

# Post Pandemic Internationalization Behavior

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## Abstract

The purpose of this study is to explore the post-pandemic internationalization behavior of Paraguayan firms using a comparative multiple-case study design as research methodology. Data was collected through qualitative, in-depth interviews with senior managers of Paraguayan case study firms and other sources of evidence in 2022. The findings of this study suggest that the post-pandemic internationalization behavior differs from the pre-pandemic behavior. The data reveals that Paraguayan firms seem to have digitized their internationalization processes to connect with customers and distributors, to increase the productivity of internationalization, to manage internationalization cost, and to develop online distribution and marketing channels to acquire international customers directly. The “working from home” trend allows them to recruit more experts from abroad and with their global exporter business model, they may flexibly respond to business opportunities and to a growing geopolitical risk. The findings of this study have implications for practice and theory. Managers may use the results to improve their internationalization processes. Researchers may continue this research with quantitative research methods and in other countries to strengthen and verify the results.

**Keywords:** international business, international management, international entrepreneurship, emerging markets, developing markets, born global model, internationalization behavior, Paraguay, Uppsala model, pandemic

## 1. Introduction

The motivation and the need for this study is to better understand the internationalization behavior of Paraguayan firms in a post-pandemic reality due to a record Paraguayan trade in goods and services deficit in 2022. According to the Banco Central del Paraguay (BCP) (2023), Paraguay has a trade in goods deficit of 4'633 mil USD (31.7%) and a trade in services deficit of 132 mil USD (10.9%). The highest deficit was generated with China (app. 3 billion USD) and, at a certain distance, the USA (app. 500 mil USD) (BCP, 2023). Even if the trade deficit increased sharply in 2022, mainly due to the lack of soy exports, Paraguay has not yet succeeded in reducing its dependence on agricultural exports (BCP, 2023).

Paraguay is a landlocked country in South America with a GDP of 39.5 billion USD, a GDP per capita of 5'892 USD, and a population of 6.7 million in 2021 (World Bank, 2023). Since 2014, the GDP is stagnating and due to a growing population, the GDP per capita has decreased. Paraguay may be considered as a small and open economy (SMOPEC). It is part of the Mercosur free-trade area (Mercosur, 2023). This allows Paraguayan firms to trade with Argentina, Brazil, and Uruguay under preferential conditions and to benefit from Mercosur's free trade agreements (Mercosur, 2023). In fact Paraguay's main trading partners are Brazil and Argentina (BCP, 2023). Despite these favorable framework conditions, the share of trade of GDP is 33.9% which is lower than that of developed countries like for example Switzerland (61%) and the Netherlands (83%) (WTO, 2023).

The purpose of this study is to explore the post-pandemic internationalization behavior of Paraguayan firms using a comparative multiple-case study design as research methodology and different quantitative and qualitative sources of evidence. The research problem is that most Paraguayans firms have to internationalize due to the small size of their home market to achieve sustainable growth. Therefore, they need to understand how the “new normal” or the “post-pandemic reality” affects their internationalization behavior. Neubert (2018) as well as Neubert and van der Krogt (2017, 2018, 2019) have already analyzed the internationalization behavior of Paraguayan firms from different industries, the impact of digitalization and of Paraguayan decision-makers on internationalization. With a newly collected dataset from 2022, the post-pandemic internationalization behavior of Paraguayan firms was again explored and compared with the results beginning from 2016.

The article is structured as follows: first, the literature about the status of research about the internationalization of Paraguayan firms was reviewed and second a conceptual framework was developed. In the following chapters, the research methodology is presented, including the sampling strategy and the research question. In chapter 8, the findings about the current internationalization behavior of Paraguayan SMEs are discussed and finally, the article concludes with a list of key findings, an analysis of the impact of the research results for scholars, policy makers, and practitioners, and recommendations for further research.

## 2. Literature Review and Conceptual Framework

### Conceptual Framework

The conceptual framework for this study uses the “company2newmarket” (c2nm) market development process (Neubert, 2011; 2013), the Uppsala internationalization process model (Johanson and Vahlne, 2017; 1977), and the Born Global model (Rennie, 1993) to analyze the phenomenon of this study, namely the post pandemic internationalization behavior of Paraguayan firms (see figure 3).

Neubert (2011) developed the c2nm market development process to describe how German firms select, prepare, enter, and develop new markets (see figure 1). The whole process consists of four steps. In its first step, firms select the most attractive foreign markets for their products often with the use of business intelligence software including big data and AI analytics (Neubert, 2013; 2016). In steps 2 and 3, firms prepare or adapt their business model for the foreign target markets selected in step 1 (step 2) and finally enter them in step 3. In step 4, they implement strategies to grow their market share to reach profitability after the local business model was successfully tested in step 3 (Neubert, 2013; 2015). Firms, which use this process for all foreign market entry projects will benefit from economies of scale and scope as well as synergies, and will have a structured process in place to grow their international management experience, to generate knowledge about foreign markets, and to develop their networks there (Neubert, 2013). The c2nm market development process evolved since then. Neubert and van der Krogt (2017; 2018; 2019) as well as Neubert (2017; 2018) demonstrated that its efficiency improves with growing digitalization and increasing management knowledge and experience leading finally to a higher speed of internationalization (Neubert, 2022) and that “internationalization” itself will remain a core competence or even becomes a competitive advantage of the firm (Neubert, 2011; 2013).

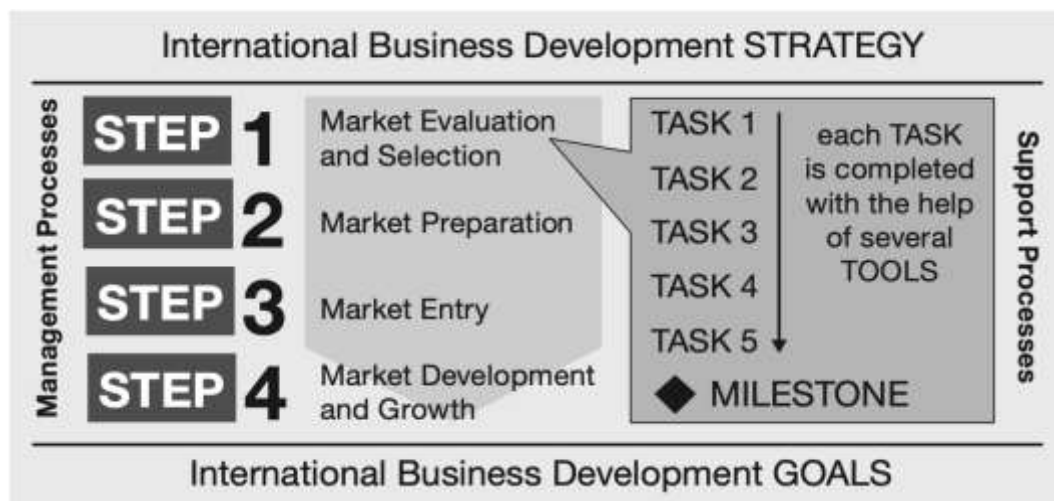


Figure 1. “company2newmarket” (c2nm) market development process (Neubert, 2011; 2013)

Johansen and Vahlne (2017) presented their Uppsala internationalization process model (UIPM) to describe the internationalization behavior of Swedish companies for the first time in 1977. The UIPM is one of the “stage” models of internationalization (Johansen and Vahlne, 2017). Companies first enter nearby foreign markets that have only a small cultural, economic, administrative and geographical distance to the home market before they become interested in markets that are further away (see figure 2). They are also more likely to use a low-risk form of market entry such as export. With increasing market success including building a local network and knowledge of the target market, they may be willing to relocate more of their value-added activities abroad such as a local subsidiary or sales office. An important concept of the UIPM is the “firm specific advantages”, which are defined as the competencies of a firm that represent an important competitive advantage abroad to compensate for the lack of market knowledge and network (Johansen and Vahlne, 2017).

The UIPM has evolved continuously since 1977 (Vahlne, 2020; Neubert, 2016). The latest developments include that learning from experience should be supplemented by learning from a network of partners and highlight the evolutionary process of knowledge development (Vahlne, 2020). Both as well as the role of the management and digitalization drive international performance (Vahlne, 2020; Coviello et al., 2017). Recently, Schweizer and Vahlne (2022) argued that the UIPM can describe both a continuous and a non-continuous internationalization process. Johanson and Johanson (2021) added that the UIPM can predict both slow and rapid internationalization based on the speed of knowledge development and networking, the international experience of managers and the digitalization of the internationalization process.

Market Entry Modes	Export	FDI Foreign Direct Investment	
	Direct Export (with Distributor)	Sales Office	WOS Wholly-owned Subsidiary with local Production
Market Selection and Distance			
Mercosur Member States		Market Commitment Establishment Chain →	
Other Foreign Markets in Latin America			
Other Foreign Markets with Spanish-speaking Communities			
Other Foreign Markets		Market Distance Establishment Chain ↓	

Figure 2. Market distance and market commitment establishment chain (Neubert, 2018)

Rennie (1993) coined the term born global firm (BGF) to describe small and medium sized Australian firms that export their products abroad soon after their inception (Cavusgil and Knight, 2015; Knight and Liesch, 2016). Born global firms (BGF) are mainly found in small and open economies (SMOPECS) that only have a small home market and therefore export a large part of their products primarily to attractive foreign markets. Both high-tech and low-tech firms (example: agricultural industry) may use the born global model to internationalize (Pandey and Rana, 2011). The role of the senior management teams is also important because their growth strategies have a significant impact on a Paraguayan firm using the BGF model (Prieto-Sánchez and Merino, 2022). In addition to structured internationalization processes (Neubert, 2013), BGFs like to draw on their networks or unique business opportunities, the international work experiences of their management, and a focus on a small global market niche (Hennart et al., 2021).



Figure 3. Conceptual framework (source: author)

## Literature Review

The purpose of this literature review is to inform the reader about the status in academic research about the phenomenon of this study, the post-pandemic internationalization behavior of Paraguayan firms.

Neubert (2018) posits that the majority of Paraguayan enterprises engaged in international operations adopt proactive, research-oriented approaches to market entry and follow a systematic market entry process. This observation was corroborated by Ibrahim et al. (2020) in their conference paper. Both studies suggest that Paraguayan firms' market research primarily centers on identifying business prospects, expanding their network in foreign markets, and adapting their products and services to foreign markets (Ibrahim et al., 2020; Neubert, 2018).

The majority of Paraguayan enterprises typically begin their internationalization activities by penetrating the neighboring countries and the other member countries within the Mercosur free trade region, namely Argentina and Brazil, prior to venturing into Chile and other Southern American markets (Ibrahim et al., 2020 and Neubert, 2018). This pattern of expansion aligns with the Uppsala model of internationalization (Johansen and Vahlne, 2017). However, Neubert (2018) also noted that certain deviations from the Uppsala model can occur due to factors such as the international experience of senior management in a particular country, the unique characteristics of a given business model, and the presence of business opportunities in foreign markets.

According to Neubert (2018), the principal criteria for Paraguayan firms to select and enter a foreign market are the attractiveness of the foreign market and the existence of valid business opportunities. Neubert (2018) further asserts that the biggest member countries of the Mercosur free trade zone Argentina and Brazil are particularly attractive to Paraguayan firms due to their cultural, regulatory, economic, and geographic proximity, as well as their lower market entry barriers.

Direct export in cooperation with a local distributor is almost exclusively chosen as the form of market entry and growth (Neubert, 2018). This depends on the one hand on the business model and on the other hand on comparative advantages (especially the agricultural industry) such as competitive production cost (for example low energy cost) and a high productivity (Neubert, 2018). Besides direct export, Paraguayan firms seem to prefer hierarchical market entry forms (for example direct sales) to keep control over the sales and marketing processes with low commitment market entry forms, and to use their resources to enter additional foreign markets rather than investing additional resources in existing ones (Neubert, 2018). Jean et al. (2021) demonstrate that the use of an e-commerce platform positively influences export sales performance, especially if local distributors are less professional and the administrative distance between the home and foreign market is high, which is often the case for Paraguayan exporters.

Digitalization of internationalization doesn't seem to be very widely used even if most interviewees are aware of the need to digitize their international business activities (Neubert, 2018). Thus, the role of the senior management and often only the entrepreneurs and founders with their personal characteristics, networks, and learning abilities are still a critical success factor (Neubert, 2018). This includes risk propensity. Senior management teams with higher risk propensity tend to enter more distant countries and tend to use more risky market entry forms (Boustanifar et al., 2021).

According to Neubert and van der Krogt (2017), Paraguayan ICT companies view early and rapid international expansion as crucial for their business survival due to the limited size of the domestic market. However, these companies often face significant delays in carrying out their international market development plans compared to their initial timelines. This is mainly due to the lack of structured internationalization strategies caused by insufficient market data and a lack of experience in international management.

According to Neubert and Van Der Krogt (2017), the majority of Paraguayan ICT companies expand into foreign markets by leveraging their existing networks and clients, seizing market opportunities, or simply following their current clients. However, they tend to do so without thoroughly evaluating the reasons behind the attractiveness of these new markets. Their main drivers for internationalization are business opportunities which they acquire through their networks and following existing customers abroad (Neubert and van der Krogt, 2017). The focus on network development and not on a structured internationalization strategy and process could suggest that the internationalization behavior is rather difficult to plan which repeatedly led to deviations from the business plan (Neubert and van der Krogt, 2017).

Paraguayan ICT firms have highlighted the benefits of utilizing business intelligence solutions for internationalization purposes, such as analyzing foreign markets. However, their usage is limited due to the lack of available data and high costs (Neubert and van der Krogt, 2018). Consequently, Paraguayan ICT firms rely

primarily on the international experience of their senior management and their networking and learning abilities to facilitate internationalization (Neubert and van der Krogt, 2019; Neubert, 2022). This internationalization strategy is characteristic of a rapidly growing industry, comprising numerous small and young firms, which possess significant potential for professionalization. Consequently, it is essential for practitioners, policymakers, and researchers to harness this potential to ensure sustainable success in the internationalization of the Paraguayan ICT industry (Neubert and van der Krogt, 2019).

It is universally acknowledged among Paraguayan ICT firms that their competencies are fundamental to their success in the international arena. Accordingly, their ability to acquire new customers and conduct business in foreign markets is critical for achieving a rapid and sustainable pace of internationalization (Neubert and van der Krogt, 2017).

Debellis et al. (2021), Ariza-Ricaldi et al. (2019), and Neubert (2018) have called for further research about the internationalization behavior of (often family owned) firms from Latin America, and especially Paraguay, to better understand their internationalization behavior in the post-pandemic world using different research methods and bigger sample sizes.

### 3. Research Design and Question

This study is about the post pandemic internationalization behavior of Paraguayan firms as the phenomenon of interest and follows a call for further research from Debellis et al. (2021), Ariza-Ricaldi et al. (2019) and Neubert and van der Krogt (2019). Its objective is to test concepts, to continue and to extend research through a replication of Neubert's study from 2018 with an extended sample and questionnaire (Dau et al., 2022).

#### Research Question

The overarching research question of this study is based on its purpose to explore the internationalization behavior of Paraguayan firms:

*What are the perceptions, views, and opinions of Paraguayan firms' senior managers about their firms' internationalization behavior?*

Based on the overarching research question and the conceptual framework, a questionnaire to collect the perceptions of senior managers of Paraguayan firms was developed to explore the internationalization behavior of their firms.

### 4. Research Method

The selection of the research approach depends on the objective of this study. In this study, a comparative multiple case-study research design is utilized to respond to the explanatory research inquiry using both qualitative and quantitative sources- (Neubert, 2023; Halkias et al., 2022; Halkias and Neubert, 2020; Yin, 2017). The reason for utilizing a qualitative approach is that it enables an investigation into a phenomenon within its initial setting (Reuber and Fischer, 2022) using case studies as research methodology (Welch et al., 2022).

A multiple-case study approach provides greater adaptability, generates comprehensive qualitative and quantitative data, and enables a thorough examination of intricate phenomena, such as the internationalization behavior of Paraguayan firms in a highly-contextualized setting. In contrast to an experimental or quantitative research design, this method grants the ability to compare various case studies using the replication logic, which allows for the attainment of both internal and external validities and the examination of pattern-matching features among theories and cases (Yin, 2017; Halkias et al., 2022; Halkias and Neubert, 2020).

### 5. Sampling Strategy

The choice of a convenience sampling strategy is based on the purpose of this study to gain a deep understanding of the internationalization behavior of Paraguayan firms. Therefore, the researcher included senior managers of Paraguayan firms in the sample, who were able to provide rich, detailed data that can be used to gain insights into the research question, who were easily accessible and available to the researcher, and who were willing to participate in the study.

The inclusion criteria for the selection of the Paraguayan firms were: incorporation in Paraguay; place of original product production in Paraguay; privately-owned; existing international business. The inclusion criteria of the senior managers of case study firms were: senior management role and involvement in international decisions for at least the last five years.

The sample size for this study was determined based on data saturation, which is defined as the point at which new data no longer adds to the understanding of the phenomenon being studied and that the sample size is

sufficient to capture the diversity and depth of the data, and no new information or themes are emerging from the data (Yin, 2017). Data saturation for this study was reached with a sample size of 74 participants.

## 6. Data Collection

In this research study, a variety of sources were utilized to gather information from various Paraguayan firms, including in-depth interviews with senior managers (Brinkmann and Kvale, 2018), reflective field notes, corporate materials like websites, brochures, and reports, industry reports, government statistics, and press articles. Data triangulation was used as a research technique that involves the use of multiple sources of evidence to collect data on a particular phenomenon (= post pandemic internationalization behavior of Paraguayan firms) to increase the validity and reliability of the findings by cross-verifying the data from different sources (Yin, 2017). In data triangulation, researchers collect data from different angles, perspectives, or sources to confirm or refute the consistency and accuracy of the data to reduce the risk of bias, errors, or misinterpretation, and enhance the credibility and robustness of their research (Yin, 2017). The primary data for this study was collected through online interviews, which lasted on average 27 minutes during the months of June and July 2022. To ensure reliability, the same questionnaire, study protocol, data collection technology, and data structure were utilized throughout the data collection process (Yin, 2017).

## 7. Data Analysis

The interviews were transcribed using otter.ai. The qualitative data analysis tool Maxqda was used to import the transcriptions. The analysis proceeded in a step-by-step manner, beginning with an analysis of each individual case (within-case analysis), then moving on to a cluster analysis of the results of the individual case studies to identify similarities and differences between the responses of Paraguayan companies studied. Finally, a pattern-matching approach was used for theoretical and literal replication, with the aim of increasing the transferability and generalizability of the findings to other contexts (Jensen, 2022; Welch et al., 2022). This methodology was described in works by Halkias et al. (2022; 2023) and Halkias and Neubert (2020). The quantitative data analysis was purely descriptive to support the discussions with the subject-matter experts because the sample of this study is not representative for the whole population of Paraguayan firms involved in international business (Harkiolakis, 2017).

## 8. Findings

This section presents the responses to the research inquiry regarding the views, opinions, and perceptions of senior managers from Paraguayan firms concerning their firms' post pandemic internationalizations behavior.

The first interview question was about the motivation of Paraguayan firms to go abroad (see Appendix A - Questionnaire). The themes which emerged from the qualitative data are “market-seeking” and “resource-seeking”. The descriptive quantitative data showed that almost all Paraguayan firms of this sample internationalize to increase sales revenues and to purchase raw materials or services abroad because the home market potential concerning clients and suppliers is limited. Efficiency seeking and a strategic motivation to go abroad is considered as less important. Most experts noted that their home market is too small especially for the majority of agricultural and industrial firms.

The second interview question was about the timing of internationalization. The descriptive quantitative data showed that almost all firms started to internationalize at least five years after incorporation and the successful development of their Paraguayan home market. The themes connected to this question are “funding” and “preparation”. Several experts stated that comprehensive preparation and risk management is crucial due to limited funding options. Paraguayan firms finance their internationalization activities from cash flow generated in Paraguay or from their owners, and needed time to develop an internationally competitive product.

The third interview question was about the market entry strategies of Paraguayan firms. The descriptive quantitative data showed that almost all firms applied an active, research- and opportunity-based market entry strategy. The qualitative analysis has put this answer into perspective, because Paraguayan firms have also reacted to inquiries from potential customers abroad and market research was more focused on microeconomic topics like for example the existence of potential distributors, competitors, customers than macroeconomic factors. One subject-matter expert remarked that “contacts to distributors and a deep understanding of the market” are his key factors to assess a market opportunity. Opportunities generated through their personal networks also play an important role in the design of the market entry strategy as many senior managers noted.

The fourth interview question was about the processes Paraguayan firms use to implement their internationalization strategy. As we have already seen in question 2, Paraguayan firms do market research (1) before they prepare (2), enter (3), and grow (4) in a foreign market. This included themes like distributors,

potential customers, product adaptation, export, logistics, or legal requirements as different subject-matter experts mentioned. These international market development processes were developed based on international experience and are mainly applied implicitly but still efficiently, and less structured or in a project organization as many senior managers pointed out.

The fifth interview question was about the average share of international sales revenues during the last five years. The interviewees hesitated to share financial details and if they were shared, it was difficult to assess whether they were correct. The descriptive quantitative data showed that the average share of international sales revenues varied between 1.5%-92%, whereas most agricultural firms producing meat and related products as well as soybean, sugar, and other crop products communicated values of above 60%, followed by other food manufacturers (e.g., cookies, tea, dairy products) mostly with values between 10%-25%, and other products (e.g., pharmaceuticals, furniture, apparel, ICT services) mostly with values below 20%. There were also a few exceptions of industrial firms with significantly higher international sales (e.g., one apparel firm with 75%) but still no ICT, FinTech, or other high tech firms.

The sixth interview question was about the sequence of foreign market entries. The descriptive quantitative data showed that most Paraguayan firms entered the neighboring MERCOSUR member countries Argentina and Brazil first, followed by other South American countries like Chile with the exception of most agricultural firms. The quantitative data was supported by the theme “market understanding”. Several interviewees mentioned that a deep understanding of the target market is necessary before entering it and that this is more likely to be achieved in similar markets like Brazil and Argentina. According to the senior managers of these firms, their focus is primarily on attractive foreign markets (= theme) with specific needs (= theme) in Asia, the Middle East, and the European Union. They also benefit from trends and business opportunities like for example sanctions and conflicts (keyword: Russia / Ukraine), the new “Green Deal” in the European Union, population growth in the Middle East, or specific customer preferences in profitable market niches (e.g.: Israel, Taiwan, the EU or the USA) because they are able to identify and to benefit from them due to their international experience.

The seventh interview question was about the selection of foreign markets. This question is related to question 4 and 6. The main theme was “market-research based market selection”. Most senior managers of Paraguayan firms wanted to understand whether they are able to sell their products profitably in a specific market and if there are any accessible distribution channels. They collected data through their professional network, at trade fairs and conferences, on online trade platforms, or through internet searches and used different data sources to confirm opinions and facts. They considered the personal interactions at trade fairs and conferences were considered as very helpful.

The eighth interview question was about the market entry form. The quantitative descriptive data analysis revealed that almost all Paraguayan firms of this sample use “direct export” with a distributor as market entry form. Other market entry forms were “direct-to-customer”, “cooperative export”, “sales subsidiary”, and “contractual alliance”. The qualitative data suggest that these market entry modes were chosen for the following reasons: In some industries (e.g., agricultural industry), Paraguay has a comparative cost advantage (= theme). Due to a fast changing international business environment and increasing political risk, senior managers prefer to diversify their own business risk across more markets using a low risk market entry form like export than investing too much in one specific market (= theme). Some senior managers mentioned their intention to develop their online shops with a customer service located in Paraguay using the “direct-to-customer” market entry form.

The ninth interview question was about the international experience of the senior management before the internationalization of their firms. The senior managers stated that the international experience, skills, and networks of the senior management was and still is very important:

- to make the decision to internationalize (faster) (theme: senior managers with international experience are more open to (earlier and faster) internationalization);
- to select markets (theme: senior managers with a positive experience or background in a specific market will most probably select this foreign market even if it is riskier);
- to choose a market entry form (theme: senior managers with a positive experience with a specific market entry form will most probably select it again even if it is riskier).

The tenth interview question was about the role of digitalization. The descriptive quantitative data analysis revealed that most Paraguayan firms are slowly digitizing their internationalization processes. The responses of the senior managers included some examples of digitization like for example the use of online video conferencing software, contract management software, customer relationship management systems, e-commerce

platforms or online shops (including electronic payment) (see also question eight), and social media platforms with the purpose of increasing productivity and managing internationalization cost more effectively. Almost all senior managers confirmed their interest in using big data analytics and artificial intelligence but they still don't have a specific use case and the necessary data.

The final interview question is about how the post pandemic internationalization behavior differs from the pre-pandemic. The following themes emerged from the purely qualitative data: "digitalization", "re-visit customers, distributors", "participate in trade fairs and conferences wherever possible", "recruiting", "online shops", and "virtual internationalization". The senior managers perceive that the number of industry events like trade fairs or conferences as well as the number of participants / exhibitors is still not on a pre-pandemic level which is negative for networking and relationship building. Some of the senior managers stated that it is easier to recruit experts from abroad because they can work from home (WFH) and don't need to relocate to Paraguay due to digitalization. One senior manager also mentioned the term "virtual internationalization" when describing his online shop, smartphone app, and social media marketing initiatives. Senior managers also pointed out that they will continue to focus on export as a market entry form to diversify a growing geopolitical risk.

The collected qualitative and quantitative data also revealed differences between the Paraguayan firms from the agricultural industry and the other firms of this sample. Therefore, the collected data of the Paraguayan agricultural industry was analyzed separately. In contrast to other industries like the ICT industry (Neubert and van der Krogt, 2019), the Paraguayan agrifood industry can be considered as a highly professional export industry with a global comparative advantage (Rente Nascimento, 2010) and a high share of international sales revenues. Especially the Paraguayan meat exporters are able to manage the increasing regulatory requirements of even the most demanding export markets like the European Union as senior managers stated. They also mentioned that there seems to be a growing ability to adapt to different customer needs (e.g., Middle East) like for example with different methods of product qualities (e.g., kosher and halal), cuts, or packaging. Further, they were able to extend their value chain activities through cutting, packaging, and labeling in Paraguay as the growing "Manufacture of Agricultural Products" exports demonstrate (BCP, 2023). Managers with long international experience also use business intelligence systems to support international decision making processes (especially to manage import regulations and barriers like sanitary measures or sanctions of the target market) as most senior managers have stated. Paraguayan agricultural firms often apply a "Global Exporter" business model using export with local distributors as market entry form, and attend international trade fairs and conferences for network development to benefit flexibly from market opportunities and geopolitical risk (e.g., sanctions, market entry barriers, or plagues).

## 9. Discussion

In this section, the findings of this study will be discussed and compared with the literature to identify similarities and differences.

The reasons why Paraguayan firms internationalize seem to be "market-seeking" and "resource-seeking" due to the limited potential of their home market (Neubert, 2018). The senior managers also suggest that Paraguayan firms begin to internationalize after a successful development of their home market. With this internationalization behavior, they seem to apply the Uppsala internationalization process model (Johanson and Vahlne, 2017; 1977) and follow an active, research- and opportunity-based market entry strategy which also includes other strategic options to understand how the foreign market works (keywords: customer preferences, distribution channels) and who are the main contact persons (keyword: networking) (Neubert, 2011; 2013). Agricultural firms still show the highest average share of international sales revenues confirming the results of Neubert (2018) and Ibrahim et al. (2020). Agricultural firms also seem to focus on the most attractive markets showing the ability to identify and to benefit from market opportunities and trends in their industry using more a global exporter approach than the born global model (Rennie, 1993; Knight and Liesch, 2016). In contrast to that, the findings suggest that most other Paraguayan firms follow the Uppsala internationalization process model and start their internationalization activities in the neighboring MERCOSUR member states Argentina and Brazil (Johanson and Vahlne, 2017; 1977) which also confirms the findings of Neubert (2018). The main foreign market entry but also market growth form remains "direct export with a distributor" (Neubert, 2018). In this case, Paraguayan firms don't follow the Uppsala internationalization process model but apply the Global Exporter business model. The findings of this study suggest that the influence of senior managers on the internationalization of their firms can't be underestimated, from the decision to internationalize to the selection of a foreign market over the speed and the success of internationalization. This supports the findings of Boustanifar et al. (2021) and Neubert (2018). The collected data also revealed that Paraguayan firms seem to use a structured internationalization process, at least implicitly. Beginning with the market selection and followed by



market preparation, market entry, and market growth, they step-by-step implement their internationalization strategy independent of their industries and target markets (Neubert, 2013; 2015; 2018).

The first original contribution of this study is that the post-pandemic internationalization behavior of Paraguayan firms is different from the pre-pandemic behavior due to an increasing digitalization of internationalization. The findings of this study suggest that Paraguayan firms use more software solutions to connect with customers and distributors (virtual conferences and trade fairs, videoconferences), to increase productivity of internationalization, to manage internationalization cost (especially travel cost), and to develop online distribution (online shops, apps) and marketing channels (social media marketing) to acquire international customers directly (Jean et al., 2021). This digitalization of the internationalization processes make them more structured and the users more competitive (Neubert, 2011; 2013). The “working from home” (WFH) trend allows them to recruit and to integrate more experts from abroad with international experience.

The second original contribution of this article is the separate analysis of the internationalization behavior of Paraguayan agricultural firms. In contrast to the other industries, it can be considered as an excellent example of an internationally competitive industry coming from a developing country. They are using a global exporter model and a market development process which predominantly focuses on network and business opportunity development. Besides Neubert and van der Krogt (2017, 2018, 2019), it is the second industry specific analysis of the Paraguayan export industry. The findings suggest that there is a significant improvement of the internationalization behavior since 2018 due to improvements in digitalization, the extension of the value chain, and the management of regulatory issues for example.

## 10. Conclusions

The purpose of this study is to explore the post-pandemic internationalization behavior of Paraguayan firms using a comparative multiple-case study design as research methodology and different quantitative and qualitative sources of evidence.

The findings and the original contribution of this paper are that the post-pandemic internationalization behavior of Paraguayan firms is different from the pre-pandemic behavior due to an increasing digitalization of internationalization. Paraguayan firms use more software solutions to connect with customers and distributors, to increase productivity of internationalization, to manage internationalization cost, and to develop online distribution and marketing channels to acquire international customers directly. The “working from home” (WFH) trend allows them to recruit and to integrate more experts from abroad with international experience. The global exporter business model gives Paraguayan firms the ability to flexibly respond to macro- and microeconomic business opportunities and to a growing geopolitical risk.

The implications for practice and theory are that researchers and scholars may adapt their teaching and research to the post-pandemic reality. Paraguayan policy makers may revise their trade, economic, and financial policies to benefit from these new opportunities. Entrepreneurs and senior managers, and everyone else who is involved in international business activities are encouraged to review, to improve, and to digitize their internationalization processes to remain competitive in the “new normal” or a post-pandemic reality with a growing geopolitical risk.

The qualitative research design of this study has limitations which can offer new avenues for research. One limitation is the missing generalizability or transferability of the findings to other contexts. Thus, further studies are encouraged using a quantitative research methodology or replication studies about the internationalization behavior of firms in other developing economies or industries.

## Biographical notes

Michael Neubert is a Professor and Senior Researcher at EIM, the European Institute of Management in Malta and a Visiting Professor at the Universidad Paraguayo Alemana (UPA) in Paraguay. He teaches international business and entrepreneurship. His main research interest is the internationalization behavior of firms from small and open economies.

## Conflicts of interest

There is no conflict of interests known to the author.

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## Appendix

### Appendix A - Questionnaire

No.	Question	Answers
1	Tell me more about your motivation to internationalize.	Multiple choice question (MCQ) with open discussion: (1) market-seeking, (2) efficiency-seeking, (3) resource-seeking, (4) strategic.
2	When did your firm start with internationalization?	MCQ with open discussion: (1) ≤ 5 years, (2) older than five years.
3	Which market entry strategy did you apply?	MCQ with open discussion: (1) active (research, relationship, opportunity), (2) reactive.
4	Tell me more about your international market development process.	Open discussion
5	What was the average share of international sales revenues during the last five years?	Closed question (percentage) with open discussion about the interpretation
6	Which foreign markets did you enter first, second, etc.?	Closed question (market entry sequence) with open discussion about the interpretation
7	How did you select foreign markets?	Open discussion
8	Which market entry form did you use?	Open discussion based on a list of market entry forms.
9	Tell me more about the international experience and skills of the senior management team before the internationalization of your firm and how it affected it.	Open discussion
10	Tell me more about your view concerning the digitalization of internationalization.	Open discussion
11	Do you manage your international activities differently post-pandemic compared to pre-pandemic?	Open discussion

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