Welch & Paavilainen-Mäntymäki, 2014). As previously discussed in Chapter 2, this study has sought to undertake an empirical investigation in a country likely to experience significant events triggering change and potential disruption to firms' internationalization pathways. For this reason, the present study selected Brazil, a BEM well known for its volatility (politically, economically, and socially) and a high number of exporting firms.

The BEM context is less known to offer further external and internal insights. Brazil has a complex economic history of many changes and disruptions (De Mello et al., 2019), with challenging and unpredictable political and legal periods (Child & Rodrigues, 2011), social upheavals (Rodrigues, 2006), corruption (The Economist, 2022), and unique historical influences on its international engagement (Barretto & Da Rocha, 2001; Da Rocha et al., 2012). Brazil has a long and unique history of uncertainties that offers a deep and more profound analysis of events in one of the largest and most populous economies in Latin America. Firms embedded in the Brazilian context, characterized by constant change and fluctuation, must navigate and manage complexities. Surprisingly, most IB studies are still conducted in advanced economies, where relatively speaking, the stability and reliability of external factors do not provide the proper context for understanding change that is disruptive and unpredictable.

In summary, Brazil is not simply under-examined but is a context that provides an empirical driver in building theoretical knowledge that extends to other BEMs. Given their significant role in the global economy, BEMs generally are prominent players in their region, possess enormous size, turbulent history (politically and economically), and primarily a large number of exporting firms with multifaceted challenges. The current study adds to more recent studies by a group of scholars (Aguilera et al., 2017; Brenes et al., 2019; Ciravegna et al., 2019) that recognize the uniqueness and variability of Latin America EMs.

8.2.4 A new conceptual model

To further comprehend exporting firms' internationalization, the current study offers a new conceptual model (refer to Figure 7.4). This study presents a theoretically grounded conceptual model using abductive reasoning building on recent IB studies and empirically applying them

to the BEM context. The conceptual model provides a coherent and comprehensive understanding of firms' internationalization pathways by extending the model of the growth of the firm provided by Vahlne and Johanson (2017). The extended model offered in this study features firms exiting and (re)entering foreign markets (micro level), and firms moving abductively through internationalization using two approaches (reactive and proactive) over time (macro level). Moreover, the extended model offers nuanced explanations of how and why this is impacted by events triggering such behavior, typically found in BEMs. The conceptual model further offers enlightenment regarding the role played by events on firms' internationalization pathways. It provides integrated knowledge and unique insights around various dimensions of events (strength, space, and time) and how they interact with the firm by shaping their international pathways. The conceptual model was constructed based on theoretical and empirical observation. Further, it builds theoretical knowledge drawing from a less explored BEM context: Brazil. The theoretical contributions of the study discussed above are summarized in Table 8.1 below:

Table 8.1 Theoretical contributions of the present study

Theories and theoretical models	Theoretical contributions of the present study
The Uppsala Model (Johanson & Vahlne, 1977, 2009; Vahlne & Johanson, 2017, 2020),	• Exposes the dynamics that involve firms' irregular and interrupted internationalization, in which firms enter, exit, and re-enter markets over time. This study contributes by identifying the triggers (events) that operate upon this continuous irregular movement: events, adding to the IB literature by displaying *why* firms' internationalization oscillates and *how* particular events unfold in firms' pathways.
BG theoretical model (Cavusgil & Knight, 2015; Knight & Cavusgil, 1996, 2004)	• Extends the latest revision of the Uppsala Model (2017), anchored in process ontology by empirically demonstrating firms' growth process, deepening our understanding of event system as the trigger of changes in their internationalization process.
	• Extends our knowledge of how firms oscillate internationalization approaches (reactive and proactive), explaining firms' behavior during their pathways based on the conditions of the context they are exposed to and the nature and strength of events encountered. This suggests cycles and waves of internationalization, building upon the most recent IB studies
EST (Morgeson et al., 2015)	• Employing a fresh theoretical lens into the IB field illustrating that events affect the dynamism of firms' internationalization pathways
	• Demonstrates how novel, disruptive and critical events have an effect on firms' internationalization pathways.
	• Indicates that events that affect firms' internationalization pathways occur at multiple hierarchical levels, such as the environmental, organizational, and individual levels.
	• Reveals that event duration and timing interfere with firms' internationalization pathways.

8.3 Methodological contributions

The present study offers four methodological contributions to both broader IB literature and also, more specifically, to the internationalization of firms' domain: (1) Qualitative approach, (2) Broad range of participants: firms and industry experts, (3) Systematic combining: the abductive approach, (4) Data collection and processual analysis. These methodological contributions are discussed in the following sections.

8.3.1 Qualitative approach

The first methodological contribution involves the qualitative nature of the study. As revealed in Chapter 4, a qualitative research design was identified as the most suitable for examining the under-explored phenomenon, such as firms' internationalization pathways and *'how'* and *'why'* research questions (Yin, 2018). Qualitative studies incorporate the purpose of depth and richness of the data sacrificing the breadth to generate a holistic understanding of firms' internationalization pathways (Ghauri et al., 2020).

The present study contributes to the IB field by responding to recent calls to adopt detailed qualitative analysis to examine firms' internationalization pathways (Kafouros et al., 2022; Tang et al., 2021). A qualitative approach proved effective for theory building and understanding the complexity of firms' internationalization. In particular, for investigating firms' pathways and identifying changes over time (Aguzzoli et al., 2021; Vissak et al., 2020). Furthermore, an in-depth qualitative analysis is required to explore the little-known concept of events. The role of events affecting firms' internationalization has been overlooked in the IB literature. Thus, a qualitative approach offered a significant addition to comprehending this phenomenon.

The varying perspectives of multi-informants through the adoption of multiple case studies were essential for revealing the underlying assumptions of firms' internationalization over time (Welch et al., 2022). A qualitative approach accommodates respondents' subjective thoughts, experiences, and feelings-driven understanding of firms' internationalization. To fully comprehend executives' viewpoints and statements regarding firms' internationalization process, a qualitative research design is deemed most appropriate. Consequently, to ensure rich data were obtained, a qualitative approach was adopted, providing an opportunity to explore decision-makers and industry experts' perceptions of firms' internationalization pathways.

The present study conducts an empirical investigation into how firms' internationalization pathways develop. On a macro level, changing internationalization approach (RQ1); and on a micro level, (re)entering and existing foreign markets (RQ2), and how events influence firms' internationalization. To investigate RQ1, a qualitative research design was pertinent for comprehending the differences between the reactive and proactive internationalization approaches. It was imperative to explore the 'reactive inertia cycle' to understand the predominance of the reactive approach; and the role of events shifting firms' internationalization approaches. Similarly, in RQ2, the qualitative research design offered novel insights into the IB literature, suggesting firms' irregular and interrupted internationalization, where firms (re)enter and exit foreign markets. The qualitative nature of this study provided an opportunity to identify how events' dimensions affect firms' internationalization, contributing and adding to the existing IB literature.

8.3.2 Broad range of participants: firms and industry experts

Previous studies in the internationalization of firms' domain have relied on data gathering from decision-makers across firms. Accordingly, the current research sought multiple informants within the firm (managers, directors, owners, founders, and export analysts) as primary informants to share their thoughts regarding firms' internationalization (Vissak et al., 2020). Although this approach provides the view from the firms' perspective, it overlooks the role of others involved in the process, including IB specialists, government representatives, and academics. For example, despite input from the decision-makers, industry experts also offer opportunities to capture various viewpoints, insights, and outside information on firms' internationalization. To gain a deeper comprehension of firms' internationalization pathways, respondents were deliberately selected based on their knowledge and expertise to contribute to the current study (Nyamrunda & Freeman, 2021). In this sense, in-depth interviews with multiple informants conducted at different points provided a holistic view of firms' internationalization pathways.

8.3.3 Systematic combining: the abductive approach

The present study adopts abductive reasoning (Dubois & Gadde, 2002, 2014), building on recent studies using this approach in the IB field (Crick et al., 2020; Ong et al., 2022; Paavilainen-Mäntymäki et al., 2020; Vissak et al., 2020; Welch et al., 2022). As expressed in Chapter 4, this approach gathered insights from empirical findings in the light of the extant IB literature by moving continuously back and forth between data sources and theoretical tenets.

Moving beyond the inductive and deductive approach, this study allows a more fundamental analysis that provides the necessary flexibility often found in qualitative studies (Dubois & Gadde, 2002, 2014). The use of abductive reasoning allowed the researcher to take a deep-dive into the internationalization pathways(Ong et al., 2022) and delineate and highlight the events that shape firms' internationalization. Hence, this approach provided a more robust analysis to construct meaning around firms' internationalization pathways.

8.3.4 Data collection and processual analysis

The qualitative in-depth analysis is necessary to deepen our understanding of an unearthed phenomenon, such as firms' internationalization pathways. Accordingly, the present study requires a comprehensive observation of firms' trajectories, which collecting data at different points is deemed appropriate and suitable for this purpose (Vissak et al., 2020). The firms' international activities were observed in processual analysis (Cloutier & Langley, 2020), rooted in diachronic and synchronic data (Soulsby & Clark, 2011). The data collection involved a process of four years, monitoring firms from 2017/2018 until 2021. The researcher traveled to Brazil to gather data through face-to-face interviews, build a rapport with the involved participants and gain their trust through referrals from previous interviewees. As highlighted in Chapter 4, two primary interviews were conducted in two phases; and several follow-up interviews occurred throughout the research process to clarify uncertainties and keep participants engaged. This provided sufficient time to develop informant databases and a reflective discussion based on the initial data analysis prior to conducting follow-up interviews and the second data phase.

Collecting data at different points allowed the study to provide a more nuanced understanding and deeper reflection on tracking firms' internationalization pathways (De Mello et al., 2019; Nummela et al., 2014; Vissak et al., 2020; Welch & Paavilainen-Mäntymäki, 2014). In particular, the present study has captured and observed the impact of the worldwide pandemic event and how it affected firms' internationalization. The point of difference of this current research is to focus not just on the outcomes but on carefully delineating the range of triggers and antecedents linked to internal and external events and *how* they lead to different firm pathways.

8.4 Contributions to practice and policy

The findings of the current study provide significant contributions to practice and policy. This study contributes to the IB field, offering multiple practical implications for decision-makers of internationalization firms and government policies, as outlined below:

8.4.1 Practical implication for firms' decision-makers

This study assists decision-makers of firms in understanding how firms' internationalization change over time, particularly in the context of BEMs. The findings of RQ1 explored firms' internationalization pathways and how firms change approaches throughout their trajectory. The findings of RQ2 explain firms' irregular internationalization, *why* firms exit and (re) enter markets, and *how* events play a role in firms' international trajectory. The present study suggests that firms may follow different internationalization pathways (De Mello et al., 2019). This study helps founders and decision-makers understand that firms' internationalization is consistent with the notion of cycles and waves (Kafouros et al., 2022). This enables them to implement effective strategies to efficiently overcome challenging events and, therefore, enhance their survival chances overseas (Nummela et al., 2016).

To the extent that interrupted internationalization could be triggered by poor performance abroad, it becomes an easy option to adopt by decision-makers and those seeking a conventional explanation. They are quick to rationalize their actions by justifying the decision to return home, as it just seems more manageable because it is familiar. Nonetheless, this study adopts a different approach to extending theoretical understanding by suggesting that irregularity, stopping, and re-starting international activities are symptomatic of the realities that firms face in home and host markets that are unstable, disruptive, and gripped by events. They make easy assessments of future political, economic, and social events hard for managers in such environments to predict future events. The findings of the present study indicate that this is more common and evident in the context of BEMs, known for their lack of homogeneity, far more than what is observable in advanced economies. For this reason, this study strongly suggests that decision-makers should be aware that they may encounter events over time but should draw their attention to the ones that are more likely to trigger changes within the organization (for example, novel, disruptive, critical events). Thus, decision-makers should carefully observe and manage these events to avoid poor performance overseas.

8.4.2 Policy implications for government

This study assists governments, trade, ambassadorial officials, and public institutions of the home and other host markets to better understand *why* they need to 'open doors through influence' to comprehend firms' internationalization pathways. Being aware of firms' involvement in foreign markets and that firms undergo '*cycles and waves of internationalization'* is crucial for policymakers, preventing and alleviating the obstacles firms face during their internationalization pathways (Kafouros et al., 2022). The instruments designed to promote internationalization should consider the diversity of possible pathways Brazilian firms' may follow (De Mello et al., 2019). Further, the government should recognize firms' reactive and proactive internationalization approaches and design measures targeting breaking the 'reactive inertia cycle', assisting firms in achieving continuous growth.

The findings show that the participants have recognized the importance of government incentives, particularly at the start of firms' internationalization. However, ongoing support and assistance throughout the internationalization pathways are necessary. However, governments should understand *how* events and their specific dimensions, such as strength, space, and time hinder or favor the development of firms' internationalization. Such knowledge better informs governments and their institutions and industry organizations about the impact of events on firms to support them in navigating the challenges and practicalities of entering, exiting when necessary, and then entering new or re-entering previous markets. This study has shown why it is essential to unpack the events and map their causal impact on the internationalization pathways of exporting firms through an EST lens. In this sense, governments, trade institutions, and industry organizations should focus more on identifying critical, novel, and disruptive events affecting firms' pathways to assist firms better in overcoming challenges. This study enables governments to be more aware of how a range of events can arise at environmental, organizational, and individual levels and why they should be more proactive in analyzing such events in order to design and implement more comprehensive policy initiatives that address specific dimensions of events (strength, space, and time) to support firms more appropriately. Further, governments need a deeper understanding of the impact of events such as the pandemic, given the swiftness of their impact economically, socially, and technologically in order to enact rapid policy initiatives.

This study suggests public policies focus on the holistic view of the internationalization process involving not exclusively the government but also the role of academic institutions.

Moreover, the role of context in firms' international trajectories can lead to preparing better actions to improve internationalization for the firms. Subsequently, the alignment of policy with firms' level of preparedness is fundamental to ensure effective economic, financial, and legal reforms to support firms in different maturity levels to develop their businesses globally.

8.5 Limitations of the study and direction for future research

While the present study extends and enriches the IB field, the researcher acknowledges and is mindful of the limitations that may guide future research directions. The present study's strength in looking in depth at the internationalization of firms over time, is also a limitation. This is because even though the researcher relies on diachronic and synchronic data, it was limited to the data collected in two main phases. Reliance on retrospective reports by participant to understand firms' internalization pathways is a potential source of bias and error (Odlin, 2019).

The findings of this study are not necessarily generalizable to all markets (Doh et al., 2017) precisely because contextual factors seem to play a prominent role in firms' internationalization. All firms investigated in the current study were Brazilian exporting firms and sharing the same context to some extent determined their pathways (De Mello et al., 2019). Hence, there is a possibility that the findings of this study "is biased by the specific context of Brazil" (De Mello et al., 2019, p. 161). Recognizing that this study is restricted to one country, further research should be conducted in other economies providing comparative settings for additional theoretical insights into the impact of events in other markets.

Future studies should pursue questions of the nature, intensity, and impact of events on firms in other contexts where their occurrence is more likely to be the norm, allowing a unique opportunity to observe managerial decision-making under such external conditions. Additionally, the present study is subject to limitation, which thereupon offers avenues for future studies to investigate how the impact of events varied across industries and firm ages. Moreover, looking at different industries (such as services) or other types of internationalization modes (such as exporting versus FDI) could offer fruitful opportunities to advance the IB field. Future research questions should be raised about whether irregular and interrupted internationalization is actually a deliberate firm strategy pursued when managers are compelled to adjust to changing circumstances. This stream of research (Freeman et al., 2013) has for some time suggested that disruptive events, such as the dot.com crisis in

1999/2000, can be considered compelling circumstances or events in an attempt to explain both how and why firms develop as they do. This study has demonstrated how events can affect firms' internationalization pathways, which can be described by EST.

This research establishes that cycles and waves of internationalization are not necessarily a haphazard activity but a rational, astute, and justified management response to environmental, organizational, and individual events. Is the firm's decision to follow a cyclical internationalization path actually a deliberate choice or an accident? Could it be a 'rational' choice rather than the result of haphazard activities? These are future directions for scholars interested in expanding theoretical explanations in this critical research stream of IB, given the current events firms are facing worldwide in the grip of a global COVID-19 pandemic with major economic, political, and social repercussions.

8.6 Chapter summary

The topic of firms' internationalization has received increasing attention within IB literature. The present study provides empirical evidence, building upon the cycles and waves of internationalization (Kafouros et al., 2022). In the first research question, this study identifies two internationalization approaches (reactive and proactive) and explains *why* most firms persist with the reactive internationalization approach over time, introducing and presenting the 'reactive inertia cycle'. Additionally, this study explores firms' shifting internationalization approaches and *how* events and context affect their pathways, supporting the cycles and waves of internationalization. The second research question illustrates a holistic comprehension of firms' internationalization pathways, recognizing the firm trajectory in each market. The study shows firms' irregular and interrupted paths, where firms enter, exit, and re-enter foreign markets along their journey. Moreover, this study demonstrates how events' dimensions impact firms' pathways through an EST lens.

The present chapter has outlined the key contributions of the current study to the extant literature (both theoretical and methodological). It has highlighted the managerial implications of the study's findings for both decision-makers and the government. In addition, the limitations of the current study were discussed, and future research directions were outlined.

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Appendix A: Ethics form and Ethics approval

SECTION 1: INTRODUCTION

Scope

As per the *National Statement on Ethical Conduct in Human Research* (https://www.nhmrc.gov.au/guidelines-publications/e72), negligible risk research is defined as having no foreseeable risks of harm or discomfort and any foreseeable risk is no more than inconvenience to the participants (Section 2.1.7). The process is outlined in the flow chart at the end of this form.

Risk Assessment

In order to determine whether your research project is negligible risk, please complete the following negligible risk self-assessment checklist (Section 2). Ethics applications for projects that are deemed as negligible risk through the self-assessment tool can be applied for using the application form (Sections 3-7)..

Quality Assurance or Teaching

If your activity can be described as quality assurance or audit, or involves research by students only for teaching purposes, it may be exempt from further ethical review providing the following conditions are met.

- The participant group is not characterised as vulnerable.
- The data is collected voluntarily.
- The activity does not potentially infringe the privacy or professional reputation of participants, providers or organisations.
- The anonymity of participants is maintained.
- The data or analysis from QA is not used for a secondary purpose.
- There is no risk to participants of suffering burden or harm (physical, psychological, spiritual, economic, legal, social, or devaluation of personal worth).
- The work is not to be published externally to the University.

If your activity is **QA or Teaching**, and satisfies all these conditions, it is **exempt** from further ethical review. There is **no need to complete or submit this form**.

Submission

Based on the outcome of your self-assessment, your human research ethics application will need to be submitted to the Business School Ethics Committee (business-research@unisa.edu.au) or through the University's online ethics application process (more than negligible risk).

If you are unsure about your level of risk, please contact the Executive Officer to the University's Human Research Ethics Committee by phone (23118) or email (Vicki.Allen@unisa.edu.au)

Submissions to the Business School Ethics Committee must be completed **in full** in order to be considered. It is expected that each ethics application will be thoroughly conceptualised and documented prior to submission.

Applications will be reviewed within 5 working days of receipt. Turnaround times may be impacted by the complexity of the submission.

SECTION 2: NEGLIGIBLE RISK SELF ASSESSMENT CHECKLIST		
A. Will your research project specifically target Aboriginal and/or Torres Strait Islander peoples and/or report the Aboriginal and Torres Strait Islander findings as a separate report? *Refer to Chapter 4 of the National Statement.*		
	☐Yes	☒No
If you answered **YES** to question A, your project is **not considered** to be of negligible risk. Please complete the University's online ethics application process.		
B. Will consent for participation in this research be sought from all participants? *Refer to Chapter 2.2 of the National Statement.*		
	☒Yes	☐No
If you answered **NO** to question B, your project is **not considered** to be of negligible risk. Please complete the University's online ethics application process.		
C. Does your research use an existing (archival) data set that is non-identifiable (meaning there is no way that any participant can be identified, including that individuals cannot be re-identified through coding or a linkage key) **AND** there is negligible risk that your research will lead to burden or harm (physical, psychological, spiritual, economic, legal, social; or devaluation of financial standing, employability or reputation) to identifiable organisations or groups?		
	☐Yes	☒No
If you answered **NO** to question C, please complete the Application form in its entirety. If you answered **YES** to question C, please complete **Sections 3**, **4** and **7** of the Application form only, indicating that your project is exempt. The Business School requires a record of all exempt research.		
D. Does your research project specifically target any of the following participant groups? *Refer to Chapter 4 of the National Statement.*		
People whose first language is not English and whose English Language proficiency hinders obtaining informed consent?	☐Yes	☒No
People who are illiterate?	☐Yes	☒No
Pregnant women?	☐Yes	☒No
Children?	☐Yes	☒No
People in a dependent or unequal relationship with the researchers (e.g. lecturer/student, doctor/patient, teacher/pupil, professional/client, employer/employee)?	☐Yes	☒No
People in a workplace setting with the potential for coercion or problems of confidentiality (e.g. employer/ employee)?	☐Yes	☒No
People with existing close relationships with the researcher (e.g. relative, friend, co-worker)?	☐Yes	☒No
People who are highly dependent on medical care?	☐Yes	☒No
People with a cognitive or emotional impairment?	☐Yes	☒No
People who may be involved in (known or suspected) illegal activity?	☐Yes	☒No
Residents of a custodial institution?	☐Yes	☒No
If you answered **YES** to any of the above, your project is **not considered** to be of negligible risk. Please complete the University's online ethics application process.		

E. Does this research project… *Refer to Chapters 2.1 and 3 of the National Statement. .*		
Involve people under the age of 18 years?	☐Yes	☒No
Involve participation of people who legally cannot provide voluntary and informed consent?	☐Yes	☒No
Involve sensitive personal information?	☐Yes	☒No
Request intimate, personal, or sensitive information?	☐Yes	☒No
Access records containing intimate, individually identifiable information which is not publicly available?	☐Yes	☒No
Make it possible for third parties to identify participants without their explicit consent?	☐Yes	☒No
Involve access to data held by Commonwealth government or public agencies holding information about people and for which the people did not give consent to the agency to release their information to third parties for other purposes?	☐Yes	☒No
Involve access to medical/health records?	☐Yes	☒No
Involve covert observation?	☐Yes	☒No
Record participants (photograph, audio or video) without their consent?	☐Yes	☒No
Include the deception of participants?	☐Yes	☒No
Offer an inducement which could be considered coercive?	☐Yes	☒No
Have the potential to expose participants to potential civil, criminal or other proceedings?	☐Yes	☒No
Involve psychological or emotional stress?	☐Yes	☒No
Possibly expose participants to potential loss of professional reputation, market standing, employability?	☐Yes	☒No
Possibly result in significant personal impact on personal relations?	☐Yes	☒No
Involve a risk of physical injury?	☐Yes	☒No
Involve exposure to disease or infection?	☐Yes	☒No
Involve pain or significant discomfort?	☐Yes	☒No
Test or experiment with a procedure, drug or equipment?	☐Yes	☒No
Use biological hazards, GMOs or pathogenic organisms?	☐Yes	☒No
Use carcinogenic and/or toxic chemicals, including heavy metals?	☐Yes	☒No
Involve the use of radiation, including human exposure to radiation?	☐Yes	☒No
If you answered **YES** to any of the above, your project is **not considered** to be of negligible risk. Please complete the University's online ethics application process.		
If you have **not** been directed to complete the University's online ethics application process, please proceed to the form below and complete sections 3-7 for submission to the Business School Ethics Committee (business-research@unisa.edu.au).		

SECTION 3: RESEARCHER DETAILS

Researcher submitting this application

Title: Mrs	**Given name**	Luisa	**Family name**	Antunes Garcia de Campos	
School/Centre	School of Commerce	**Phone**	[redacted]	**Room**	WL2-42

Other researchers involved in this project

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SECTION 4: PROJECT INFORMATION

Project title

How do early internationalizing SME evolve and grow?

About the project (10 lines max)

This project is based on my PhD thesis. The research topic is an examination of the growth of early internationalizing Brazilian and Australian SME (small and medium size enterprises).

The current International Business literature appears to have a gap addressing the phases a company go through when they move from their initial phase. Therefore, this project will focus on understand firms' behaviour through managers' perception, when they are growing their business in two different scenario (Brazil and Australia). So, this project will be a comparative study between Australia (an advanced and open economy) and Brazil (a large and emerging market). Both markets are very competitive, and has its own characteristics, so this research will contribute analysing the firms' growth process in each country and compare them.

The method selected to develop this research is qualitative (abductive approach). In this method it is important to collect some preliminary data in order to refine some concepts to make the conceptual framework.

Confidentiality (10 lines max)

The participation in this research involves in-depth interviews that will be conducted by skype or face-to-face.

In order to participate in this research, all potential participants (Australian and Brazilian) will be requested to sign the consent form (in attach) informing that they are fully informed about the research and that they are comfortable to participate voluntarily. Interviews will be conducted by skype, in case of Brazilian firms due to physical distance, and face-to-face for Australian firms. The interview will be recorded, if the participants gives its consent. The audio recorded will be individually identified. The confidentiality will be maintained with the raw data, and only the researchers will have access to it. Information collected during the course of the research will be storage securely at the University of South Australia for a period of five years and destroyed in accordance with the UniSa "Ownership and Data Retention Policy" and the "Australian Code for the Responsible Conduct of Research". No information will be released unless required by the law.

Project timeframe

It is expected to conduct the interviews as soon as possible, and should last over the next two years or longer

What does participation in the research mean? (10 lines max)

This research addresses managers, director, CEO, owner of Brazilian and Australian firms that voluntarily accepts to participate in the interview. The interview should last around 40 minutes and should be conducted in English, since it's

the common language in business, especially for internationalized firms. However, if any of the participants of the Brazilian firms do not feel comfortable with English and insist on having the meeting in Portuguese, this should not be an issue, since I am from Brazil and Portuguese is my native language.

The researcher expects to interview between 15 to 20 firms in each country: Australia and Brazil.

The interview will be addressing the participant's perception in the growth of firms. An interview protocol will be followed to direct the questions during the interview.

Data Storage and disposal

Information collected during the course of the research will be storage securely at the University of South Australia for a period of five years and destroyed in accordance with the UniSa "Ownership and Data Retention Policy" and the "Australian Code for the Responsible Conduct of Research". No information will be released unless required by the law.

Researchers involved

Chief Investigator: Luisa Antunes Garcia de Campos

PhD student at University of South Australia

Highest qualification: Master of Arts

Contact number: [redacted]

Email: luisa.campos@mymail.unisa.edu.au

Dr. Susan Freeman (main supervisor)

***Professor of International Business at* University of South Australia Business School**
Highest qualification: Ph.D. (Marketing)
Office: Way Lee Building; Room WL5-34
Contact Number: +61 8 8302 7754
Email: susan.freeman@unisa.edu.au

Prof. Tamer Cavusgil (co-supervisor)

Visiting professor at the University of South Australia Business School.

Highest qualification: Ph.D. (Business)

Email: Tamer.Cavusgil@unisa.edu.au

SECTION 5: Statement as to Methodological Approach (10 lines max)

The researcher will use the Brazilian and Australian government website and database as well the chamber of commerce database in order to identify firms to interview.

The first contact between the researcher and the potential participant will be to inform about the study and explain what is expected from the participant, in case they voluntarily decides to participate. I will make sure that the potential participants understand that is an optional choice to participate or not in the research.

A consent form will be provided in both language (Portuguese and English) for all the companies (Brazilian and Australian). If they agree to participate, they will be requested to sign the consent form (in attach) and to schedule an interview (skype or face-to-face) at their best convenient date and time. The interview is expected to last about 40 minutes and the researcher expects to reach 15 to 20 firms in each country Brazil and Australia.

SECTION 6: Consent
Refer to Chapter 2.2 of the National Statement.
Where written consent is to be obtained from participants, please attach a copy of the consent form to this application.
Where an alternative method for obtaining consent is proposed, please provide details below.

A copy of consent form is attached in both language (English and Portuguese)

SECTION 7: RESEARCHER CERTIFICATION

I certify to the best of my knowledge, that all the details on this form are true and complete.

[redacted]	**Luisa A G de Campos**	05/05/2017
Electronic signature	Printed name	Date

SECTION 8: CHECKLIST

1.	**Introduction**	☒ I have read and understood the introduction at Section 1
2.	**Negligible Risk Self-Assessment Checklist**	☒ I have completed the self-assessment checklist and am proceeding to apply for negligible risk ethics approval at Section 2
3.	**Researcher information**	☒ I have completed the researcher details at Section 3
4.	**Project Information**	☒ I have completed the project information at Section 4
5.	**Statement as to Methodological Approach**	☒ I have completed the statement as to Methodological Approach at Section 5
6.	**Consent**	☒ I have attached a copy of the consent form *Where no consent form is attached:* ☐ I have provided details of the alternative method for obtaining consent
7.	**Researcher certification**	☒ I have completed and signed the declaration at Section 7

Applications that do not have all of the above details included will not be considered.

Submit application form to the Business School Research Office (business-research@unisa.edu.au)
You will be notified of the outcome within 5 working days, depending on the complexity of the submission.

Human ethics Approval received on 21/06/2017

Dear Luisa,

REF: 009b/2017 Campos, How do early internationalizing SME evolve and grow?

Thank you for submitting your modified Negligible Risk Ethics Application.

Your application has been reviewed by the Business School Ethics Committee and we are pleased to advise it has been approved compliant as a negligible risk ethics application.

As you have now received ethics approval, your research project may now proceed.

Appendix B: Participant information sheet of the pilot study (English and Portuguese versions)

Title: How do early internationalizing SME evolve and grow?

This information sheet is for you to keep.

My name is Luísa Antunes Garcia de Campos and I am conducting a research project with Professor Susan Freeman towards a PhD in the Business School at the University of South Australia. This means that I will be writing a thesis which is the equivalent of a short book. The focus of the research is on how early internationalizing SMEs evolve and grow.

Selection of participants

You have been invited to participate because of your position in the organization and involvement or knowledge about your company's trajectory and growth development. I seek to interview one to two (1-2) senior managers in your firm.

The Purpose of the research

This project will focus on understand firms' behavior through managers' perception, when they are growing their business in two different scenario (Brazil and Australia).

This project will be a comparative study between Australia (an advanced and open economy) and Brazil (a large and emerging market). Both markets are very competitive, and has its own characteristics, so this research will contribute analyzing the firms' growth process in each country and compare them.

Possible benefits

It is anticipated that the findings from this research will better enable firms' managers to understand how firms grow in two different scenarios (Australia and Brazil). The results will also generate an academic contribution, since the current International Business literature appears to have a gap addressing the phases of early internationalization that SMEs go through when they grow.

What does the research involve?

The study involves face to face and skype interviews. The interviews will be audio taped and the tapes will be used to create transcripts. The data from the transcripts will be collated to identify common themes, which will be used to support the research.

How much time will the research take?

For each interview, it is expected that the session will last for around 40 minutes. Once the interview has been transcribed, the interviewee will be given the opportunity to revise the transcript in order to clarify responses.

Risks?

It is not my intension to ask probing or personal questions that make it difficult or uncomfortable for the interviewees to respond. Rather, it is anticipated that the information to be gathered through the interviews will be generally informative rather than highly specific and probing. The interviewee will be given the choice not to answer any interview question, as well as having the opportunity to review his/her responses through the provision of a transcript of the interview.

Payment

Your participation is purely voluntary and no monetary (or other) compensation will be provided.

Can I withdraw from the research?

Participation in this study is voluntary and participants can withdraw from the interview process at any time without being penalized or disadvantaged in anyway.

Confidentiality

Your anonymity will be guaranteed through the use of fictitious organizational names and numbered titles – e.g., Senior Manager 1. Individual names will not be used. However, should you wish for your involvement in this research to be identified, you must inform the researcher; otherwise all information shall remain confidential.

Storage of data

Storage of the data collected will adhere to the University regulations and kept on University premises in a locked cupboards/filing cabinet for 5 years. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report.

Use of data for other purposes

Please note, in the event that your anonymous data is used for other purposes (such as a journal article or conference paper), given the anonymity of the data, no individual will be named and you will remain unidentifiable.

Results

If you would like to be informed of the aggregate research finding, please contact me or Professor Susan Freeman on +61 8 8302 0095.

If you would like to contact the **researchers** about any aspect of this study, please contact the chief Investigator:	If you have a complaint concerning the manner in which this research being conducted, please contact:
Professor Susan Freeman, Ph.D. Professor of International Business Associate Director – Australian Centre for Asian Business (ACAB) The Business School (T): +61 8 8302 7754 (F): +61 8 8302 0095 [redacted] Email: susan.freeman@unisa.edu.au **Luisa Campos** PhD Scholar (International Business) University of South Australia Business School School of Commerce [redacted] E-mail: luisa.campos@mymail.unisa.edu.au	**Executive Officer UniSA HREC** Ms Vicki Allen Human Research Ethics Officer Research and Innovation Services University of South Australia (T): +61 8 830 23118 (F): +61 8 830 23921 E-mail: Vicki.Allen@unisa.edu.au

Thank you.

[redacted]

Luisa Antunes Garcia de Campos

Formulário de Informação ao Participante

Título: Como as pequenas e médias empresas com precoce internacionalização evoluem e crescem?

Este formulário de informações é para sua referência.
Meu nome é Luísa Antunes Garcia de Campos e estou conduzindo um projeto de pesquisa com a professora Susan Freeman para um PhD na Business School da Universidade de South Australia. Isto significa que eu vou escrever uma tese, que é o equivalente a um livro curto. O foco da pesquisa é sobre como as pequenas e médias empresas com precoce internacionalização evoluem e crescem.

Seleção de participantes
Você foi convidado a participar desta pesquisa devido a sua posição na organização e envolvimento ou conhecimento sobre desenvolvimento e crescimento assim como a trajetória da sua empresa e. Eu procuro entrevistar um a dois (1-2) gerentes sêniores em sua empresa.

O objetivo da pesquisa
Este projeto busca o entendimento do comportamento do crescimento das empresas por meio da percepção dos gerentes, em dois cenários diferentes (Brasil e Austrália).
Este projeto será um estudo comparativo entre empresas da Austrália (uma economia avançada e aberta) e empresas do Brasil (um mercado grande e emergente). Ambos os mercados são muito competitivos e têm características próprias, dessa forma, esta pesquisa visa analisar o processo de crescimento das empresas em cada país e compará-las.

Possíveis benefícios
Prevê-se que os resultados desta pesquisa permitirão aos gestores das empresas entender melhor como as empresas crescem em dois cenários diferentes (Austrália e Brasil). Os resultados também trarão contribuição acadêmica, uma vez que a atual literatura de Negócios Internacionais parece ter uma lacuna abordando apenas as fases iniciais de internacionalização das pequenas médias empresas, não focando seu crescimento.

O que a pesquisa envolve?
A pesquisa envolve entrevistas in loco e por skype. As entrevistas serão gravadas em áudio e as fitas serão usadas para criar transcrições. Os dados das transcrições serão agrupados para identificar temas comuns, que serão usados para apoiar a pesquisa.

Quanto tempo levará a pesquisa?
Para cada entrevista, espera-se que a sessão dure cerca de 40 minutos. Uma vez que a entrevista tenha sido transcrita, o entrevistado terá a oportunidade de revisar sua transcrição para esclarecer e/ou reconfirmar as respostas dadas.

Riscos?
Não é minha intenção fazer perguntas pessoais que tornam difícil ou desconfortável que os entrevistados respondam. Em vez disso, prevê-se que a informação a ser recolhida através das entrevistas será geralmente informativa, em vez de muito específico. O entrevistado terá a opção de não responder a alguma pergunta da entrevista, além de ter a oportunidade de revisar suas respostas através do fornecimento da transcrição da entrevista.

Forma de pagamento
A sua participação é puramente voluntária e nenhuma compensação monetária (ou outro tipo de compensação) será fornecida.

Posso me afastar da pesquisa?
A participação neste estudo é voluntária e o participante pode se retirar do processo de entrevista a qualquer momento sem ser penalizado ou desfavorecido de qualquer forma.

Confidencialidade
Seu anonimato será garantido através do uso de nomes organizacionais fictícios e títulos numerados - Ex. Gerente 1. Nomes individuais não serão utilizados. No entanto, se desejar que o seu envolvimento nesta pesquisa seja identificado, você deve informar ao pesquisador; Caso contrário, todas as informações permanecerão confidenciais.

Armazenamento de dados
Armazenamento dos dados recolhidos irão aderir aos regulamentos da Universidade e serão mantidos nas instalações da Universidade em um armário trancado e será arquivado por 5 anos. Um relatório do estudo pode ser apresentado para publicação, mas os participantes individuais não serão identificáveis em tal relatório.

Utilização de dados para outros fins
Observe que, no caso de seus dados anônimos serem usados para outros fins (como um artigo de revista ou de conferência), nenhum indivíduo será nomeado e você permanecerá não identificável.

Resultados
Se você quiser ser informado sobre a conclusão pesquisa agregada, entre em contato comigo ou com a Professora Susan Freeman pelo telefone +61 08 83027754.

Se você quiser contatar os pesquisadores sobre qualquer aspecto deste estudo, entre em contato com o pesquisador-chefe:	Se você tiver alguma reclamação sobre a maneira pela qual esta pesquisa está sendo conduzida, entre em contato com:
Professora Susan Freeman, Ph.D. Professor of International Business Associate Director – Australian Centre for Asian Business (ACAB) The Business School (T): +61 8 8302 7754 (F): +61 8 8302 0095 [redacted] Email: susan.freeman@unisa.edu.au **Luísa Campos** PhD Scholar (International Business) University of South Australia Business School School of Commerce [redacted] E-mail: luisa.campos@mymail.unisa.edu.au	**Executive Officer UniSA HREC** Ms Vicki Allen Human Research Ethics Officer Research and Innovation Services University of South Australia (Tel): +61 8 830 23118 (Fax): +61 8 830 23921 E-mail: Vicki.Allen@unisa.edu.au

Muito obrigada

[redacted]

Appendix C: Participant information sheet of the main data collection (English and Portuguese versions)

Participant Information Sheet

Title: How do Brazilian internationalizing firms evolve?

This information sheet is for you to keep.

My name is Luísa Antunes Garcia de Campos and I am conducting a research project with Professor Susan Freeman towards a PhD in the Business School at the University of South Australia. This means that I will be writing a thesis which is the equivalent of a short book. The focus of the research is on how Brazilian internationalizing firms evolve.

Selection of participants

You have been invited to participate because of your position in the organization. Your involvement or knowledge about your company's trajectory and development in international activities is relevant to my research. I seek to interview one to three (1-3) managers/key informants in your firm.

The Purpose of the research

This project will seek to gain understanding, through the perspective of managers, about which events impact on firms' international activities.

Possible benefits

It is anticipated that the findings from this research will enable managers of firms to better understand how Brazilian firms respond to a variety of events. Gaining a greater understanding of these particular events and the impact on international activities will also contribute to academia, as there is presently a gap in International Business literature with regard to how internationalizing firms evolve.

What does the research involve?

The study involves face to face, telephone and skype interviews. The interviews will be recorded and the tapes will be used to create transcripts. The data from the transcripts will be collated to identify common themes, which will be used to support the research.

How much time will the research take?

For each interview, it is expected that the session will last for around 45 minutes. Once the interview has been transcribed, the interviewee will be given the opportunity to revise the transcript in order to clarify responses.

Risks

It is not my intention to ask probing or personal questions that make it difficult or uncomfortable for the interviewees to respond. Rather, it is anticipated that the information to be gathered through the interviews will be generally informative rather than highly specific and probing. The interviewee will be given the choice not to answer any interview question, as well as having the opportunity to review his/her responses through the provision of a transcript of the interview.

Payment

Your participation is purely voluntary and no monetary (or other) compensation will be provided.

Can I withdraw from the research?

Participation in this study is voluntary and participants can withdraw from the interview process at any time without being penalized or disadvantaged in anyway.

Confidentiality

Your anonymity will be guaranteed through the use of fictitious organizational names and numbered titles – e.g., Senior Manager 1. Individual names will not be used. However, should you wish for your involvement in this research to be identified, you must inform the researcher; otherwise all information shall remain confidential.

Storage of data

Storage of the data collected will adhere to the University regulations and kept on University premises in locked cupboards/filing cabinets for 5 years. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report.

Use of data for other purposes

Please note, in the event that your anonymous data is used for other purposes (such as a journal article or conference paper), given the anonymity of the data, no individual will be named and you will remain unidentifiable.

Results

If you would like to be informed of the aggregate research findings, please contact me or Professor Susan Freeman.

If you would like to contact the researchers about any aspect of this study, please contact the Chief Investigator:	If you have a complaint concerning the manner in which this research being conducted, please contact:
Professor Susan Freeman, Ph.D. Professor of International Business Associate Director – Australian Centre for Asian Business (ACAB) The Business School (T): +61 8 8302 7754 (F): +61 8 8302 0095 [redacted] Email: susan.freeman@unisa.edu.au **Luisa Campos** PhD Scholar (International Business) University of South Australia Business School School of Management [redacted] E-mail: luisa.campos@mymail.unisa.edu.au	**Executive Officer UniSA HREC** Ms Vicki Allen Human Research Ethics Officer Research and Innovation Services University of South Australia (T): +61 8 830 23118 (F): +61 8 830 23921 E-mail: Vicki.Allen@unisa.edu.au

Thank you.

[redacted]

Luisa Antunes Garcia de Campos

Formulário de Informação ao Participante

Título: Como as empresas brasileiras internacionalizadas evoluem?

Este formulário contém informações para sua referência.

Meu nome é Luísa Antunes Garcia de Campos e estou conduzindo um projeto de pesquisa com a professora Susan Freeman para um PhD na Business School da Universidade de South Australia. Isto significa que eu vou escrever uma tese, que é o equivalente a um livro curto. O foco da pesquisa é sobre como as empresas brasileiras internacionalizadas evoluem.

Seleção de participantes

O convidado é selecionado para participar desta pesquisa pela sua posição na organização e seu envolvimento ou conhecimento sobre a trajetória da empresa nas atividades internacionais. Eu pretendo entrevistar de um a três (1-3) representantes por empresa.

O objetivo da pesquisa

Este projeto busca o entendimento, por meio da percepção dos gerentes, dos eventos que impactam ou impactaram nas atividades internacionais da empresa.

Possíveis benefícios

Prevê-se que os resultados desta pesquisa permitirão aos gestores das empresas entender melhor como as empresas brasileiras respondem a uma variedade de eventos. Na área acadêmica, o entendimento dos eventos e seus impactos nas atividades internacionais da empresa trará uma grande contribuição, já que atualmente existe uma lacuna na literatura de Negócios Internacionais no que diz respeito a como as empresas internacionalizadoras evoluem.

O que a pesquisa envolve?

A pesquisa envolve entrevistas in loco, por telefone e por skype. As entrevistas serão gravadas em áudio e as fitas serão usadas para criar transcrições. Os dados das transcrições serão agrupados para identificar temas comuns, que serão usados para apoiar a pesquisa.

Quanto tempo levará a pesquisa?

Para cada entrevista, espera-se que a sessão dure cerca de 45 minutos. Após a transcrição da entrevista, o entrevistado terá a oportunidade de revisá-la para esclarecer e/ou reconfirmar as respostas dadas.

Riscos

As perguntas são impessoais e não devem gerar desconforto aos entrevistados. Prevê-se que a informação a ser recolhida através das entrevistas seja informativa. O entrevistado terá a opção de não responder a qualquer pergunta da entrevista, além de ter a oportunidade de revisar suas respostas através do fornecimento da transcrição da entrevista.

Forma de pagamento

A sua participação é puramente voluntária e nenhuma compensação monetária (ou outro tipo de compensação) será fornecida.

Posso me afastar da pesquisa?

A participação neste estudo é voluntária e o participante pode se retirar do processo de entrevista a qualquer momento sem ser penalizado ou desfavorecido de qualquer forma.

Confidencialidade

Seu anonimato será garantido através do uso de nomes organizacionais fictícios e títulos numerados - Ex. Gerente 1. Nomes individuais não serão utilizados. No entanto, se desejar que o seu envolvimento nesta pesquisa seja identificado, você deve informar ao pesquisador. Caso contrário, todas as informações permanecerão confidenciais.

Armazenamento de dados

O armazenamento dos dados recolhidos irá aderir aos regulamentos da Universidade, serão mantidos em suas instalações em um armário trancado e será arquivado por 5 anos. Um relatório do estudo pode ser apresentado para publicação, mas os participantes individuais não serão identificáveis em tal relatório.

Utilização de dados para outros fins

Observe que, no caso de seus dados anônimos serem usados para outros fins (como um artigo de revista ou de conferência), nenhum indivíduo será nomeado e você permanecerá não identificável.

Resultados

Se você quiser ser informado sobre a conclusão da pesquisa agregada, entre em contato comigo ou com a Professora Susan Freeman.

Se você quiser contatar os pesquisadores sobre qualquer aspecto deste estudo, entre em contato com o pesquisador-chefe:	Se você tiver alguma reclamação sobre a maneira pela qual esta pesquisa está sendo conduzida, entre em contato com:
Professora Susan Freeman, Ph.D. Professor of International Business Associate Director – Australian Centre for Asian Business (ACAB) The Business School (T): +61 8 8302 7754 (F): +61 8 8302 0095 [redacted] Email: susan.freeman@unisa.edu.au **Luísa Campos** PhD Scholar (International Business) University of South Australia Business School School of Management [redacted] E-mail: luisa.campos@mymail.unisa.edu.au	**Executive Officer UniSA HREC** Ms Vicki Allen Human Research Ethics Officer Research and Innovation Services University of South Australia (Tel): +61 8 830 23118 (Fax): +61 8 830 23921 E-mail: Vicki.Allen@unisa.edu.au

Muito obrigada

[redacted]

Luísa Antunes Garcia de Campos

Appendix D: Consent form (English and Portuguese versions)

NEGLIGIBLE RISK RESEARCH CONSENT FORM

University of South Australia | Business School

Full Project Title: How do Brazilian internationalizing firms evolve?

Researcher's Full Name: Luisa Antunes Garcia de Campos

Contact Detail: [redacted] luisa.campos@mymail.unisa.edu.au

Supervisor's Full Name: Professor Susan Freeman

Contact Details: Phone: +61 8 83027754 / [redacted]
susan.freeman@unisa.edu.au

Protocol Number: REF: 009/2017 Campos

Certification:

In signing this form, I confirm that:

☐I have read the Participant Information Sheet and the nature and purpose of the research project has been explained to me. I understand and agree to take part.

☐I understand the purpose of the research project and my involvement in it.

☐I understand that I may withdraw from the research project at any stage and that this will not affect my status now or in the future.

☐I understand that while information gained during the study may be published, I will not be identified and my personal results will remain confidential unless required by law.

☐I understand that the notes and digital recordings will be stored securely at the University of South Australia for a period of five years and destroyed in accordance with the UniSA "Ownership and Data Retention Policy" and the "Australian Code for the Responsible Conduct of Research". Digital files will be pass word protected and accessible only by researcher sand staff involved in the project.

☐I understand that I will be audio recorded during the interview.

☐I understand the statement in the information sheet concerning payment to me for taking part in the study.

Participant Name (printed)	Participant Signature	Date

Participants under the age of 18 normally require parental consent to be involved in research. The consent form should allow for those under the age of 18 to agree to their involvement and for a parent to give consent.

Parent/Guardian Name (printed)	Parent/Guardian Signature	Date

Researcher Certification

I have explained the study to subject and consider that he/she understands what is involved.

Luisa Campos	[redacted]	
Researcher Name (printed)	Researcher Signature	Date

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FORMULÁRIO DE CONSENTIMENTO DE PESQUISA DE RISCO NEGLIGÍVEL

University of South Australia | Business School

Título Completo do Projeto: Como as empresas brasileiras internacionalizadas evoluem?

Nome Completo do Pesquisador: Luísa Antunes Garcia de Campos

Contato: [redacted] luisa.campos@mymail.unisa.edu.au

Nome Completo da Supervisora: Prof. Susan Freeman

Contato: Telefone: +61 8 83027754 / [redacted] susan.freeman@unisa.edu.au

Número do Protocolo: REF: 009/2017 Campos

Certificação:

Ao assinar este formulário,confirmo que:

☐ Li o "Formulário de Informação ao Participante" e a natureza e finalidade do projeto de pesquisa foi explicada para mim. Eu entendo e concordo em participar.

☐ Eu entendo o propósito do projeto de pesquisa e o meu envolvimento nele.

☐ Eu entendo que posso me afastar do projeto de pesquisa em qualquer fase e que isso não afetará meu status agora ou no futuro.

☐ Eu entendo que, embora as informações obtidas durante o estudo possam ser publicadas, não serei identificado e meus dados pessoais permanecerão confidenciais, a menos que seja exigido por lei.

☐ Eu entendo que as anotações e as gravações digitais serão armazenadas com segurança na Universidade de South Australia por um período de cinco anos e destruídas de acordo com a "Política de Propriedade e Retenção de Dados" da Universidade de South Australia e o "Código Australiano para a Conduta Responsável da Pesquisa". Os arquivos digitais serão protegidos por senha e estarão acessíveis apenas para equipe de pesquisadores envolvidos no projeto.

☐ Eu entendo que vou ser gravado em áudio durante a entrevista.

☐ Eu entendo a declaração no "Formulário de Informações ao Participante" sobre pagamento para participar do estudo.

Nome do Participante (impresso)	Assinatura do Participante	Data

Os participantes com idade inferior a 18 anos normalmente requerem o consentimento dos pais para participar na pesquisa. O formulário de consentimento deve permitir que menores de 18 anos concordem com o seu envolvimento e que um dos pais dê o seu consentimento.

Nome do Pai/ Responsável (impresso)	Assinatura do Pai/ Responsável	Data

Certificação de Pesquisador
Eu expliquei o estudo ao participante e considero que ele/ela compreende o que está envolvido.

Luisa Campos	[redacted]	
Nome do Pesquisador (impresso)	Assinatura do Pesquisador	Data

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Appendix E: Interview protocol of pilot study (English and Portuguese versions)

Interview Protocol of Pilot Study

How do early internationalizing SME evolve and grow?

Overall information about the company

1	Company's name	
2	Respondent / Position in the company	
3	Year of foundation	
4	Industry	
5	Type of ownership (private, family, public)	
6	Year of first international experience	

1) Can you please tell me the history of your company?
2) Has your company gone through different phases since its foundation? If so:
    a) What are the main characteristics of each of the phases your company went through?
    b) What happened during each phase?
    c) Was there an event that separated one phase from the other
3) How do you know your company is moving from one phase to the other? What are the milestones (turning points) that make your company move phases?
4) How would you describe your company's growth?
5) How do you measure growth in your company?
6) How do you see your company's growth compared to competitors?
7) Why do you think your company is growing?
8) What factors influenced your company's growth (internal and external factors):
    a) When did you start?
    b) Today?
9) Has your company:
    a) Expanded through products?
    b) Expanded across countries?
    c) Expanded with customers?
    d) Anything else?

Protocolo de Entrevista do Estudo Piloto

Como pequenas e médias empresas com precoce internacionalização evoluem e crescem?

Informações gerais sobre a empresa

1	Nome da Empresa	
2	Entrevistado / Posição na empresa	
3	Ano de fundação da empresa	
4	Industria que atua	
5	Tipo de propriedade (privado, familiar, público)	
6	Ano da primeira experiência internacional	

1) Você pode por favor me dizer a história de sua empresa?
2) Sua empresa passou por diferentes fases desde a sua fundação? Se sim:
    A) Quais são as principais características de cada uma das fases que sua empresa passou?
    B) O que aconteceu durante cada fase?
    C) Houve um evento que separou uma fase da outra?
3) Como você sabe que sua empresa está se movendo de uma fase para outra? Quais são os marcos (pontos decisivos) que fazem sua empresa passar de uma fase para outra?
4) Como você descreveria o crescimento de sua empresa?
5) Como você mede o crescimento em sua empresa?
6) Como você vê o crescimento da sua empresa em relação aos concorrentes?
7) Por que você acha que sua empresa está crescendo? Por quais motivos?
8) Quais fatores influenciaram o crescimento de sua empresa (internos e externos):
    A) Quando você começou?
    B) Atualmente?
9) A sua empresa:
    A) Expandiu através de produtos?
    B) Expandiu para outros países?
    C) Expandiu aumentando o número de clientes?
    D) Mais alguma coisa que gostaria de acrescentar?

Appendix F: Interview protocol of main data collection (Portuguese and English versions)

Interview Protocol of main data collection

Title: How do Brazilian internationalizing firms evolve?

Researcher: Luisa Antunes Garcia de Campos

1	Company's name	
2	Respondent / Position in the company	
3	Year of foundation	
4	Industry/Type of product	
5	Size of firms (# of employees/revenue)	
6	Type of ownership (private, family, public)	
7	Year of first international experience	
8	# of countries with international activities	
9	Modes of entry	

Information about firms' trajectory on international activities (identifying events)

- Could you please tell me about your firms' history of internationalization?
- Why did your firm seek the international market?
- Can you recall some major events moments / markers / milestones that impacted on your company's international activities?
- Looking back, can you think of key events that happened after the company internationalized that changed/altered the international activities?
- Does your company use a different mode of entry besides exports? What motivates the company to switch modes of entry?
- Has there been any moment that your international activities accelerated or slowed down?
- Was there a time when your company was most involved in international activities? If so, could you please provide details including what triggered this increase in international activities?
- Was there a time when your company was less involved in international activities? If so, could you please provide details including what triggered this increase in international activities?

Information about events and their impacts:

- When did this event occurred? How long was the duration of this event?
- Was the event internal or external?
- Was this a new event for your company? Did it required you to adapt?
- What were the changes these events generated on the effect of international activities?
- Was this a positive or negative effect?
- How relevant would you say this event was for the firm? Why do you consider it relevant?
- What happened after these events took place? Did the company change any feature/behavior after the event?

Protocolo de entrevista da coleta de dados principal

Titulo: Como as empresas brasileiras internacionalizadas evoluem?

Pesquisadora: Luisa Antunes Garcia de Campos

1	Nome da Empresa	
2	Entrevistado / Posição na empresa	
3	Ano de fundação da empresa	
4	Área de atuação/ Tipo de produto	
5	Tamanho da empresa (nº de empregados/receita)	
6	Empresa pública/privada/familiar	
7	Ano da primeira experiência internacional	
8	Número de países que atua	
9	Modos de entrada	

Informações sobre a trajetória internacional da empresa (identificação de eventos):

- Você poderia me contar sobre a história de internacionalização da sua empresa? Desde quando começou a exportar, como foi a trajetória da empresa no mercado internacional? Por que sua empresa começou a exporter?
- Você lembra de alguns eventos/marcos que representaram impactos nas atividades internacionais da empresa?
- Olhando para trás, você consegue pensar em eventos importantes que aconteceram após a internacionalização da empresa e que alteraram/provocaram mudanças nas atividades internacionais?
- A empresa apenas exporta ou tem filiais no exterior? O que levou a empresa a abrir filiais no exterior?
- Em algum momento a empresa acelerou ou desacelerou as atividades internacionais?
- Em algum momento a empresa estava mais envolvida com as atividades internacionais do que com as nacionais? Se sim, poderia me dar detalhes inclusive o que levou a esse maior envolvimento?
- Em algum momento a empresa estava menos envolvida com as atividades internacionais? Se sim, poderia me dar detalhes inclusive o que levou a esse menor envolvimento?

Informações sobre os eventos e seus respectivos impactos:

- Quando esse evento ocorreu? Qual a duração desse evento?
- O evento foi interno ou externo?
- Esse evento foi algo novo para empresa? A empresa precisou adaptar?
- Que mudanças esses eventos geraram nas atividades internacionais da sua empresa?
- Teve efeito negativo ou positivo?
- Quão relevante você considera que esse evento foi para empresa? Por que você o considera relevante?
- O que aconteceu depois da empresa estar expostas a esses eventos? A empresa mudou alguma característica / comportamento?

Appendix G: The progress of the present study following an abductive approach

Year	Focus	Description of activities	Outcome
2017	Theory	Developed a theoretical starting point: After reviewing the internationalization literature, the researcher identified an initial research problem: "What happens to firms after they internationalize?" An interview protocol was designed to conduct in-depth semi-structured interviews to be tested in two pilot case studies.	The literature suggests firms' internationalization occurs through phases of growth. Possible theoretical underpinning: The theory of the growth of the firm, RBV, dynamic capability, Uppsala model, Born Global model
2017	The empirical world	Conducted an interview with two firms (pilot study), that shed light and gained new insights on exporting firms' internationalization over time, pointing out a new theoretical direction to the research. The interviews were recorded, transcribed, and were coded in Nvivo.	Findings from the data collected suggest that firms do not recognize phases of growth, rather they identify milestone, events that impact directly on firms' international activities
2018	Theory + Framework	The researcher was directed back to the literature, seeking a matching theoretical underpinning to support the perceived reality encountered in the findings of the pilot study. Researcher presented the study in PhD roundtable and seminars at University of South Australia. The researcher developed a conceptual paper presented in the AIB US West Chapter Conference. The feedback and guidance received was important to re-direct the research and develop the first conceptual framework. A new theoretical lens emerged to employ in the research, and consequently, a new interview protocol was developed.	Return to the literature to seek a theoretical support to match the reality of the firm. New Theoretical underpinning: The Event System Theory Revision of interview protocol to be applied in Phase 1

2018	The empirical world + The case	Carried out Phase 1 of the main data collection (in depth semi structure interview and secondary data was collected within firms and industry experts). Interviews were transcribed from audio recordings, and both primary and secondary data was coded using Nvivo (single case and cross case analysis).	Findings suggests an irregular internationalization pathways, influenced by events.
2020	Framework	The findings of Phase 1 guided the study to add "irregular internationalization" to match to the reality of the cases, requiring the researcher to revise the literature adjusting the broad research problem, research questions, and conceptual framework accordingly. The results of the findings was presented in Doctoral Colloquium at ANZIBA, Atlas Conferences, receiving insightful feedback. As a result, the interview protocol was revised to be applied in Phase 2 of data collection, including adding questions about the impact of the COVID-19 pandemic.	Literature review refinement to match the reality of the cases. Revision of the interview protocol adjusted to the new reality to be applied in Phase 2 of data collection.
2021	The empirical world + The case	Phase 2 of data collection: revisited the cases. In-depth semi structured interviews conducted with both decision makers and industry experts, applying the revised interview protocol. Returning to the cases (firms) provided the researcher with an opportunity to follow up on their internationalization. It was essential to understand what have changed from 2018 to 2021, including their "new" reality influenced by COVID-19, a worldwide event. All data were recorded, transcribed, coded in Nvivo.	Confirmation of irregular internationalization pathways, and addition of new events, including COVID-19.
2022	Framework	Revision of the most recent literature review, the concept of "cycles and waves of internationalization" was introduced to the thesis to match the reality of the findings. The final refinement of the broad research problem, research questions. Restructure of the thesis chapters and the development of the conceptual model.	A conceptual model was developed in lights of the research findings.