

Cultural differences still matter: Adapting products and positioning for international success

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Abstract — *This article focuses on technology-based companies and the way they perceive the influence of cultural and social differences on their internationalization process. As national cultures and institutions differ from country to country and even more so between different continents, we herein discuss the adaptation of products and services to the cultures and institutions of each environment, for the optimization of sales and product positioning. An in-depth example of a platform that is for sale in different countries, including Portugal and Mozambique, was described. In addition, results from interviews and a questionnaire administered to Portuguese internationalized companies were analyzed. A review of the existing literature was also performed. The strategic notion of positioning is central to organizational success and should differ from context to context, where necessary. Namely, different economic and education conditions lead to distinct behaviors, which have a repercussion on the position to be adopted in order to sell products abroad.*

Index Terms— *adaptation, internationalization, Mozambique, national culture, Portugal, positioning, software*

I. INTRODUCTION

Technology is constantly changing and it is a source of competitive advantage in industries (Porter, 1980). If it is a technological product then its life cycle will require a continuous investment in innovation, in order to remain relevant in the market and relevant for the consumers and users (Burgelman, Christensen, & Wheelwright, 2009). Technology has also opened completely new horizons in areas of knowledge, namely in marketing (Sousa, Teixeira, & Gonçalves, 2011). It has also opened new possibilities in terms of support for business decisions (Branco, Gonçalves, Martins, & Cota, 2015). The main purpose of this study is to show that cultural and social aspects have an impact on the internationalization success of technological products and different countries require different selling approaches.

Task automation reduces costs in many areas, and in others, it allows the implementation of activities that previously were simply not possible. Social networks, for instance, have created a reality that profoundly modified the functioning of society. Now we see people in very different geographic locations communicating with each other with an ease that was once unthinkable. This ease of communication has spread to other domains due to technology and now there is a greater and instantaneous control of events. This is what happens with the products and services described in this case study.

Software and computer platforms are a good business model, since you only need to manufacture the product once and it can be sold many times. It is not by chance that among the

richest people in the world are individuals from the industry of applications and computer platforms. Good examples of this are Bill Gates (Microsoft) and Mark Zuckerberg (Facebook and other platforms such as Instagram and WhatsApp). Even the start-up that has been considered to be the most valuable in the world – the unicorn Uber, valued at 70 billion dollars (The Economist, 2016) – is a computer platform that has revolutionized the transport market (introducing a radical innovation in a mature industry that had not innovated in a long time – the taxi industry). This type of computer products can be adapted to different realities with relative ease. Sage management software is an example that may be mentioned. Although each country and region where Sage is present has its own VAT (Value Added Tax) and other different tax values the product adaptation is quick and costless (Oliveira, Barandas, & Barros, 2007).

II. FOCUS OF INTERNATIONALIZATION THEORIES

Internationalization theories such as the Uppsala and the Finnish-POM Models highlight the importance of market, social and cultural knowledge for international businesses. More recent theories (Networking and INV-International New Ventures) empathize other factors as sources of knowledge and global entrepreneurship.

The Uppsala theory, commonly known as the incremental internationalization model (Knight & Liesch, 2015), is the cumulative commitment to international activity. The theory focuses on companies and their gradual acquisition, integration and use of knowledge about foreign markets and operations. In addition, these companies successively and increasingly commit to these markets through sequential stages. The order of selection of countries for internationalization is related to the “psychic distance” between the target country and the origin country (Jan Johanson & Vahlne, 1977).

Another theory is the Finnish-POM Model and it can be separated into four dimensions. These are: product, operation, market and organizational capacity (Senik, Isa, Scott-Ladd, & Entekin, 2010). “First is Product (P), which describes ‘what’ in terms of the firms’ goods, services, know-how and systems. Second is the Operation mode (O) which relates to ‘how’ firms operate such as through agents, subsidiaries, licensing and management contracts. Third is Market (M), which describes ‘where’ in relation to the selection of markets and takes into account political, cultural and physical differences. The ‘organizational capacity’ dimension was a later addition to describe organizational structure, resources, finance and personnel (Welch & Luostarinen, 1988)” (Senik et al., 2010,

p. 287) . In summary, the Finnish-POM model compliments the Uppsala theory because it supports that firms should moderate their expansion speed abroad and should do so as they accumulate resources and international experience (Chang, 2007; Vermeulen & Barkema, 2002).

Networking with customers, suppliers and other stakeholders constitutes a source of market information and knowledge, which accelerates and unrolls the internationalization process (Johanson & Mattsson, 1988). On the other hand, INV attribute significance to the new market conditions, (1) technological developments, developments in transportation and communication, (2) the importance of global networks and alliances, and (3) more capabilities of people, including those of the founder/entrepreneur who creates internationalized firms (Rialp, Rialp, & Knight, 2005).

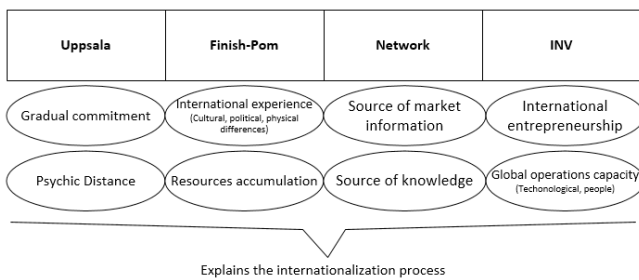


Figure 1 - Internationalization theories

A. Proactivity

Regarding entrepreneurial internationalization, Acedo & Jones (2007) constructed a model, which elevates the importance of the individual’s proactivity in the internationalization process. They conclude that cultivating a ‘can-do, will-do’ philosophy within the firm may help to increase proactivity, reduce risk and accelerate internationalization. Proactive firms are more receptive to foreign market needs and as a result their positioning changes to exploit overseas opportunities that fit their capabilities (Morris, Webb, & Franklin, 2011).

B. Knowledge creation capacity

Technology enterprises are knowledge intensive firms (KIFs). The main characteristic of KIFs is their dependency on knowledge for creating competitive advantage. Such organizations are highly dependent on their principal assets – their employees. Moreover, the ability to ‘grow knowledge’ depends greatly on the sharing of that knowledge between employees, which requires their co-operation. This places a premium on satisfying the needs of employees – the owners of intellectual capital. Indeed, the success of the organization depends on managing these knowledge workers so that they are attracted to the organization, they want to stay and they are highly motivated to perform well.

Knowledge can be sourced in individuals or Social Capital (knowledge that is embedded within the organizational relationships and routines.). Market positioning should take into account Social Capital because it provides important information for the business. Enterprises should retrieve information from their daily operations, namely from relationships between employees and experiences from client projects (Swart & Kinnie, 2003).

III. METHODOLOGY

A mixed methodology (qualitative and quantitative) was followed for this research project.

This work draws conclusions based on a case study

(Quatenus), two interviews (company A/B) and a questionnaire (aimed at 40 executives in firms with internationalization knowledge).

The interviews and the questionnaire were undertaken within the scope of a Master’s dissertation (about the internationalization process of technology firms). The most pertinent results of this research effort were selected.

Firstly, an auto-ethnographic and participant observation article was written about the positioning in different geographic markets (Au-Yong-Oliveira, Reis de Sousa, & Gonçalves, 2017). Secondly, an internationalization literature review was conducted. From the latter research effort, a series of questions were formulated. They were used in the interviews and in the questionnaires.

A. Quatenus case study

The methodology used in the quatenus case study Yin (2003) was based on participant observation and ethnography which produced qualitative data (Remenyi, 2013). As the adaptation of software positioning within national realities and cultures is a contemporary problem, it is possible to address this by analyzing a concrete platform. Case studies may create important explanations and generalizations Yin (2003). The article data comes from the experience and field notes of one author in the company portrayed (where he was a business manager between 2014-2016), in addition to his teaching experience in Mozambique (2016-2017). Another co-author was in Mozambique in an exchange of experiences at the higher education level (2017). An effort was made to triangulate the data, having also researched published sources. On the other hand, an effort was made to choose unusual and interesting cases - cases of “talking pigs”, which are not just pigs like so many others (Siggelkow, 2007). This effort was made here, by choosing the cases from unusual countries - Mozambique, framed in Africa and Portugal, within the European Union (although in the periphery).

According to Remenyi (2013) where possible, observation should be used together with interviewing and this was the case in this research project.

B. The interviews

A qualitative approach was used to collect and analyze data from three international companies. These companies were selected from one of the author’s networks (a mixture of both convenience sampling, involving ease of access, and purposive sampling, whereby interesting and relevant cases were selected, as mentioned below). A concrete example of every group (companies A and B have differing opinions when it comes to market knowledge) was considered because it is much easier for the reader to imagine how the conceptual argument might be applied to one or more empirical settings (Siggelkow, 2007). The interviews followed an interview script, were recorded in audio, with permission, and were fully transcribed for analysis purposes.

C. Questionnaire

The questionnaire had the same questions as the exploratory interviews. Remenyi (2013) and (Bryman & Bell, 2011) were consulted to design the survey. The Likert-type scale was used in this case. It is commonly used, and their properties are well known (Bryman & Bell, 2011; Hartley, 2013; Krosnick & Fabrigar, 2012; Oppenheim, 2000; Remenyi, 2013).

Business people from internationalized firms of any age and any phase in the life cycle (including maturity and decline) were

surveyed, based on their positions and companies (technology-based) that the people represent, and furthermore an effort was made to contact people individually to answer the questionnaire. As a result, some of the answers constitute a purposive sample. A total of 40 technology-based companies were surveyed.

IV. RESULTS

A. Case study – Quatenus

With regard to Mozambique, the country addressed in this research: “Mozambique scored 3.13 points out of 7 on the 2016-2017 Global Competitiveness Report published by the World Economic Forum” (Mozambique Competitiveness Index, 2017), which is poor. In this report, Mozambique’s ranking in terms of competitiveness was 133 (among 138 countries), near the tail end of the sample. With regard to corruption, Mozambique was ranked 142nd (total of 175 countries) (Mozambique corruption rank, 2016), similarly leaving much room for improvement. The combination of these two factors suggests that the country will produce poorly at the international level, which will in turn result in low wages, and this is a cycle which is difficult to break. The lack of competitiveness and low wages are linked to the second factor – corruption – and this is the means sought to supplement gains in a weak economy that is unable to satisfy its economic agents. Regarding the 2015 HDI (Human Development Index), Mozambique is ranked 181, among 188 countries and territories, tied with South Sudan, which means a very low level of development. Life expectancy at birth is 55.5 years (it was 43.2 years in 1990, so a big improvement has been registered) (United Nations, 2016). In terms of competitiveness, Mozambique is ranked 133 in 138 countries analyzed, with a population of 28 million and a GDP (Gross Domestic Product) of 15 billion USD and a GDP per capita of 534.9 USD (WEF, 2016). Following this perspective, there will have to be greater control of corporate assets, to protect the companies from their own associates and potential abuses. The Quatenus software and platform were developed against this background, to ensure the control of your business. It should be noted, however, that in extreme conditions any country in deep crisis and putting pressure on its citizens, such as Portugal in 2016 and 2017, might need this type of platform, given the despair of certain people – in the work context, but also in the family context. Therefore, product innovation – the invention of something new and of value, which arises at the right moment – can be linked to internal processes of companies and is linked to consumption (Claudiu-Cătălin & Dorian-Laurențiu, 2014).

In the Global Competitiveness Report 2016-2017 (WEF, 2016), Portugal was ranked 46th, having fallen 8 places in a year (among a total of 138 countries). “In Portugal rates and taxes continue to be the problematic factors for business and a concern for entrepreneurs. Political instability rose three places on the list and became the third most troubling factor behind the bureaucracy.” (PME Magazine, 2017). In relation to corruption, Portugal fell to the 29th place (among 176 countries) (Expresso, 2017). Portugal thus shows a negative trend in two indicators crucial for the economy – and for the confidence placed in Portugal at an international level. Will the asset control tools gain more relevance in this macroeconomic scenario? The purpose of this study is to show that this will definitely be the case, not only in Mozambique but also in Portugal, although with a slightly different positioning.

What is the positioning of a product or service? “Positioning can be defined as a strategic choice that seeks to give a credible, different and attractive position to an offer (product, brand or insignia) within a market and in the clients’ minds” (translated

from Lendrevie, Lévy, Dionísio, & Rodrigues, 2015, p.187). As there are different national cultures facing different problems and promoting different approaches, this could be the reason for a company wanting to position its products and services in different countries, taking into account the local requirements.

With respect to transport, Mozambique has only one airline – LAM, Mozambique Airlines (in a monopoly position, at the domestic level) –, which is somewhat inconstant in the provision of its services (flights are cancelled and are not restricted to default schedules). LAM is in a position of power, since it is hard or even impossible to drive between some of the major cities (it may take, for example, 30 or 40 hours instead of two hours by plane). There are asphalt roads in Mozambique, yet much of the country has dirt roads with uneven floors that generate higher vehicle maintenance costs, especially after heavy rainfall. The ideal car to use in these conditions is the SUV (Sports Utility Vehicle), as it is the most resistant. Four-wheel drive vehicles are more appropriate (in dry weather it gets sandy, in rainy weather it gets muddy). In addition, the existence of taxis is not uniform in Mozambique. These realities were analysed by the said co-authors and in the Participant Observation effort.

B. Case study questions and goals

This study shows that there is no global culture and reality that leads to the implementation of global tools and those local circumstances are a reason for adapting services and products. There are richer countries where the wages of newly graduated college students stand at approximately 3,500 Euros per month (such as Finland and the Netherlands). In Portugal, the wages of new Master’s Graduates (nowadays generally accepted as the “minimum” entry level to industry) from major accredited universities are around 800 Euros. The wage level will also depend on the region of the country and the course and industry concerned. If a citizen does not have a college degree, wages are certainly lower (not to mention unusual constraints such as joining a family business or being an agent who starts his/her own business and start-up). Will this economic reality affect the behaviour of a company’s employees and the way they treat the company’s assets? It would appear so – if consumption is affected by economic crises, this will result in an increase in the consumption of low-cost products, for instance (Hitt, Ireland, & Hoskisson, 2012). In the event of employees having access to a company’s valuable assets, then additional precautions will have to be taken in certain environments, in order to protect them.

C. Case and research background

The case refers to a company with local offices in Mozambique, where one of the co-authors was a business manager. The company in Mozambique had 10 employees and was part of the Sinfic Group, S.A.. The field of business was the geo-localized management of assets using a computer platform. Sinfic S.A. is a Portuguese company with its headquarters in Lisbon (where all the software is developed) and offices in Mozambique, Angola, Brazil and South Africa. Sinfic, with about 100 employees (varying according to the seasonality of the projects), is a leading company in the computer field and the company was developing software for the Angolan elections.

The computer platform is called Quatenus – see available information (Quatenus, 2016a). As more and more companies opt for this online information channel (Gonçalves, Martins, Branco, Perez-Cota, & Oliveira, 2016; Martins, Gonçalves, Pereira, & Cota, 2012) the positioning in the Portuguese domain serves the purpose of cost control and theft protection, as well as protection against misuse through communication and automatic

processing (Quatenus, 2016b).

The growing use of these platforms only happened due to the evolution of mobile Internet in Mozambique, which is growing significantly. Before, the geolocation of assets was only possible using an Internet satellite, which was too expensive.

Simple tracking platforms such as 'Cartrack' have had greater market penetration because of their lower price, but also due to the struggle for resources to use and understand the benefits of advanced management platforms.

In Quatenus (2016a) it is shown how Quatenus products can be used by the management team, but also by operators (sales, service) "who need accurate and real-time geo-referenced information about the reality of business activity" (Quatenus, 2016a).

The Quatenus service is intended for mature, medium and large commercial management companies (over 50 vehicles), which monitor operations and productivity and make planning decisions (Quatenus, 2016a).

With evolution and maturity, companies tend to rely more and more on the ability to lower their costs and stay competitive. Savings are one of the key benefits of the product, leading to higher productivity and profitability of client companies. By lowering their costs, customers' companies can pass on these gains to their own customers in the form of lower prices, which means they can gain more market share than rival companies.

"The typification of vehicle uses, the establishment of performance standards, and the rigorous planning of fleet activity allow it to increase productivity and profitability by more than 30 %" (Quatenus, 2016a).

The main purpose of using the system in Mozambique, with a positioning slightly different from the Portuguese case, described above, was the management of the fleet that allows the identification of drivers, compliance with routes and various alerts such as speeding, hard braking, etc. The goal is to minimize costs for customers by enabling greater control over assets. In Mozambique the annual turnover is around 12 million Meticais (about 160,382 Euros).

The software platform service costs eight thousand Meticais annually (around 100 Euros, given the crisis environment and the devaluation of the local currency). The hardware costs, in its most basic form, 200 US Dollars. The hardware cost was always indexed to the US dollar.

Companies pay every year 12,000 Meticais for the software (about 160 Euros). This allows for full management of the fleet. The price is per unit (per asset, per car).

The advantage of using this advanced platform is the possibility to extract real time information and to compile important management indicators in standardized reports (cost per km travelled, driver ranking, identification of periods of affluence, etc.) in Excel or PDF, according to the users' desire.

Mozambique's society is quite different from the Portuguese society, which involves a completely different cultural adequacy. It is necessary to ensure the control of the employees' use of a company's resources. In the Mozambican case, the focus was on cars. Company cars are often used as taxis to make money in post-work hours, something that has to be mitigated.

The biggest concern is fuel control, because there are still high rates of theft. The company tested and developed a fuel probe with live information and alerts (immediate).

The company in Mozambique is based in Maputo and has partnerships all over the country. The manager had to accompany the partners to carry out business in the provinces, a very important factor in that country, given its size and given the difficulty of travelling between the various provinces.

One of the co-authors taught a course unit on an accounting course. He noted that Mozambique's higher education is quite different from the Portuguese equivalent, as it is hard to get the students' active and relevant participation. Students are poorly prepared when they reach higher education and have difficulties in performing and delivering low-difficulty work. Some students have difficulty reading and interpreting texts. This is due to the teaching of Portuguese, which is not their mother tongue, despite it being used at school. They speak dialects at home and only have contact with Portuguese at the age of six, when they go to school. Teachers in many countryside universities are the students of the previous year. There is a lack of qualified human resources. This gives rise to a problem of accuracy and pertinence of the information given. On the other hand, another co-author of this study found that post-graduate higher education in Mozambique is expensive and not available to everyone, possibly costing as much as two local minimum wages, per month, to attend an attractive and international program; which means that not many people will have access and if they do it will probably be at considerable personal sacrifice.

With respect to safety, public security entities (police) continue to have very limited resources and insufficient salaries to live a normal lifestyle and therefore it was not possible to find a police officer who was not entangled in the informal compensation system, up and above the normal penalty (the concept of "soft drink" exists in Mozambique – which consists in obtaining capital from individuals in exchange for "letting go"). The reporting of any crime remains very expensive because justice works by monetary incentive. A company employee used a card to spend 1,500 Euros on private communications through a mobile device (this situation really happened) and when the complaint was filed, an amount was immediately requested to arrest the person. The crime was to watch videos all night, of all kinds, with company material, and that cost the company money.

The Portuguese manager and co-author was in Mozambique for a year and ten months, having finished functions in December 2016. It was a very rich and international experience at the top management level in a micro-enterprise that drew attention to the difference in national cultures and the functioning of institutions. The experience has led to a greater approximation of the computer platforms and greater sensitivity to the surrounding environment as a business dominant influencer (Industrial Organization model – see Hitt *et al.*, 2012). Different cultures imply different technological and management tools to control and mitigate losses. Liability, as well as the responsible actions, vary according to reality. Only those who are close and live day-to-day, in the specific context, can understand the difficulties to achieve a meritocratic society that promotes, at the same time, equality of opportunities. The transaction costs mentioned, in 1991, by Nobel Prize winning economist Ronald Coase result in hidden costs, which means that the current system has nothing to do with the formal rules created to institute it. The Nobel Prize had to do with "his discovery and clarification of the significance of transaction costs and property rights for the institutional structure and functioning of the economy", a contribution that crosses the areas of economy, law and organization (Nobel Prize, 2014).

With contact networks and organizational subcultures, technology is a means of control to fight against those who escape the established rules.

Finally, it will take a lot of political maturity to correct certain inequality situations, which result in so many other violations of citizens' rights. Defining culture as "the accumulated shared learning of a given group, covering behavioral, emotional, and

cognitive elements of the group members' total psychological functioning.” (Schein, 1992, p.10), and being the national cultures responsible for the establishment of the rules of conduct and institutions, it will take a lot of effort in countries, according to the Nobel Prize co-winner in Economics, in 1993, Douglass C. North, and as he later reported (North, 2005), it will take a lot of concerted effort to lead to the further development of nations.

On the other hand, it will require a lot of prior analytical work before attempting to sell and implement computer solutions in certain environments, as the case presented in this article shows. The problems experienced in Mozambique will not be evident in countries within the European Union, such as Portugal, France or Germany. It does not mean that they are better, but simply that they are different. That is why a management control mechanism must exist there as well as asset protection tools that respond to the diverse needs of each market. Assuming also that there are different market positions.

D. Interview – Company A

Company A is headquartered in IEUA (Incubadora de Empresas da Universidade de Aveiro – the University of Aveiro Enterprise Incubator) and develops a telecommunication electronic component. It has six full time workers and three more people that work in the scope of their academic research. The departments are not thoroughly defined, but each worker knows their function. The person interviewed controls the financial and operational areas. All workers have a Master's degree and three of them are obtaining a doctoral degree.

They did not need to be very proactive to find channels for internationalization. The company quickly obtained contacts by participating in some trade shows and conferences. From there, they focused on product development using these contacts.

At the moment, the product development is in accordance with the requirements given by a few American customers. Currently, the company exports directly to the USA.

The company produces a specific and advanced technology, and for that reason it was mandatory to start selling to other countries. Internationalization to additional countries is likely to take more time for technological reasons.

Questioned about the key resources, which allow the company to internationalize, the following answer was given: “The key is what we are developing. It is obvious that we have to be able to do it. We must have financial resources, people with the capacity to do this, but the focus, the main thing, what makes us get a foot on the other side of the world is what we developed effectively, the technology” (interviewee and chief financial officer at company A, in May 2017). This emphasizes the importance of the product.

In their case, they do not consider the importance of increasing their knowledge of the country they are selling to (e.g. its national culture) because they sell to a limited number of companies (due to the specificity of the product). “If I make a Formula 1 car I do not need to know if all the people will accept it.” (interviewee and chief financial officer at company A, in May 2017). The specificity of the product in a small business-to-business market is more important than values, beliefs and policies at the national level.

E. Interview - Company B

Company B was founded in Lisbon, and there is also a sales office in London, but the production unit is based in Évora (Portugal). They do “digital delivery”, in other words they develop digital solutions such as websites and mobile apps.

At the time of writing, the company had about 30 employees aged between 27 and 35 years old. All the workers had higher education diplomas.

The company was founded in 2010 and they quickly started exporting. Two years later a subsidiary in London was created. They have exported to more than 10 countries

The CEO said that it was necessary to streamline the whole project in Portugal before establishing the firm abroad. The first step was to hire externally within the UK, which took some time.

For this company to start an international business they ideally needed to have partners abroad or to hire locals. According to them it is complicated going alone abroad because they have to make new contacts. They also have to comply with local policies and culture that may differ from the originating country therefore local people with this knowledge need to be hired.

Questioned about their proactivity the CEO affirmed that there is no doubt that the company has been proactive and that this is completely necessary.

They evaluated the possibility of opening a sales office in France and Spain but England was chosen because it was aligned with the business strategy, as well as for social reasons (the language was easier for the entrepreneur and it is a more mature market digitally).

In their opinion, people are obviously the key resource for successful businesses. The potential of a company is related to the way companies select people (employees, partners, and customers).

The service that they provide to different countries also needed to be targeted because of cultural reasons. “We seldom design internationally, clients do it and we do the implementation. In Portugal, we do everything, from consulting, design, implementation and maintenance. Abroad, cultural differences exist...” (interviewee Chief Executive Officer at company B, in May 2017). Different countries have different approaches and requirements.

F. Questionnaire

In our sample, the need to know the market better, to adequate the product and the overall strategy in order to maximize sales opportunities, is broadly verified.

Question in the survey: The company had / has success in its international business because it has sought to better understand (cultural, economic and social conditions) the countries in which it intends to grow internationally in order to adapt market positioning or adapt products, in order to maximize sales opportunities.

Thirty-nine answers to the question above were collected and divided as table 1 shows. We thus see a considerable amount of answers (a total of 27 out of 39, or close to 70%) at levels 4 and 5 (partially or strongly agree) – which means that adaptation (of positioning and products) is important in international markets, according to the questionnaire sample.

| Strongly disagree | Partially disagree | I do not agree or disagree | Partially agree | Strongly agree |
|-------------------|--------------------|----------------------------|-----------------|----------------|
| 1 | 1 | 10 | 16 | 11 |

Table 1- Questionnaire answers to – “The company had / has success in its international business because it has sought to better understand (cultural, economic and social conditions) the countries in which it intends to grow internationally in order to adapt market positioning or adapt products, in order to maximize sales opportunities.”

The answers to another (open) question “What would you do differently if you were to start the process again?” were very diversified. They reinforce the importance to choose good partners and relationships, they reinforce the importance of cultural differences and the need to study the market. Also, the importance of solidifying domestic relationships before going abroad is referred to.

Other answers by the sample of companies justify why Portuguese companies need to internationalize:

- “The domestic market is insufficient” – 19 out of 38 (50%) companies partially or strongly agree;
- “The profit margins obtained abroad are higher” – 30 out of 39 (77%) companies partially or strongly agree;
- “International business – key resources – management – ability to create knowledge and apply it across borders” – 31 out of 39 (close to 80%) companies partially or strongly agree;
- “International business – key resources are contacts and networking” – 33 out of 39 (85%) companies partially or strongly agree;
- “International business boosted by the knowledge and contacts of the partner established in the destination country” – 22 out of 38 (58%) companies partially or strongly agree.
- “International business boosted by the international experiences and mind-set of the manager” – 24 out of 39 companies (62%) partially or strongly agree.

The study reveals that the Portuguese companies in the sample have internationalized due to better profit margins registered abroad (77%); the domestic market being insufficient for half of the sample. Contacts and the desired network (85%), as well as experience (62%) and a management competence applicable across borders (close to 80%), are factors that allow for successful company internationalization.

V. DISCUSSION

Internationalization involves “*a strategy through which the firm sells its goods or services outside its domestic market.*” (Hitt et al., 2012, p.219; see also Oliveira, Gonçalves, Martins, Moreira, & Branco, 2016). A significant number of companies in smaller countries, particularly in certain industries, need to internationalize to survive. Civil construction in Portugal was an extreme case of this reality, the crisis extending until the year 2017, although with some improvements. Faced with the stagnation of the construction industry in Portugal, that even affected education (where students opted for other areas of education, to avoid unemployment), those who did not internationalize disappeared from the market (Soares, 2013). Internationalization can be achieved through the sale of standardized products in international markets (global strategy): “A global strategy is an international strategy through which the firm offers standardized products across country markets, with competitive strategy being dictated by the home office.” (Hitt et al., 2012, p.228).

The cement company CEMEX pursues a global strategy (Hitt et al., 2012). In terms of software and computer platforms, there are several philosophies that can be followed, not just the global strategy, and (Oliveira, Barandas, & Barros, 2007) write about Sage’s case. To sell their management software, Sage adopted a multi-domestic international expansion strategy. They recognized that national cultures are different, collected knowledge about them, and enabled decentralized decision-making in each country. The multi-domestic strategy allows to act on the perspective that each country is different, making it

necessary to adopt different strategies in each country. This is what we observed using the Quatenus platform, with different positioning in Mozambique and Portugal.

In Mozambique, Quatenus protects companies from the use of their assets by employees. In richer countries, the positioning is more focused on optimizing assets and lowering operating costs, as a result of greater competitiveness in the market. In African countries, there will be loyalty to the family, even if enlarged, not to the state or company. The concept of “xitique” (Coutinho, 2007) is an example of this and reflects the informal networks existing in Mozambique and their importance. “They provide rural populations with access to locally generated savings and function as a cushion in periods of economic fluctuation, promoting the formation of cooperatives and strengthening the sense of community.” (Coutinho, 2007, p.307). In Europe, we will see greater identification of employees with their companies, which in turn will lead to more “responsible” behaviours from an organizational point of view.

VI. CONCLUSIONS

A renowned author writes about the semi-globalized world (Ghemawat, 2007), as we witness great differences between countries and peoples in the 21st century. We are proponents of this approach, even within Europe, where there are large differences between, for example, the northern and southern countries (e.g. Nordic countries versus Greece and other Mediterranean countries). The differences between continents (e.g. Europe and Africa) aggravate the differences felt and the need to adapt products and market positions.

In our study, although the interviewee in company A emphasized the importance of the product and indicated that the specificity of the product in a small business-to-business market is more important than values, beliefs and policies at the national level; the interviewee in company B emphasized how different countries have different approaches and requirements. Furthermore, the survey revealed that close to 70% of the respondents see that adaptation (of positioning and products) is important in international markets.

Examples of different positioning, from Europe to Africa, include Inditex Group stores. For example, Zara in Morocco has a more elitist position than in Europe, since in Europe Zara is considered a more accessible fashion brand. In Portugal and England, Lacron filters is seen as a top brand in the swimming pool industry, while in Spain, due to the more distant relationship with the English culture and its products, they do not benefit from unique positioning, despite the commercial efforts undertaken (Oliveira, Moreira, & Ferreira, 2012). Thus, in commercial efforts, the points of sale and the benefits of a product should be focused on for the meeting of organizational goals, considering how knowledgeable one is about local cultures and institutions.

The younger generation, called the millennials, are the ones who use technology the most (Gonçalves & Oliveira, 2010) and we see some cultural convergence there, across national boundaries. However, a global culture does not exist, although social networks and social media have brought many countries closer together. Even the access to these platforms is not as widespread as one might think (in China there is no access to Facebook or YouTube, for example). Internet access quality also varies according to geography, and there is still no access in some places (in Mozambique Internet access is still poor in many localities).

On the other hand, low incomes lead to despair, and that is why the individuals and institutions that are in power should continue to fight for equality and the elimination of extreme

poverty, which exists on a large scale in Africa. Even the most optimistic estimates foresee that practices that presuppose a greater approximation between cultures and countries may take more than a century to reap results (Hofstede, 2001) – with all the possible advantages and disadvantages for companies located in every corner of the planet.

The study concludes that the local circumstances (of economic development and related local culture) justify the adaptation of services and products, in order to maximize sales and optimize positioning in international markets.

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