



The Internationalization Journey of Ravasqueira: A Case Study of Portuguese SME Expansion in the Global Wine Industry

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Dissertation written under the supervision of Professor Ricardo Reis

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Abstract

This thesis examines the internationalization process of Ravasqueira, a Portuguese SME in the wine sector, to understand the motives, strategies, and circumstances that impacted its development into foreign markets. The research examines how Ravasqueira leveraged its resources, heritage, and strategic choices to overcome challenges like the liability of foreignness and fierce competition, utilizing established internationalization theories including the Eclectic Paradigm, the Uppsala Model, and the Resource-Based View.

Through a qualitative case study approach, data was collected via interviews with key stakeholders and supplemented with secondary sources, including industry reports and academic literature. The findings highlight the interplay of internal capabilities and external market dynamics in shaping Ravasqueira's geographic expansion. The study reveals that adaptability, network-building, and the strategic use of entry modes were critical to the company's success.

While the research provides valuable insights into SME internationalization, it is limited by its focus on a single case study within the wine industry. Nevertheless, the conclusions offer practical implications for SMEs in traditional sectors seeking to expand globally, emphasizing the importance of leveraging resources and tailoring strategies to diverse market conditions.

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Resumo

Esta tese analisa o processo de internacionalização da Ravasqueira, uma PME portuguesa do sector vitivinícola, para compreender os motivos, as estratégias e as circunstâncias que tiveram impacto no seu desenvolvimento para os mercados externos. A investigação examina a forma como a Ravasqueira aproveitou os seus recursos, o seu património e as suas escolhas estratégicas para ultrapassar desafios como a responsabilidade do estrangeiro e a concorrência, utilizando teorias de internacionalização estabelecidas, incluindo o Paradigma Eclético, o Modelo de Uppsala e a Visão Baseada nos Recursos.

Através de uma abordagem qualitativa de estudo de caso, os dados foram recolhidos através de entrevistas com os principais intervenientes e complementados com fontes secundárias, incluindo relatórios da indústria e literatura académica. Os resultados destacam a interação entre as capacidades internas e a dinâmica do mercado externo na definição da expansão geográfica da Ravasqueira. O estudo revela que a adaptabilidade, a criação de redes e a utilização estratégica de modos de entrada foram fundamentais para o êxito da empresa.

Embora a investigação forneça informações valiosas sobre a internacionalização das PME, é limitada pelo facto de se centrar num único estudo de caso na indústria vinícola. No entanto, as conclusões oferecem implicações práticas para as PME dos sectores tradicionais que procuram expandir-se globalmente, salientando a importância de aproveitar os recursos e de adaptar as estratégias às diversas condições do mercado.

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Palavras-Chave: Internacionalização de PMEs, Modelo de Uppsala, Visão Baseada em Recursos, Indústria do Vinho, PMEs Portuguesas, Estratégias de Entrada

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1. Introduction

1.1 Problem Statement

Small and Medium Enterprises (SMEs) play a pivotal role in economic growth and innovation on a global scale. Despite the importance of international markets, small and medium-sized businesses encounter distinct challenges when attempting to access them. At the top of the list of the most important issues are the difficulties associated with establishing a foreign organization, the limited availability of funds, and the severe competition from local and international organizations. Internationalization has pushed small and medium-sized enterprises to look beyond their local markets. They need to either grab growth opportunities or protect themselves from risks that come with market saturation and changes in the local economy.

This study looks at Ravasqueira, an SME from Portugal in the wine sector, which has successfully entered international markets, despite facing some challenges. Even though the existing body of literature on Small and Medium Enterprises (SME) internationalization provides a solid foundation, it is still of the utmost importance to investigate the methods that traditional industries, such as the wine industry, use to manage these processes. Ravasqueira's journey serves as an example of how Small and Medium Enterprises may use their resources, history, and strategic decisions to achieve international success.

1.2 Research Questions

To explore the internationalization process of Ravasqueira, the study addresses the following research questions:

1. *What motivated Ravasqueira to expand internationally?*
2. *What was Ravasqueira's internationalization strategy?*
3. *What factors influenced Ravasqueira's geographic expansion?*

These questions seek to understand the motivations underlying Ravasqueira's internationalization, analyze the strategies it adopted, and identify the internal and external factors that shaped its market choices.

1.3 Methodology

To address the research questions, a qualitative case study was adopted, focusing on Ravasqueira's internationalization process. To guarantee a comprehensive analysis of the topic, it incorporates both primary and secondary data. Primary data was collected by conducting interviews with key stakeholders to examine their motives, strategies, and decision-making during the company's expansion. Secondary data, including industry analyses, academic literature, and company reports, complemented the analysis by providing additional context and validating findings.

The study employs theoretical frameworks to examine the factors influencing Ravasqueira's strategies and outcomes. A thematic analysis identified recurring patterns, comparing the findings to existing literature to highlight challenges and opportunities. While the research is specific to the wine sector and may have limited generalizability, it offers important insights into SME internationalization in traditional industries.

2. Literature Review

2.1 Motives to go Abroad

Small- and medium-sized enterprises (SMEs) choose to internationalize for a variety of reasons, both within and outside of their company. Steinhäuser et al. (2020) claim that internal motivations can include the need to apply entrepreneurial dynamism, adaptability, and innovative capacities. These qualities help SMEs to seize foreign prospects and react fast to changing market circumstances. Moreover, company-level factors such as the availability of distinctive goods or

services that are very competitive in worldwide marketplaces might propel internationalization (Paul et al., 2017).

Competitive pressure in the local market and other outside factors also force SMEs to look for new international markets (Martineau & Pastoriza, 2016). This might follow from local market saturation or the need to diversify risk via global expansion (Zacharakis, 1997).

Important drivers of internationalization also include access to knowledge-sharing possibilities, alliances, and foreign networks. Particularly networks enable SMEs to overcome resource constraints and acquire an understanding of other markets, therefore enabling effective global development (Laufs & Schwens, 2014).

Overall, the motivations for going abroad often revolve around both exploiting internal capabilities and responding to external market dynamics (Johanson & Vahlne, 2003).

2.2 Theoretical Perspectives on the Internationalization Process

2.2.1 Uppsala Model (Stage Theory)

The Uppsala Model of internationalization, proposed by Johanson and Vahlne (1977), outlines a gradual, staged process for companies expanding internationally. This framework is based on behavioral science and highlights two key elements: **market knowledge** and **market commitment**. Companies acquire market expertise mostly via practical learning in international markets, which mitigates uncertainty and promotes more investments. Market commitment, however, increases with time when companies invest further resources in international operations upon acquiring trust in the market.

This model emphasizes incremental decision-making when enterprises first penetrate international markets with low resource commitments (such as exports) and then progressively increase their engagement as they acquire more expertise. A fundamental notion of this paradigm is "**psychic distance**", referring to the perceived differences in language, culture, and business practices

between home and international markets. Companies often start operations in nearby regions and then extend into more distant places as they gain expertise.

Education and knowledge acquisition are fundamental components of this strategy. Initially, the emphasis was on acquiring knowledge via direct engagement in foreign markets; however, contemporary research indicates that firms can also gain insights through networks and external collaborations, potentially circumventing the necessity for gradual, incremental growth (Johanson & Vahlne, 2009; Forsgren, 2002).

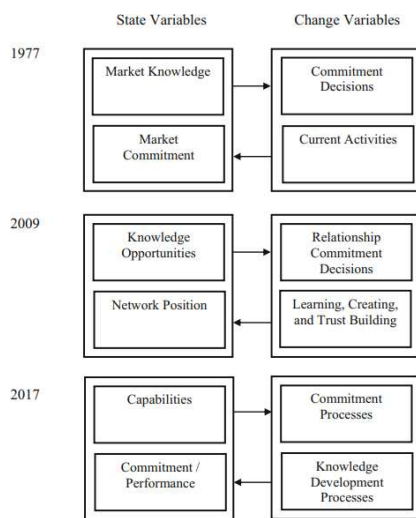


Figure 1 - Evolution of the Uppsala Model, 1977, 2009, and 2017

Source: G. Tomas M. Hult I , Maria Alejandra Gonzalez-Perez and Katarina Lagerstrom (2020)

2.2.2 Eclectic Paradigm (OLI Framework)

Based on three criteria – ownership, location, and internalization advantages – the Eclectic Paradigm, often known as the OLI framework (Dunning, 1977), advises that companies decide whether or not to globalize.

- Ownership (O) refers to firm-specific assets such as technology, brand, or management abilities giving a competitive advantage in outside markets (Dunning, 1988). These qualities enable one to overcome the foreignness's liability.

- Location (L): advantages of working in certain foreign markets brought about by variables like reduced costs, resources, or market closeness (Dunning, 1979). Firms choose locations that provide the greatest strategic advantages.
- Internalization (I) is the process by which companies assimilate activities to save resources and reduce transaction costs; they prefer direct control over international operations over depending on outside alliances (Dunning & Lundan, 2008).

When all three benefits are available, companies are inclined to make foreign direct investment (FDI), as this offers the best control and efficiency in overseas markets. The OLI model clarifies the reasons behind companies' choosing certain sites and entrance strategies (Dunning, 1988).

2.2.3 Network Theory

Network Theory offers an important perspective on international commerce, viewing it as a web of interconnected relationships rather than separate transactions. This idea shows how different groups, like companies, suppliers, customers, and governments, depend on each other. It helps businesses get important resources, market information, and support. These links not only alleviate concerns but also strengthen a business's capacity to prosper in international marketplaces (Johanson & Mattsson, 1987; Granovetter, 1985).

The theory emphasizes many fundamental components:

Access to Resources and Knowledge: Through participation in networks, enterprises may get the knowledge and resources essential for addressing the difficulties of internationalization (Johanson & Vahlne, 2009).

Trust and Embeddedness: Having trust within a network helps reduce risks and makes cross-border activities more efficient. Companies that are deeply rooted in local networks usually handle cultural and regulatory differences more effectively (Granovetter, 1985; Uzzi, 1996).

Evolving Networks: Business networks are always changing and adjusting as companies grow and create new relationships in global markets (Håkansson & Snehota, 1995).

Insidership and Outsidership: Companies that are part of established networks usually have better access to new markets, while those that are outside these networks face considerable challenges (Johanson & Vahlne, 2009).

In the context of internationalization, Network Theory shows how companies can bypass traditional, slow development approaches by leveraging existing connections to speed up their entry into foreign markets.

This approach highlights that doing well in global markets relies on how strong and effective a company's networks and partnerships are.

2.2.4 Resource-based View (RBV)

Resource-Based View (RBV) strategic framework helps to understand how companies could get a competitive advantage by employing internal resources. RBV claims that a company's resources must satisfy certain characteristics if they are to provide a long-lasting competitive edge: they should be valuable, rare, inimitable, and non-substitutable (VRIN). These materials could be physical, like money, or intangible, like knowledge and organizational capacity (Barney, 1991; Wernerfelt, 1984). Companies with such resources are more suited to outperform competitors.

When RBV is used for internationalization, the emphasis moves to the need for resource management across borders, particularly in addressing issues including cultural, geographic, and institutional distances. Managing this complexity successfully often calls for companies to create specialized skills that enable them to allocate their resources to various markets and situations (Peng et al., 2008; Lorentz et al., 2017). This emphasizes the requirement of dynamic capabilities, that is the companies' capacity to always reorganize and modify their resources to match new surroundings, thus guaranteeing long-term competitiveness (Teece et al., 1997).

2.2.5 International Marketing Theory

International Marketing Theory looks at the unusual and complex situations around the world, focusing on how businesses strategize and operate when they enter international markets. As companies globalize, this notion has developed to help them achieve operational excellence, competitiveness, and growth. A core principle is the need to balance global standardization with local adaptation – a decision determined by market-specific factors and firm objectives (Theodosiou & Leonidou, 2003).

Fundamental Elements of the Theory:

Market Entry Strategies include various options like exporting, forming alliances, partnerships, or establishing wholly-owned subsidiaries. International Marketing Theory outlines many ways to enter new markets. Companies usually begin with less demanding and lower-commitment options, such as exports, and gradually shift to more involved strategies as they become more familiar with the market. The choice of entry modes is influenced by factors like how much they are willing to invest, the level of control they require, and their comfort with risk.

Standardization vs. Adaptation: A major argument in the theory is on whether companies should modify their marketing initiatives to meet local tastes and circumstances or standardize their efforts worldwide. While adaptation fits local customer demands and competitive surroundings, standardizing provides cost savings and brand consistency. Studies point to a contingency strategy wherein the decision relies on market conditions as well as company capacity (Katsikeas, 2003).

Network building and relationship development: Establishing a good relationship with local stakeholders becomes very crucial when businesses enter global markets. Constant success depends on relationship marketing, that is, building trust and collaboration with overseas distributors. Moreover, networks – especially those within Multinational Corporations (MNCs) – allow companies to gain from local knowledge and cross-cultural ideas, hence supporting knowledge exchange across borders (Samiee & Walters, 1990).

Knowledge Transfer and Learning: Understanding and adapting to international markets is key to International Marketing Theory. Direct experiences and interactions allow companies to acquire specialized knowledge about the market, thus helping them to reduce the uncertainty related to

international operations. In addition to internal development, Multinational Enterprises (MNEs) increasingly use network-based knowledge transfer to enable cross-border learning and business innovation (Schlegelmilch & Chini, 2003).

According to International Marketing Theory, strategic choices in international markets are influenced by contextual elements like cultural distance, economic situation, and legal environment. For example, cultural distance calls for companies to change their strategy, especially in marketing communications and consumer contacts. This sensitivity to outside events guarantees that companies create customized plans that appeal to every market, thus improving long-term performance and competitiveness (Balabanis & Katsikea, 2003).

Focusing not just on small market entrance but also on the strategic use of alliances and external partnerships to fast-track market knowledge and access, International Marketing Theory has throughout time combined ideas from several management sectors. Modern research stresses responsiveness and adaptability, which motivates companies to change their strategy to remain relevant in ever-active worldwide marketplaces (Czinkota & Ronkainen, 2002).

This theory guides strategic choices on market entrance, connection development, and adaptability to different foreign settings, therefore helping to explain how companies negotiate the complexity of international growth.

2.2.6 Dynamic Capabilities Theory

The Dynamic Capabilities Theory (DCT) is a strategy paradigm that highlights an organization's capacity to adapt, refresh, and reconfigure its resources and competencies in response to changing market circumstances. Proposed by Teece, Pisano, and Shuen (1997), this theory (DCT) emphasizes three primary skills that allow organizations to maintain competitive advantage in fluctuating environments: **identifying opportunities and threats, capitalizing on these possibilities, and reorganizing resources as necessary**. In contrast to static resources, dynamic capabilities are superior competencies that enhance a firm's capacity to innovate, adapt, and sustain its competitiveness in fluctuating markets (Teece, 2007; Eisenhardt & Martin, 2000).

DCT highlights how important it is to be flexible and adaptable when entering and growing in international markets. International markets can present challenges like different regulations, cultural differences, and local competition. This means businesses need to capably spot and take advantage of new opportunities while adjusting their resources to meet diverse needs (Jantunen et al., 2012; Teece, 2014). Companies with strong dynamic skills can effectively handle these challenges by tailoring their offerings, restructuring processes, and building local partnerships.

Dynamic capabilities are different from traditional operational capabilities because they emphasize not only performing tasks effectively but also changing the company's strategic direction to align with changing environmental needs.

DCT enhances the Resource-Based View (RBV) by emphasizing that maintaining a competitive advantage involves not only having valuable, rare, inimitable, and non-substitutable resources but also necessitates the organizational agility to adapt these resources in response to ongoing changes (Helfat & Peteraf, 2003; Wang & Ahmed, 2007).

Through DCT, companies acquire a framework for developing and using flexible processes and creative strategies that allow them to succeed in varied and complex global environments, hence improving long-term competitiveness.

2.2.7 CAGE Framework

Pankaj Ghemawat proposed the CAGE Framework in his paper "Distance Still Matters: The Hard Reality of Global Expansion" in 2001. He stated that, although technology and trade agreements have simplified cross-border commerce, considerable disparities between nations, known as distances, continue to have a significant impact on international strategy. These distinctions are represented by four dimensions: cultural, administrative, geographic, and economic (CAGE) distances.

1. Cultural Distance

Cultural distance refers to variations in language, religion, values, conventions, and social conduct across nations. Ghemawat emphasized that such disparities might hamper communication and undermine confidence, resulting in greater transaction and coordination costs. For example, corporations entering international markets may struggle to modify their goods or services to meet local cultural preferences, such as McDonald's altering its menu to accommodate Indian dietary constraints.

2. Administrative and Political Distance

Administrative distance is defined by variations in governance, legal systems, political relations, and institutional frameworks across nations. Ghemawat noted that shared colonial histories, similar legal systems, and trade agreements may help to break down these barriers, but political animosity or regulatory divergence can make them stronger. For example, a common colonial history between the United Kingdom and India has resulted in simpler economic connections owing to comparable legal systems.

3. Geographical distance

Geographic distance refers to the physical separation between nations, as well as disparities in infrastructure, climate, and transportation networks. Ghemawat underlined that, although developments in transportation and logistics have reduced certain obstacles, geographic distance remains an important factor, particularly for items with high shipping costs or perishability. Proximity, common borders, and access to waterways may drastically lower these expenses.

4. Economic Distance

Economic distance measures inequalities in wealth, income levels, and resource availability among nations. Ghemawat observed that these disparities influence cost structures and customer preferences in international markets. Companies may capitalize on these discrepancies by outsourcing manufacturing to low-wage nations or targeting high-income areas for luxury items. Outsourcing contact centers to nations with cheaper labor costs, such as India, exemplifies this idea.

	Cultural Distance	Administrative Distance	Geographic Distance	Economic Distance
attributes creating distance	different languages	absence of colonial ties	physical remoteness	differences in consumer incomes
	different ethnicities; lack of connective ethnic or social networks	absence of shared monetary or political association	lack of a common border	differences in costs and quality of: • natural resources • financial resources • human resources • infrastructure • intermediate inputs • information or knowledge
	different religions	political hostility	lack of sea or river access	
	different social norms	government policies	size of country	
	institutional weakness	weak transportation or communication links		
			differences in climates	
industries or products affected by distance	products have high linguistic content (TV)	government involvement is high in industries that are: • producers of staple goods (electricity)	products have a low value-to-weight or bulk ratio (cement)	nature of demand varies with income level (cars)
	products affect cultural or national identity of consumers (foods)	• producers of other "entitlements" (drugs)	products are fragile or perishable (glass, fruit)	economies of standardization or scale are important (mobile phones)
	product features vary in terms of: • size (cars) • standards (electrical appliances) • packaging	• large employers (farming) • large suppliers to government (mass transportation) • national champions (aerospace)	communications and connectivity are important (financial services)	labor and other factor cost differences are salient (garments)
	products carry country-specific quality associations (wines)	• vital to national security (telecommunications) • exploiters of natural resources (oil, mining) • subject to high sunk costs (infrastructure)	local supervision and operational requirements are high (many services)	distribution or business systems are different (insurance)
				companies need to be responsive and agile (home appliances)

Figure 2 – The CAGE Distance Framework: Key Dimensions of Distance and Their Impact on Global Business Expansion

Source: Pankaj Ghemawat's 2001 article "Distance Still Matters: The Hard Reality of Global Expansion", published in the *Harvard Business Review*.

2.3 Conceptual Framework: Internationalization of SMEs

The Conceptual Framework for the Internationalization of SMEs arose from an expanding corpus of research addressing the difficulties and possibilities encountered by small and medium-sized firms in the global market. Acknowledging the vital contribution of SMEs to economic development and employment, scholars have endeavored to comprehend how small enterprises may effectively manage the challenges of internationalization.

This framework has been shaped and influenced by various contributions from the literature over the last twenty years, identifying three main components: **antecedents**, **patterns**, and **outcomes** (Steinhäuser et al., 2020).

Its concept is to provide a methodical way of examining the internationalization process, therefore enabling academics and practitioners to pinpoint important factors influencing SMEs' performance in foreign markets. Through the division of the internationalization process into three elements, the framework helps to fully understand the drivers of SMEs internationalization, the policies followed, and the consequent performance effects (Steinhäuser et al., 2020).

This framework highlights the significance of SMEs in global commerce and offers critical insights for formulating successful strategies for their worldwide expansion (Steinhäuser et al., 2020).

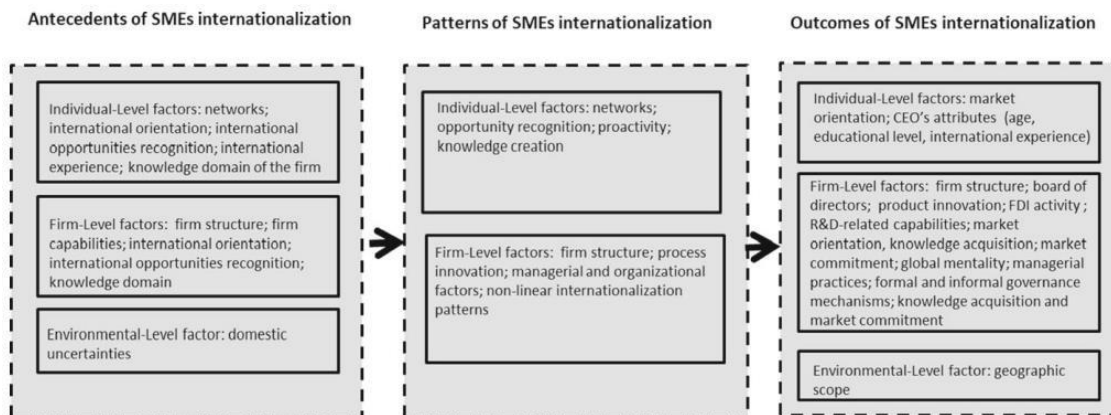


Figure 3 - Conceptual framework: Internationalization of SMEs

Source: Vivian Peuker Sardon Steinhäuser, Fábio de Oliveira Paula¹, Teresia Diana Lewe van Aduard de Macedo-Soares (2020)

2.3.1 Antecedents

The choice to internationalize arises from several driving causes, classified into environmental, firm-level, and individual-level antecedents. All of these factors play a role in shaping the strategies and decisions of SMEs as they explore international markets.

2.3.1.1 Environmental-Level Antecedents

Small and medium-sized enterprises function within a global context influenced by market circumstances, governmental laws, and industry-specific dynamics. External variables impact a

company's choice to pursue worldwide expansion. Steinhäuser et al. (2021) identify environmental-level antecedents as including both national and industrial elements. Country considerations may include governmental assistance, including export promotion programs, trade agreements, and financial incentives that mitigate the risks linked to foreign growth. Moreover, sector-specific elements such as global competitiveness, technical innovations, and the rise of novel customer demands may serve as driving and restraining forces for SMEs seeking to internationalize.

Domestic market factors, such as market saturation or fierce local rivalry, may compel SMEs to pursue development prospects outside. When local market demand stagnates or competitive pressures escalate, SMEs are compelled to pursue diversification and expansion by entry into international markets (Chetty & Hamilton, 1996).

2.3.1.2 Firm-Level Antecedents

At the organizational level, internal competencies and resources are essential in assessing a company's capacity to penetrate foreign markets. Steinhäuser et al. (2021) assert that elements like as company size, innovative capability, and networks are crucial facilitators for SMEs in their internationalization process. Small and medium-sized enterprises with advanced technical skills or robust innovation procedures are more inclined to pursue international markets to capitalize on these competitive advantages. Furthermore, SMEs who have established strong links inside global supply chains or networks might use these connections to aid their market entrance.

The resource-based view (RBV) theorizes that enterprises possessing distinctive, valuable, and inimitable resources are more likely to thrive in international marketplaces (Wernerfelt, 1984). This advantage may arise from product distinctiveness, innovative capabilities, or a strong brand reputation, all of which may enhance a firm's appeal in global markets (Barney, 1991).

2.3.1.3 Individual-Level Antecedents

Key decision-makers in SMEs – usually founders or managers – significantly influence the firm's internationalization direction. The foreign expertise, risk tolerance, and personal networks of these

people may greatly influence the firm's capacity and inclination to pursue international expansion (Acedo & Jones, 2007). Managers with past international experience often have a superior understanding of foreign markets and demonstrate a heightened willingness to undertake measured risks. Social capital, manifested via professional contacts and networks, may provide essential knowledge and chances for international expansion (Reuber & Fischer, 1997).

2.3.2 Patterns

The patterns of internationalization delineate the various tactics and procedures used by SMEs when penetrating international markets. These patterns include entry modes, market selection criteria, timing of entry, and the strategic decisions enterprises undertake in foreign markets.

2.3.2.1 International Entry Modes

The selection of the entrance method is a critical decision for SMEs throughout the internationalization process. Pan and Tse (2000) divide entrance mechanisms into equity and non-equity modes. Non-equity techniques, such as exporting, need fewer resource commitments but provide restricted control over international activities. This makes exporting a favored choice for several resource-limited SMEs, particularly during the first phases of internationalization. Equity-based strategies, including joint ventures and foreign direct investment (FDI), need substantial financial and managerial commitment while providing enhanced control and access to international markets (Root, 1994).

For several SMEs, exporting represents the preliminary phase of worldwide growth, enabling them to evaluate international markets with comparatively no risk. As companies accumulate expertise, they may transition to more resource-intensive entry strategies, such as joint ventures or wholly owned subsidiaries, especially in areas where they aim for a sustained presence (Steinhäuser et al., 2021).

2.3.2.2 Market Selection

Selecting the appropriate market is essential for the worldwide success of SMEs. Market selections are determined by criteria like market size, growth potential, geographic closeness, and cultural similarity. Steinhäuser et al. (2021) emphasize that companies often start operations in markets that are geographically proximate or culturally similar, so mitigating the "liability of foreignness" (Johanson & Vahlne, 1990). As SMEs gain expertise, they may explore more remote and unknown areas with more development potential.

Gupta et al. (2008) advocate that companies evaluate the strategic significance of a market and their capacity to use it. In lucrative areas, companies should act swiftly to secure a presence, but in sectors characterized by significant entry hurdles or diminished strategic relevance, a more prudent or incremental strategy may be warranted.

2.3.2.3 Timing of Internationalization

The timing of internationalization may influence an SME's success. Early internationalization firms (EIFs) and Born Globals (BGs) penetrate foreign markets soon after establishment, motivated by global market prospects and the need for rapid scaling (Madsen et al., 1997). These companies often adopt an aggressive growth strategy, capitalizing on first-mover benefits in specialized industries. Conversely, several SMEs use an incremental strategy, progressively expanding their worldwide presence while enhancing their skills and market understanding (Johanson & Wiedersheim-Paul, 1975).

2.3.2.4 Strategic Configurations

Small and medium-sized enterprises must synchronize their strategy with local responsiveness and global integration. Bartlett and Ghoshal (2002) delineate four primary strategy configurations for enterprises engaged in worldwide operations: international, multinational, global, and transnational strategies. Small and medium-sized enterprises often start an international strategy by leveraging their local products in foreign markets with few modifications. They may gradually adopt a

transnational strategy, reconciling the need for global efficiency with the adaptation to local markets.

2.3.3 Outcomes

The effects of internationalization may be assessed via several aspects, including financial performance, market expansion, and innovation. These results illustrate the achievements and obstacles encountered by SMEs in their participation in global marketplaces.

2.3.3.1 Performance Outcomes

Internationalization enhances corporate performance by facilitating access to new markets and income sources. Small and medium-sized enterprises that pursue international expansion often have superior growth rates and enhanced profitability compared to those focused only on local markets (European Commission, 2014).

By broadening their market base, SMEs may diminish their reliance on local markets, therefore alleviating risks linked to economic recessions or competitive challenges in their environment. Nonetheless, internationalization presents problems, such as heightened coordination expenses and the need for augmented management resources (Paul et al., 2017).

2.3.3.2 Innovation Outcomes

Getting involved in international markets can boost innovation by introducing SMEs to new customer needs, technologies, and competitive challenges. Small and medium-sized enterprises that go international usually show more innovation because they need to adapt their products and services to meet the different needs of global markets (Golovko & Valentini, 2011). This process of adapting and learning can lead to the development of new products, processes, and business models that improve the company's competitive edge both at home and internationally.

3. Case Study

3.1 The Wine Industry

The Portuguese wine industry is a critical economic sector that possesses a robust competitive position in the global wine market and a significant cultural legacy. Portugal's viniculture has a history that extends back to Roman antiquity, solidifying the nation's status as a significant contributor to the Old World wine heritage. Portugal was the sixth-largest wine producer in the European Union (EU) in 2023, with an estimated output of 7.3 million hectoliters. This represents the highest production level in twenty years. This volume increased by 8% in comparison to the previous year, primarily due to favorable circumstances in regions such as the Douro Valley and Lisbon (Instituto da Vinha e do Vinho, 2023; OIV, 2023).

The EU wine output in 2023 exceeded 150 million hectoliters, reflecting a 7% decrease from the previous year. This decline was attributed to the adverse weather conditions that affected key producers, including Italy, Spain, and France (OIV, 2023). Portugal's competitive position within the EU is emphasized by its approximately 2.8% contribution to global manufacturing. Nevertheless, there are structural challenges in Portugal's wine industry, as over 97% of its producers are family-owned small- to medium-sized enterprises (SMEs) (Hogg & Rebelo, 2018). This **market fragmentation** impedes economies of scale, which are crucial for competitive positioning in global markets (Simões, 2006; Diniz et al., 2006).

The wine landscape of Portugal is characterized by variety, with several locations yielding a range of styles, such as Vinho Verde, Port, Douro, Dão, Bairrada, and Alentejo, among others. This variety enhances Portugal's wine portfolio but also poses logistical and operational obstacles for wineries seeking worldwide expansion. In a global market increasingly influenced by rapid changes in trade procedures, technology, and consumer tastes, flexibility is crucial for both Old and New World manufacturers. Producers in the European Old World persist in highlighting regional identity and terroir, using traditional techniques that attract customers seeking legacy and authenticity (Orth, Lockshin, & d'Hauteville, 2007). In contrast, companies from the New World – especially those in the U.S., Australia, and Chile – have increased market share by using efficient

production techniques, adaptive marketing tactics, and varietal-centric branding that appeals to wider consumer demographics (Torres & Kunc, 2016).

Portuguese winemakers such as Ravasqueira benefit from increased domestic wine consumption and the vibrant Portuguese wine industry, which offers prospects for expansion both domestically and internationally. The wine industry in Portugal remains dynamic, driven by a growing consumer demand for quality and diverse wine selections and its per capita wine consumption is among the highest in the world. This dynamic environment allows businesses to target new domestic sectors and innovate, while also emphasizing the strategic importance of foreign development to achieve economies of scale. Portuguese companies can underscore their unique history and differentiate themselves from larger, efficiency-oriented New World competitors by employing consumer-centric marketing strategies and robust brand positioning in global markets (Corrado & Odorici, 2009).

3.2 Ravasqueira: A Brief Overview

Ravasqueira is a distinguished Portuguese winery that is now positioned as a prestige brand within the Winstone group, a subsidiary of the José de Mello conglomerate. The conglomerate has a business history that spans over a century. Ravasqueira is anchored in family heritage. Winstone has been engaged in the consolidation and expansion of its wine portfolio across important Portuguese wine regions, including Douro, Vinho Verde, Lisboa, Alentejo, and Portos, since its establishment in 2023. This has allowed the group to accommodate a wide range of consumer preferences and to penetrate both traditional and emerging markets.

Ravasqueira plays a critical role in Winstone's broader strategic vision, especially in international markets, where the goal is to generate 60% of revenue from exports by 2030. This ambitious target reflects a consumer-driven growth approach, focusing on operational flexibility and cultural alignment to secure market positioning while preserving the unique qualities of Portuguese wine. As part of a larger family-run business, Ravasqueira exemplifies the Old World values associated with heritage, quality, and tradition but differentiates itself through a strategy that emphasizes adaptability and growth, allowing it to compete in high-demand global markets.

3.3 The Internationalization Journey

3.3.1 Antecedents

Ravasqueira's motivations for internationalization extend beyond market limitations in Portugal, focusing instead on strategic advantages such as scalability and risk diversification. With high domestic wine consumption in Portugal, the drive to expand internationally wasn't due to a saturated local market but rather the potential benefits of geographic diversification, which can reduce economic vulnerability in times of domestic market fluctuations. This approach corresponds with the **Uppsala Model**, since Ravasqueira first focused on low-risk, "psychically close" markets in Europe, including France, Belgium, and Switzerland. These markets offered a recognizable entry point owing to cultural affinities and the substantial presence of Portuguese communities, enabling Ravasqueira to reduce risks by capitalizing on established brand awareness among expats and the general market's admiration for Portuguese wines.

Additionally, the **Eclectic Paradigm (OLI Framework)** helps explain Ravasqueira's approach by identifying its Ownership (O) advantages, such as a strong brand identity, product quality, and heritage, which differentiate it in the international market. Targeting high-demand markets like the United States and Germany underscores Ravasqueira's Location (L) advantages, as these regions have a strong demand for premium wines, which aligns well with the brand's quality focus. The Internalization (I) component is evident in Ravasqueira's efforts to establish closer connections with distributors and to retain control over its operations in these markets, ensuring consistency in brand experience.

Ravasqueira's entry into Brazil also illustrates the importance of recognizing **environmental-level antecedents** (such as emerging wine consumption trends) and **market potential** in shaping internationalization decisions. Despite Brazil's relatively low per capita wine consumption, Ravasqueira views it as a long-term investment market, expecting future growth as consumer preferences shift. By proactively adapting to these emerging preferences, Ravasqueira positions

itself as an early mover in a market poised for potential growth, reflecting a forward-thinking approach to internationalization.

3.3.2 Patterns

Ravasqueira's internationalization strategy follows a gradual, adaptive approach, combining direct distribution and strategic partnerships to establish and grow its presence abroad. This incremental process aligns closely with **Network Theory**, which emphasizes the role of relationships in market entry and expansion. Several Portuguese business associations, including AICEP, facilitate networking by offering early support to enterprises that are interested in foreign markets. To establish a significant presence, it was necessary to make consistent efforts, such as engaging with local participants and participating in trade exhibitions, to establish a more organic base in each region.

This approach to relationship-building corresponds with the Internalization (I) advantage in the **Eclectic Paradigm**, harmonizing local market insight with operational oversight. In fragmented markets such as the U.S., where rules differ markedly by state, Ravasqueira partners with existing importers to manage these issues while incrementally expanding its presence.

Through consistent engagement, such as attending trade fairs and gradually shifting to larger retail partnerships, Ravasqueira scales its market reach while maintaining quality control and brand messaging.

In Germany, Ravasqueira tailors its offerings to meet consumer preferences by collaborating with local brokers and distributors. This technique mitigates the "liability of foreignness" recognized in the **Uppsala Model** since Ravasqueira enhances its understanding of market dynamics via local relationships. Through the implementation of mental distance reduction strategies, including close cooperation with local stakeholders, Ravasqueira efficiently tailors its product segmentation to correspond with certain market niches.

Ravasqueira's approach to fragmented markets initially involves a diversified network of small distributors, which it consolidates over time as it identifies key partners that align more closely with its brand strategy. This shift towards market consolidation reflects a long-term perspective,

balancing immediate sales opportunities with brand-building efforts to establish sustainable growth channels. The process of consolidating distributor relationships is also consistent with **Dynamic Capabilities Theory (DCT)**, as Ravasqueira exhibits adaptability by refining its market strategy as it acquires experience.

Ravasqueira tailors its product line to the preferences of local consumers in markets such as Brazil, prioritizing effervescent and lighter wines in response to the milder climate.

In summary, Ravasqueira's internationalization patterns reflect a multi-faceted approach, combining incremental relationship-building with adaptability to local market conditions. This strategy allows Ravasqueira to strengthen its position within complex markets, balancing an initial fragmented approach with strategic consolidation for scalable, sustainable growth.

3.3.3 Outcomes

Ravasqueira's internationalization journey demonstrates a strategic application of the **Resource-Based View (RBV)** and **Dynamic Capabilities Theory (DCT)** by leveraging the company's unique assets – premium product quality, strong heritage, and brand adaptability – as core competitive advantages in new markets (Barney, 1991). With exports now representing 35% of its total sales, Ravasqueira has made significant progress towards Winstone's goal of 60% international revenue by 2030. This growth underscores the effectiveness of Ravasqueira's targeted approach in high-demand, strategically selected markets where its distinctive qualities align well with consumer preferences, reinforcing the brand's strength on a global scale.

According to **International Marketing Theory**, Ravasqueira tailors its product offers to align with local customer tastes and preferences (Steinhäuser et al., 2020). By establishing Vinho Verde as a flagship product in the United States and Germany – markets that like lighter, fresher wines – Ravasqueira matches its range with regional demand, thus improving brand awareness and cultivating stronger customer ties. This personalized strategy is essential for maintaining a competitive edge by increasing market visibility and fostering brand loyalty.

Ravasqueira in addition employs **Network Theory** through co-branding strategies with global merchants. Ravasqueira produces private-label wines that are tailored to local preferences, price

ranges, and consumption patterns, thereby increasing their accessibility and exposure in competitive retail environments. This cooperative approach with local partners helps a lot with dealing with complicated regulations and diverse markets. It also helps Ravasqueira become a quality brand that can appeal to a wide range of customers.

This method by Ravasqueira is a great example of the Internalization (I) Advantage and Network Theory under the **Eclectic Paradigm** (Dunning, 1988).

Ravasqueira often begins collaborations with small distributors and progressively shifts to bigger partnerships as brand awareness increases, enabling the firm to create a presence while preserving control over brand message and quality. Through engagement in local trade shows and the establishment of direct connections with key distributors, the brand enhances its distribution networks and deepens its market integration, then advances to bigger retail partnerships as demand escalates.

As Ravasqueira expands its operations, it systematically consolidates disparate distributor connections and streamlines supply chains in established areas, according to the **Resource-Based View** and **Dynamic Capabilities Theory** frameworks. The meticulous management of relationships allows Ravasqueira to realize economies of scale, enhance profit margins, and maintain a uniform brand identity across its growing worldwide presence. This dynamic method illustrates a balanced strategy of market adaptation, brand positioning, and operational efficiency, guaranteeing sustained development and resilience in competitive, high-potential areas.

3.4 Strategic Insights and Future Directions

Looking ahead, Ravasqueira's growth prospects lie in consolidating its presence in existing markets while exploring innovative strategies for expansion. To achieve Winstone's ambitious target of 60% revenue from exports by 2030, Ravasqueira could consider Dynamic Capabilities Theory (DCT) to guide its future adaptability in response to market changes. This framework highlights the need to continuously sense and seize new opportunities, as well as to reconfigure resources, enabling Ravasqueira to remain agile in an evolving global wine market (Teece, 2007).

Ravasqueira may consider direct investments in international markets, including the acquisition of local distribution channels or the establishment of joint partnerships with international merchants. This strategy, consistent with the OLI Paradigm, may enhance Ravasqueira's market integration and fortify its Location (L) and Internalization (I) advantages by facilitating more operational control and diminishing reliance on intermediaries (Dunning, 1988). Direct investment in key areas such as North America or South America might enable Ravasqueira to refine its offers and optimize its supply chain, therefore improving brand consistency and operational efficiency.

Ravasqueira's phased approach to market entry aligns with Network Theory by building strong relationships with local distributors and retailers, which may serve as a foundation for a more robust international footprint. Strengthening these networks could allow Ravasqueira to identify and act on shifting consumer trends, especially in emerging markets. Markets like Brazil, where wine consumption can grow, provide Ravasqueira with an opportunity for development via products tailored to local tastes, such as lighter or effervescent wines that align with customer preferences in warmer regions.

Moreover, Ravasqueira's adaptability may be enhanced by Dynamic Capabilities, especially via a strategy of continuous product and process innovation.

By broadening its product range and using consumer insights from other countries, Ravasqueira may more effectively fit with global trends while preserving its distinctive Portuguese nature. Investing in innovative packaging or sustainable manufacturing techniques may appeal to environmentally concerned customers, especially in European and North American markets where sustainability significantly influences purchase decisions.

Finally, Ravasqueira's internationalization strategy should remain flexible, balancing standardization and adaptation based on market-specific conditions. Utilizing insights from International Marketing Theory, Ravasqueira can determine when to standardize certain brand elements to achieve cost efficiencies or adapt them to meet local consumer expectations. This adaptive branding and product strategy will enable Ravasqueira to successfully position itself in various locations, ensuring that its worldwide growth meets local market demands while maintaining the high quality linked to Portuguese wines.

4. Teaching Note

4.1 Overview

This Case Study presents the Internationalization Process of Ravasqueira, an outstanding Portuguese winery. The case evaluates the motivations, strategy, and results of its internationalization. The report emphasizes Ravasqueira's adaptability through the obstacles of international markets, using its tradition, expertise, and strategic networks within the global wine sector.

The example uses theories like the Uppsala Model, the Eclectic Paradigm, Network Theory, the Resource-Based View (RBV), International Marketing Theory, Dynamic Capabilities Theory, and the CAGE Framework to give us a strong foundation for understanding how it is for small and medium businesses to expand internationally. It examines industry-specific factors, including the significance of authenticity, market trends, and international competition. As a result, it is an exceptional resource for instructing international business, strategy, and marketing.

Through this case study, students will explore how Ravasqueira balanced the trade-offs between standardization and adaptation, chose its entry modes, and leveraged internal strengths and external partnerships to achieve international success. The Case Study emphasizes critical insights regarding the ability of SMEs to expand internationally while maintaining their fundamental identity and beliefs.

Students should read the literature review and analyze the case before class to comprehend the theoretical frameworks that govern the internationalization process of small and medium-sized enterprises.

As Portugal ascends into the global wine market, Ravasqueira exemplifies how a traditional enterprise may use innovative approaches to thrive abroad.

This case enables students to examine and deliberate on the internationalization process of a premium Portuguese winery, such as Ravasqueira, use theoretical frameworks, and provide strategic suggestions for its future expansion.

Assignment Questions

To assist students in the preparation of the case, the subsequent question is recommended:

- Analyze Ravasqueira's international expansion: motives, approach, and outcomes.

To facilitate an engaging and effective class discussion, the following structure and questions are suggested for analysis:

Case Questions

1. What motivated Ravasqueira to expand internationally?

Students should begin by analyzing the incentives that compelled Ravasqueira to pursue international expansion, taking into account both internal and external factors. This approach must also include a consideration of the antecedents of internationalization, including environmental, firm, and individual-level elements. Utilizing theoretical frameworks like the Resource-Based View and Dynamic Capabilities, students may connect Ravasqueira's objectives to the main ideas in international business. An in-depth examination of these issues will provide students with a more profound understanding of the complex decision-making process that underlies a company's decision to enter foreign markets.

2. What was the internationalization strategy of Ravasqueira?

The second question analyzes Ravasqueira's strategy for internationalization. Students must use theories about market entry routes to evaluate the company's selected strategy, highlighting the significance of key stakeholders engaged in the process. Employing frameworks like the Uppsala model and the Eclectic Paradigm, they may assess how Ravasqueira's gradual and systematic approach facilitated its success. Furthermore, students should investigate how the corporation

embraced exporting as a low-risk entrance strategy, while simultaneously maintaining its Portuguese character via standardizing and adapting to efficiently meet local market demands.

3. What factors influenced Ravasqueira's geographic expansion?

The third question focuses on the variables driving Ravasqueira's geographic growth. Students should think about how market attractiveness, cultural and geographic closeness, and the value of partnerships and networks may all help to lower entry barriers. Frameworks like the CAGE model may give a formal approach to assessing how these variables influenced the firm's actions.

4.2 Case Questions and Suggested Resolution

1. What motivated Ravasqueira to expand internationally?

Ravasqueira's pursuit of internationalization was shaped by several **environmental, firm, and individual-level factors**, along with strategic objectives. External limitations on the environment (**environmental level**) included competitive dynamics within the domestic wine business and the economic vulnerability to fluctuations in the local market. The domestic market dynamics of Portugal are often affected by foreign forces. For example, the worldwide rise in energy and raw material prices due to the Ukraine conflict has affected industrial costs and consumer buying power. The Portuguese wine industry may also be affected by U.S. trade rules, including taxes on European wines or variations in the dollar's value. The Portuguese wine industry, which is characterized by a large number of small and medium-sized enterprises (SMEs), confronts challenges in scaling up production domestically owing to fragmented market structures and the dominance of established players. Additionally, the European Union established a favorable regulatory framework and trade agreements that enabled access to international markets by lowering administrative and logistical barriers. These considerations, together with the rising worldwide demand for high-quality wines, presented a strong justification for Ravasqueira to expand outside its home market.

Ravasqueira's internal competencies and resources (**firm level**) were essential drivers for their internationalization. The company's strong brand recognition, anchored in its Portuguese background, and concentration on creating quality wines provided significant competitive advantages. These are consistent with the **Resource-Based View** (RBV), which holds that enterprises with distinctive, inimitable resources may use them to gain a sustainable competitive advantage in international marketplaces. Ravasqueira also benefited from a well-established manufacturing method, which ensured constant quality and scalability, enabling it to stand out in competitive worldwide markets. Furthermore, the company's stakeholder network, which included distributors and industry contacts, helped it find and capitalize on foreign market prospects.

At the **individual level**, Ravasqueira's management personnel had a significant impact. Key decision-makers had a strong entrepreneurial spirit, shown by their willingness to penetrate foreign markets and pursue internationalization efforts. The management's previous expertise in maneuvering complex marketplaces and their capacity to establish confidence among global networks enabled this procedure. The **Network Theory** supports this view, highlighting the importance of leveraging established relationships to reduce risks and accelerate market entry. Moreover, the leadership's strategic vision of achieving global recognition for Portuguese wine, coupled with a deep understanding of the industry's dynamics, reinforced the drive to expand internationally.

These antecedents are also enhanced by proactive and reactive motives. Ravasqueira aimed to use its competitive advantages and strengthen brand awareness worldwide. It pursued to reduce risks linked to over-dependence on the home market while leveraging the increasing demand for premium wines in international markets. The **Uppsala Model** offers a lens through which to understand Ravasqueira's initial focus on psychically close markets, such as France and Belgium, before exploring more distant opportunities. Simultaneously, the **Dynamic Capabilities Theory** elucidates how the company leveraged its operational flexibility and distinct resources to modify its strategies in response to the demands of diverse markets.

Ultimately, Ravasqueira's drive to expand internationally was influenced by a combination of the entrepreneurial vision of its leadership team, internal resource strengths, and external market opportunities. The company's success in the global wine industry was facilitated by the alignment of these factors.

1. What was Ravasqueira's internationalization strategy?

Ravasqueira's internationalization strategy was marked by a deliberate and structured approach, supported by theories of incremental expansion and strategic positioning. The company adopted **exporting** as its primary entry mode, reflecting a low-risk strategy that allowed it to gain exposure to international markets while minimizing resource commitments. This strategy is consistent with the **Uppsala Model**, which highlights the importance of gradually acquiring market knowledge before making larger expenditures on international operations.

Ravasqueira first focused on markets in Europe that were **psychically close**, such as France, Belgium, and Switzerland. These countries were chosen for their cultural similarities, administrative advantages within the European Union framework, and an existing appreciation for Portuguese wines. The selection of these countries was primarily based on their substantial Portuguese communities, which are frequently referred to as the "Mercado da Saudade". In this market, wine is a comfort product that symbolizes the emotional ties that expatriates have to their birthplace and fosters a sense of bond with their heritage.

By considering these shared traits, Ravasqueira was able to effectively facilitate market access and raise brand recognition. Over time, the company expanded its footprint to more distant markets, demonstrating a gradual increase in market commitment and diversification of its geographic presence.

The **Eclectic Paradigm (OLI Framework)** also provides insight into Ravasqueira's strategy. The company's **ownership advantages**, such as its high-quality wines and established reputation, combined with **location advantages** in target markets (high demand for premium wines), supported its decision to expand. Additionally, by maintaining control over its export operations, Ravasqueira achieved **internalization advantages**, ensuring consistent quality and brand messaging across markets.

Ravasqueira's internationalization strategy also balanced **standardization and adaptation**. While emphasizing its Portuguese identity and the authenticity of its wines, the company tailored its marketing strategies to resonate with the cultural and taste preferences of each target market. Ravasqueira was able to preserve its brand integrity and appeal to a wide range of consumers

through this strategy. The company enhanced its market presence and mitigated risks associated with foreign market entry by forging strategic partnerships with distributors and participating in international wine exhibitions.

2. What factors influenced Ravasqueira's geographic expansion?

Ravasqueira's choice of geographic markets was influenced by a combination of market attractiveness, proximity, and strategic partnerships. The **CAGE Framework** provides a useful lens to evaluate these decisions.

Cultural proximity played a significant role in Ravasqueira's initial expansion into European markets. France and Belgium are good early targets since they are not just familiar with Old World wine traditions and have a strong cultural affinity for wine, but they also have a sizable Portuguese population. Ravasqueira was able to establish itself in countries that valued its heritage-driven branding because of this cultural congruence, which also reduced the danger of being seen as an outsider.

Administrative factors, such as the facilitation of trade within the European Union, were another key driver. The EU's shared regulatory framework facilitated the seamless entry into neighboring markets and reduced bureaucratic obstacles. This administrative similarity reduced the initial phases of internationalization to less risky and more efficient.

Geographic proximity was another contributing factor. Neighboring European countries offered logistical advantages, such as faster response times to market demands and reduced transportation costs. Ravasqueira was able to maintain high levels of quality and service while expanding its market presence because of these factors.

Economic attractiveness was central to Ravasqueira's market selection. The company prioritized countries with high disposable incomes and strong demand for premium wines, such as Germany and Switzerland. These markets provided opportunities for revenue growth and brand strengthening.

Partnerships and networks were pivotal in enabling Ravasqueira to navigate the challenges of geographic expansion. The company was able to establish relationships and acquire valuable

market insights through its participation in international wine exhibitions and collaborations with local distributors. These partnerships not only facilitated market entry but also mitigated risks and improved the company's competitive position.

In the future, Ravasqueira may wish to contemplate further expansion into emerging markets such as the United States and China, where there is an increasing demand for premium wines. These markets possess substantial growth potential; however, they necessitate meticulous evaluation of competitive landscapes, cultural distinctions, and distribution strategies.

5. Conclusions and Limitations

The Case Study underscores the dynamism and complexity of the internationalization process for SMEs. It is clear from an in-depth examination of Ravasqueira's journey that the success of a firm in foreign markets is significantly influenced by the interplay of internal capabilities, market selection strategies, and adaptation mechanisms. Ravasqueira's ability to leverage its unique resources, including brand heritage and operational flexibility, was fundamental in navigating competitive global environments. The application of theoretical frameworks such as the Uppsala Model and the Resource-Based View provided valuable insights into the progressive accumulation of market knowledge and resource commitment. These theoretical insights were supported by practical observations of Ravasqueira's strategic decisions in balancing standardization and adaptation across diverse cultural and economic landscapes.

Moreover, the study underscores the importance of networks and dynamic capabilities in facilitating entry and sustaining operations in foreign markets. The results correspond with existing research, emphasizing the significance of collaborations and innovation in tackling the challenges related to foreignness and sustaining competitive advantages.

The research presents valuable insights but is also associated with various limitations. The findings of the study could be constrained in their applicability because they rely on a singular case. Ravasqueira's research provides interesting insights; nevertheless, a multi-case study approach highlighting the varying views of different industries and geographies might enhance understanding of the phenomenon.

The research mostly uses qualitative data derived from interviews and secondary sources. This technique offers much context and depth; however, using quantitative data would enhance the results and provide a more comprehensive evaluation of performance outcomes.

The focus on a specific SME within the Portuguese wine business restricts the applicability of the results to other sectors or regions. The distinctive features of the wine industry, including its cultural integration and regulatory framework, may not entirely reflect the challenges encountered by SMEs in different sectors.

The study is constrained by its temporal scope. Global market conditions are evolving rapidly, with technological advancements and geopolitical shifts potentially influencing the strategies and outcomes of internationalization efforts. Future research may employ a longitudinal approach to examine these dynamics and investigate the long-term effects of internationalization on SMEs.

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