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Internationalization Process of an Angolan Beverage Company in Portugal

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Abstract

The internationalization process of companies from African countries, whose participation in international trade has been highlighted in academic research and international business, is a recent phenomenon. This research aimed to investigate the internationalization process of Angolan beverage companies. This study seeks to identify the facilitating and hindering factors during the internationalization process and the main results. This exploratory research uses the qualitative approach based on the case study method. The main findings of this research showed that Refriango's internationalization process in the Portuguese market took place through a strategic alliance, considering that its process was slow and gradual. Another factor facilitating the internationalization process was the Angolans' cultural and linguistic proximity in Portugal. Main factors that hinder the internationalization process, high costs of production and exports from Angola, lack of infrastructure, and difficulty in achieving strategic objectives only with sales in the domestic market are considered. Building alliances for African companies and those few experienced in this process is essential to success because it allows them to avoid mishaps and reduce possible risks.

Keywords: internationalization process, strategic alliances, facilities factors, hindered factors

1. Introduction

Today, in the highly competitive globalized scenario, many companies from developing countries are expanding and internationalizing their businesses. The rapid growth rates in developing market countries have increased interest in these countries' market potential. In this sense, there is a need to create divergent strategies for different markets and incorporate more than just the same strategy in all markets (Douglas & Craig, 2010).

Given this, the internationalization process of a company brings new challenges to insert itself into this highly competitive business environment. Douglas and Craig (2010) emphasized that in the initial entry into the foreign market, whether through exports, joint ventures, licensing of goods, mergers and acquisitions, direct investment, exports, franchising, or any other entry strategy, the company must develop strategies according to the country in which it is operating to avoid uncertainties in the unknown environment (Ramamurti, 2009).

Internationalization is essential for companies because it contributes to the country's economic development so that companies do not become dependent on the domestic market. Theories from developed countries have limited applicability for replication in developing countries, mainly due to the need to recognize the context of activities (Kaynak, 2014; Ramamurti, 2009).

However, the international activities of companies trigger economic development, which is why the African government tries to stimulate the export activities of local companies (Bigsten et al., 2004). So-called export growth can promote economic growth and contribute to industrialization in developing countries (Greenaway et al., 2002; Ibeh et al., 2012; Kuada, 2016; Rutashobya & Jaensson, 2004; Söderbom & Teal, 2003).

Schmidt and Hansen (2017) explained that, traditionally, the economies of Africa and other developing countries are mainly exporters of commodities and raw materials with limited and unpredictable development results. Ibeh et al. (2012) expressed that the global internationalization of companies from African countries is still recent. Africa's participation in international and world trade has been a subject of intense debate and research by academics, professionals, and politicians for several decades. Still, Boso et al. (2016) have argued that the

African economy is improving and becoming relevant in international business. In contrast, Marzo and Patterson (2010) reinforced that a critical current of internationalization theory states that Africa cannot yet contribute significantly to the global economy, given the dominance of commodities and raw materials in Africa’s international trade activities (Henson et al., 2011).

Although the debates continue, strong evidence suggests that African companies’ investments in the global economy are growing, aiming to increase the speed, scope, and scale of the internationalization process (Krüger & Strauss, 2015). Boso et al. (2016) argued that in addition to banking companies, African multinationals have also emerged in the telecommunications, manufacturing, energy, agribusiness, aviation, and technology sectors, with companies such as Telkom, Dimensions Data, Massmart, Nampark, Mtn, SABMiller, Dangote, and Shoprite expanding into several countries and positioning themselves as major international players.

Therefore, it is essential to understand how African companies internationalize and what explains their internationalization, which boosts economic growth and triggers international activities, strategies, and political maneuvers favorable to market evolution (Schmidt & Hansen, 2017). Because of this, this study will identify and analyze the theoretical dimensions of internationalization strategies, with a view to the internationalization process of companies on the African continent and emphasizing an Angolan company in the beverage sector and its entry into the foreign market. The following research question, therefore, arises: How did an Angolan company in the food and beverage sector internationalize? Consequently, this study aimed to investigate the internationalization process of African companies, seeking to identify the factors that facilitate and hinder the process, as well as the main results of the internationalization process of an Angolan company.

2. The Process of Internationalizing Companies

When a company internationalizes its activity, it must develop a strategy to face numerous challenges to succeed in the global market. These strategies must include well-planned stages that companies must go through (Dumitrescu et al., 2019). For Dunning and Lundan (2008), a multinational enterprise (MNE) or transnational corporation is a company that engages in foreign direct investment (FDI) and owns or otherwise controls its value-added activities in more than one country. Based on the ideas of Dunning and Lundan (2008) in business internationalization, FDI involves the transfer of a package of intermediate assets or products, including financial capital, organizational and managerial knowledge, technology, entrepreneurship, incentive structures, cultural values and norms, and access to markets across national borders.

Moosa (2002) defined FDI as the process by which residents of a country (country of origin) acquire ownership of assets to control the production, distribution, and other activities of a company in another country (recipient country). Krugman and Obstfeld (2005) understand FDI as “international capital flows by which a firm from one country creates or expands a subsidiary in another” (p. 126). The main difference between this type of investment and portfolio investments is that, according to the authors, it involves control of the company abroad, control being the essential purpose of FDI.

Hymer (1960) argued that control is not an easily definable term. The dividing line between some and no control is arbitrary because each country has legislation to determine whether a company is national or foreign-owned. According to Moosa (2002), the term control implies that some degree of discretionary decision-making by the investor is present in management, policies, and strategies.

Hymer (1960) discussed two reasons why investors want to control a company. First, there is what the author calls Type I Direct Investment; this type of direct investment has to do with the prudent use of assets, which, according to the author, is especially important in international investment, where there is an inherent conflict of interest between investors of different nationalities over how much of the reserves should be kept in each currency. Second, there is Type II Direct Investment, and according to the author, the interest in control does not require prudence regarding asset allocation. Thus, foreign company control is desired to remove competition between foreign companies, and companies from other countries, or control is desired to entirely appropriate returns on specific skills and capacities. Thus, according to the author, companies from different countries compete because they sell in the same market or because some of the companies sell to other companies.

Hymer (1960) also stated that the motivation for FDI stems from the inequalities between companies in their ability to operate within a given industry and market, so a company with certain competitive advantages when it comes to producing a particular good or service can produce it in another country if it finds it profitable. In addition to this possibility, a company can rent or sell its capacity instead of producing it abroad. According to the author, if the market is imperfect, the owner can only fully appropriate the returns from the capacity if they control its use (Hymer, 1960).

Currently, the dominant theoretical perspectives on the evolution of multinational companies are the eclectic paradigm (Dunning & Lundan, 2008) and internalization theory (Hennart, 2001; Narula & Verbeke, 2015). The original Uppsala model, published by Johanson and Vahlne (1977), explains companies' internationalization process. For Vahlne and Johanson (2017), the entire context of international business is currently undergoing a radical transformation, and the authors, therefore, believe that the Uppsala model will continue to provide helpful guidance on the evolution of multinational companies due to its holistic nature, its grounding in dynamic processes, and its realistic assumptions. The eclectic paradigm theory created in 1977 by Dunning at the University of Reading defined the operations developed by organizations in foreign markets and the theoretical developments of internalization by Buckley and Casson (1976) 1976). Dunning's (1988) interests were directed toward the economic elements companies should analyze to decide whether to produce in foreign markets.

The eclectic paradigm, also known as the ownership, location, internalization (OLI) model, according to Dunning (1980, 1988), allows us to analyze firms' tendencies to promote and control value-added activities beyond national borders. The extent and pattern of the firm's production abroad, financed by FDI, will be determined by the strength and interaction between the three variables (OLI). According to the eclectic theory, a firm will continue its internationalization process by starting to produce in the destination market if it has proprietary advantages that make it necessary or advantageous to internalize markets. Given a specific legal and economic context, the decision to produce abroad rather than license or export is strongly related to nature of a firm's intangible assets (tacit knowledge), especially those resulting from a firm's technological, management, or marketing practices. Johanson and Vahlne (1990) argued that the eclectic paradigm provides an analysis from the perspective of companies opening production facilities abroad but needs to explain how the search for foreign markets occurs.

In the Nordic Uppsala school, geographical and cultural proximity, i.e., closer markets in the company's initial phase is crucial for international expansion. Therefore, for a company to operate in this highly changeable market, which is in tune with the needs of its customers, it needs to have a clear vision of how the market it wants to enter works and the attitudes of its competitors. To this end, its strategies should not be based solely on the characteristics of its home market but should also be determined from an external viewpoint. According to the Uppsala school, the internationalization process has two essential characteristics: market knowledge and resource commitment. As the firm reduces uncertainty with the experience and knowledge acquired in the activity, it can commit more resources and advance in the internationalization process (Johanson & Vahlne, 1977).

However, the Uppsala School does not consider how the perception of psychic distance can affect the market selection process at the individual decision-maker level. Some researchers have begun to study the networks of company relationships, observing that firms relate to each other through links between people. Thus, internationalization results from the characteristics of the network of which the firm is a part (Johanson & Mattsson, 2015). Johanson and Vahlne (2006) cited studies showing that companies operating in the industrial market establish, develop, and maintain long-lasting business relationships. Therefore, the internationalization process model must consider the relationship networks between people and companies.

Håkanson (2021) argued that the critical elements of the Uppsala School's paradigm of the process of company internationalization are the historical context to which the fundamentals that shape company internationalization apply. However, for the author, the technological, institutional, and political developments of recent decades have fundamentally changed both the context of international business activities and the managerial practices that guide company behavior, and consequent revisions to the model shifts the focus from internationalization to developments in companies in general, thus undermining its relevance and paradigmatic status. For the author, this calls for a new conceptual basis and a paradigm shift in research into the process of company internationalization by understanding the process of knowledge creation in specific social contexts. Håkanson (2021) shared some of the merits and challenges Treviño and Doh (2020) raised regarding discourse analysis as a methodology for elucidating the firm's internationalization process.

2.1 Internationalization of African Companies

Internationalizing in a globalized market is a challenging task. Few African companies can prosper in this highly competitive but promising market (Amankwah-Amoah, 2014). The nature of African domestic markets due to their small size forces local companies to internationalize or diversify their products to obtain sufficient turnover (Kuada, 2016; Tvedten et al., 2014)

In Africa, most internationalization studies focus on exporting (Ibeh et al., 2012). In addition, African companies prefer to export because it involves fewer resources, commitment, and other modes of entry, which mitigates the risks and uncertainties of the foreign market (Demeke & Chiloane-Tsoka, n.d.; Rutashobya & Jaensson, 2004). In addition to internal constraints, external factors limit the ability of African companies to internationalize, such as markets, high levels of bureaucracy, corruption, poor telecommunications and transport infrastructure, political instability, and a generally high transaction cost environment (Schmidt & Hansen, 2017). African companies often rely on networks and business relationships to overcome these internal and external barriers to internationalization. Networks can create a competitive advantage for member companies by sharing sources, for example, on foreign markets, which members can leverage (Kuada, 2016; Rutashobya & Jaensson, 2004). Therefore, African companies can reduce the resource gap and overcome institutional voids (Biggs & Shah, 2006) through networks, which facilitate their exporting activities.

2.2 Entering the International Market: Model and Theories

Buckley and Casson (1976) argued that the theory of internationalization comprised three entry models into international market: exporting, FDI, and licensing. In this context, the entry mode characterized by export activities would suit small markets based on administrative control over company operations. In contrast, the direct investment entry mode would be suitable for large markets, administrative control over business operations, and licensing linked to medium-sized markets, with control through contracts for both parties.

In the revisited version of the Uppsala model, Johanson and Vahlne (2009) argued that entering a foreign market can be understood as building a position in a market network. The internationalization process develops in four stages, which Johanson and Wiedersheim-Paul (1975) called the chain of establishment, as shown in Table 1 below.

Table 1. Stages of the internationalization process according to Uppsala

Stages	Characteristics
1	Sporadic exports allow the company a first contact with the market without the commitment of resources, but with the disadvantage that the information received is reduced.
2	Exports through agents that provide more excellent knowledge of the market but require a more significant commitment of resources.
3	A commercial subsidiary that allows the firm to control the information channel directly; however, there is a disadvantage of representing an increase in costs and risks.
4	Manufacturing subsidiary requiring the highest level of four-stage resource commitment.

Source: adapted from Uppsala.

Before entering a new market, companies must always weigh the risks and answer questions about their ability to operate globally. Moreover, one of the main instruments of the internationalization phenomenon is to define entry methods and strategies. To better understand this process, Table 2 summarizes how to enter international markets (Pereira & Gomes, 2017).

Table 2. Ways to enter the international market

Forms of Entry	Description
Direct Export	It produces and exports its products directly to the final consumer abroad.
Indirect Export	Companies that buy the products to market abroad, usually through agents, representatives, and distributors (trading companies).
Distribution Agreement	The agreement is signed between the exporter and a legally constituted distributor with technical knowledge of its products for the foreign market.
Licensing/Franchising	The licensing company authorizes, through a contract, the licensed company in the production and commercialization of its products while not altering the original characteristics of the brand or model layout against a payment called royalties.
Sales Subsidiary	Using a sales office, the production company establishes its physical presence abroad.

Source. Adapted from Pereira and Gomes (2017).

3. Research Methodology

A qualitative research approach based on the case study method was adopted for this exploratory study (Yin, 2010). The data collection technique used to construct the research was an in-depth interview based on a semi structured interview script and document collection. In-depth research was also conducted on the company's website, reports, and documents.

In-depth interviews were therefore conducted with two people responsible for international markets. Other sources of evidence came from the analysis of documents and reports from the company studied. In this sense, the information obtained through the interviews was compared and integrated with the company's documents and website to triangulate different data to improve reliability or identify possible contradictions in information.

The company's Interviewees asked for their names not to be disclosed, so we decided to classify them as A and B. The profiles of the company's Interviewees can be seen below in Table 3.

Table 3. Profiles of the professionals interviewed by Refriango

Name	Position	Age	Time at the company	Time in office	Interview time
A	Institutional Communications Coordinator	29	Four years	Four years	3:40:11
B	International Markets Technician	37	Eight years	Seven years	3:20:58

Source. prepared by the authors.

It is essential to highlight that both Interviewees participated in the teams responsible for the company's internationalization process, respectively, in institutional communication and marketing and the internationalization area and were responsible for the partnership with the packaging company and distributor in the Netherlands.

The data analysis technique in qualitative research is data interpretation, in which the researcher can use the coding of the material to help construct it. From this perspective, the categorization process should be understood as a data-reduction process one that represents an effort to synthesize a communication and highlights its most essential aspects (Olabuénaga & Ispizua, 1989). Once the data had been collected, they were classified. The process of forming the categories was carried out as envisaged by Bardin (2011). The data was explored using coding after selecting the material and floating reading. Coding was based on the repetition of words, which, once triangulated with the results observed, became units of record, and then progressive categorization was carried out. The situation was detailed for each category to describe the sector in which the Angolan company Refriango operates.

Table 4. Categories of analysis

Categories (Blocks)	Category Description
Block I The internationalization process for Portugal	In this category, how the company started the internationalization process for the Portuguese market will be verified. The internationalization process requires a plan of decisions, among which the selection of the country and modes of entry to the markets stand out.
Block II Factors that facilitated internationalization	In this category, the factors at the base that facilitated the company's internationalization will be verified.
Block III Factors that hindered internationalization	The factors that hindered the internationalization process will be verified in this category.
Block IV Conclusion and results of internationalization	The main results that the company obtained in this internationalization process will be observed in the category of internationalization results.

Source. prepared by the authors.

4. Case Analysis

Refriango is an Angolan drinks company based in Kikuxi, south of Luanda, and it has been operating in the African market since 2005 with a portfolio that includes water, juices, soft drinks, energy drinks, and alcoholic beverages.

The Refriango plant, located in Kikuxi, south of Luanda, is a 42-hectare industrial complex with 4,000 workers and a standard portfolio of 15 brands, some of which are market leaders in the segments in which they operate, with Blue soft drinks, Pura water, Nutry and Tutti juices, and Welwitschia tonic water being top sellers in their categories within the Angolan market (production capacity of 1.9 billion liters per year). In 2002, the foundation stone was laid for constructing a soft drinks production plant, which was inaugurated in 2005. In-depth knowledge of the market and the positive evolution of the economy meant that the production of beverages became the company's sole activity, which allowed the business to thrive. The successes accumulated over the years demonstrate Refriango's ability to overcome barriers, carry out innovative projects, and assert its leadership in the markets in which it operates. Today, Refriango can be considered one of the African companies with experience in the successful internationalization process.

Refriango became the first Angolan consumer products company to start exporting to other markets, conquering Mozambique, Namibia, Congo-Brazzaville, Zambia, Guinea-Bissau, São Tomé and Príncipe, Nigeria, South Africa, and the Democratic Republic of Congo on the African continent and expanding into Portugal in Europe. Moreover, its beverages use the following typical African fruit flavors: blue tamarind, lemon, coconut, orange, passion fruit, lemon-ginger, pineapple, coconut-apple, and tropical strawberry. In addition, its first export to the African market was to Namibia due to its proximity, bearing in mind that logistics is an essential factor in this process when coming from African countries. As a result, the Mozambican market represents around 50% of the total international market, and Portugal represents around 10%—currently, the international market accounts for around 2% of the company's total sales.

The company has been recognized internationally through highly prestigious awards. The quality of Refriango's products has been internationally recognized over the last few years.

4.1 Partnership with Delta Cafés - Nabeiro Group

Refriango chose to partner with Delta Café in Portugal because this company is a leader in Portugal and has good penetration in other countries. Delta Café is present in 35 countries through direct operations (Portugal et al., Brazil, and China) and indirect operations (USA, Canada, Mozambique, Cape Verde, Germany, Netherlands, Belgium, United Kingdom, Poland, Macau, and Dubai). Today, it has 18 sales departments nationwide and is the leading international market, accounting for almost half of its turnover outside of Portugal. In Angola, the company ANGONABEIRO has represented the Group since 2000, operating in the Angolan market in commerce and industry with various brands. In 2011, it entered Luxembourg; in 2012, Brazil; in 2015, China; and in 2016, Switzerland.

4.2 Block I - The International Process for Portugal

Refriango began the gradual internationalization process to Portugal, as noted in the information provided by the company's executive. Internationalization in Portugal took place in 2011. Then, Refriango embraced the challenge of internationalization through the Blue brand.

The decision to start with soft drinks was due to the success of the brand and sales performance achieved in Angola. The Blue beverage brand was already recognized in some African countries, and, considering the growing importance of the Angolan diaspora residing in Portugal, Refriango felt encouraged to internationalize to Portugal.

According to the Portuguese government's Borders and Asylum Immigration Report (RIFA), the number of Angolans in 2021 was 25,802 residents (SEF/GEPF The fact that Angolan immigrants are present in Portugal facilitated the introduction and acceptance of Refriango's products. In 2015, with the partnership with Delta Café, there was a significant increase in the sales performance of the Blue brand, thus consolidating the brand. In this space of time, the brand managed to expand its product distribution significantly, and, from the Interviewee's comments, it was clear they feel that from the consumer's point of view, there is a considerable willingness to experiment with the products.

From this perspective, this block will work on the company's internationalization process and, reinforcing what we saw in the theoretical background, some of the authors described in the theoretical framework who conceptualize the category of internationalization of companies, such as Johanson and Wiedersheim-Paul (1975), Johanson and Vahlne (2009), and Ibeh et al. (2012), explain that internationalization is the development of a company's strategic plan to ascend in foreign markets. Further reinforcing the category, in the document provided by the company, the development of innovative products, the company's continuous and sustained growth, and the demand from foreign markets for differentiated products leveraged the company to start the internationalization process.

In Interviewee B's speech, it is possible to see how the company is internationalized. The Interviewee talks about the process in which the company was present in countries with geographical and cultural proximity, Namibia's first south-south country. In terms of internationalization, for companies with no experience in foreign markets or starting their export process, the ideal is to start with neighboring countries or nearby markets due to various aspects, such as similarities in culture, geographical proximity, and language. From there, they gain experience and can expand their activities to more complex markets.

> "The company's internationalization initially focused on being present in countries with the most significant geographical and cultural proximity, including opportunities that may arise to explore other markets. It is the company's ambition to be present in as many markets as possible that make sense for the products we sell, but we focus on quality rather than quantity; in other words, we are only present in markets where it makes sense for us to be present according to the characteristics of our products. (Interviewee B)

Thus, by analyzing Interviewee B's comments, we can see that the decision to internationalize is complex and affected by factors such as the characteristics of the companies, the market in which they operate, and the managers themselves. According to the Uppsala theory created by Johanson and Vahlne (1977), the authors explain that in the process of internationalization, the choice to enter new markets should be based on the perception of less psychic distance, that is entering markets that are geographically and culturally close. As the company gains experience, it can expand into more distant markets. The model also assumes that foreign market knowledge is fundamental for committing business resources. Moreover, Interviewee A had the following to say about the company's internationalization efforts:

> "The company's first export was to Namibia for reasons of proximity. The product naturally went to Namibia because consumers wanted it to. The first countries were within the African continent due to the proximity factor. When exporting from Africa, logistics is a determining factor, and conquering new markets is a lengthy process, especially in developing countries, which is not measured solely by the level of business in volume or value. Daily learning about the market, procedures, and cultures is invaluable when assessing a company's performance. Moreover, we know it is tough to export from Angola to other countries. (Interviewee A)

Interviewee A's statement corroborates the findings of Kuada (2006) and Tvedten et al. (2014), who commented that the African domestic market pushes companies to internationalize. For a small number of African markets, companies are forced to internationalize or diversify their products to obtain a greater volume of business in this process. In this context, Interviewee A's speech shows that international activity is a complex problem. Because of great distances between regions, which generate logistical problems, and the cultural differences of each country, the company began its internationalization on the African continent. It was also observed that operating in closer geographical markets gives companies greater security because the degree of uncertainty and complexity they face is lower than in more distant markets.

Thus, in exploring the company's internationalization process to Portugal, the theoretical basis is the entry mode to foreign markets (Johanson and Vahlne, 1977). The same can be seen in Interviewee A's account of the company's entry into Portugal.

> "Yes, the internationalization process for the Portuguese market was done "very gradually," following consumers in Angola. At the time, we worked with several distributors, but we signed a strategic partnership with Delta Café" (Interviewee A).

From Interviewee A's account of Refriango's international operations, its entry into the Portuguese market could have been faster. It was initially aimed at Angolan consumers living in Portugal that is the company adopted this strategy to reach Portuguese consumers because it is a little-known brand compared to other brands. Following this line of thought, from the accounts of Interviewees A and B, we can see that the company started in the first phase to target the closest markets and, in a second phase, after gaining knowledge from this process, it moved on to other more distant markets outside Africa, in other words, it moved from south-south to south-north.

Fleury and Fleury (2007) confirmed that the Uppsala model is linked to understanding evolution and learning about gradual internationalization, which begins with exporting. In this sense, as companies obtain information about a new market, they prepare to explore more distant markets, bearing in mind the importance of cultural factors in the internationalization process and knowledge as resources that influence the decision-making process.

Still, regarding entry strategies for the Portuguese market, we can understand that once the company has decided to internationalize, the question of how to penetrate foreign markets arises.

Some authors cited in the theoretical framework have conceptualized the category of entry strategies in foreign markets, such as Dunning (1998), who outlined certain factors in the destination countries, such as the size of the market and the political risks involved. Thus, the market's growth prospects condition how companies enter these markets.

Interviewee B, when asked about the strategies for entering the Portuguese market and exporting to the company's subsidiary, had the following to say:

> "Yes (...) the company has entered strategic alliances, and one of the entry methods has been strategic partnerships to enter the international market. An example of a partnership is that we associate ourselves with leading companies in the distribution area to enter the market in the best way. In Portugal, our distribution partner is Delta Café". (Interviewee B)

Regarding strategies for entering the Portuguese market, it is possible to understand, as Cerceau and Tavares (2002) explained, that strategic alliances can be understood as a coalition between two or more organizations to achieve significant strategic objectives mutually beneficial to all the companies involved. The same can be seen from Interviewee A's account regarding strategic alliances.

> "This network allows us to be close because the country needs it, people need proximity, [. . .] whether in the government area, in the health area, in assistance, in the most diverse forms, everything can only be achieved with proximity [. . .] and that is what we have been achieving all our lives, adding that with proximity, the friend brings the client. I am sure [the partnership] will help both parties". (Interviewee A)

We can see that in Interviewee A's account, he once again emphasized the proximity strategy, which is described in the theoretical framework where it was argued that proximity, whether geographical or cultural, is a crucial factor for expanding companies. In this context, a marketing strategy is one of the fundamental elements that support organizations in defining their goals. Organizations can employ various entry forms because each market has different conditions (Cateora & Graham, 2001).

As Interviewees A and B tell us, we can conclude that Refriango's internationalization strategy for the Portuguese market prioritizes cultural and linguistic proximity, and its strategic presence in Portugal is seen as a gateway to other European markets to invest in internationalization and diversify the country's economy.

According to the information provided by the Interviewees, in the specific case of Refriango, the internationalization process used the entry strategies of exporting, associations, licensing, and strategic alliances (joint ventures) to enter other markets. In line with Demeke and Chiloane-Tsoka (2015) and Schmidt and Hansen (2017), organizations from African countries opt for the export model because it involves fewer resources and less commitment than other forms of entry into foreign markets. In addition, these companies also opt for networks of commercial relationships. Close and lasting relationships between business partners are essential, whether inside or outside the country (Johanson & Vahlne, 2009). Relationship networks develop through experiential learning, that is, companies gradually learn about resources to expand into foreign markets. Business networks require mutual commitment between the firm and its counterparts for successful internationalization. Along these lines, Engels and Valladares (2009) explained that a company's expansion into foreign markets requires essential decisions to meet its target market's needs, among which we can highlight the form of entry, adaptation or standardization, and an appropriate marketing mix. Through the strength of the networking processes, the company negotiated with this network through its representative in Angola, Angonabeiro, which has been in the Angolan market since 2000. In this sense, we can understand the following category, which focuses on adapting the marketing strategy.

4.3 Block II - Factors that Facilitated Internationalization

In a scenario of high global competitiveness, it is essential to review the factors that influence the decision of organizations to enter a new market, thus making it essential to carry out analyses to reflect on the factors that will facilitate the capacity and advantages of this process in the context. Johanson and Vahlne (1977) argued that companies in the Uppsala Model tend to internationalize to locations with smaller psychic distances from their countries of origin, following incremental stages to reduce market uncertainty.

Regarding the category of facilitating factors, we can see this more clearly in the words of Interviewee B, who argues that the linguistic and cultural proximity between Angola and Portugal was a dominant factor in choosing the location for the company's exports.

According to Interviewee B's statements, we can understand that the linguistic and cultural proximity of the two countries was one of the positive factors in making this process easier, as for linguistic and cultural proximity, which stresses that in terms of internationalization, for companies with no experience in foreign markets or that are starting their export process, the ideal is to start with neighboring countries or nearby markets due to various aspects, such as similarities in culture, geographical proximity to Angolan consumers and some knowledge of the language. Still, we can also learn about facilitating factors from Interviewee A.

> "Acceptance is always tricky in the early days. However, we already had our homework well done with communication, our marketing department, at parties, some schools, nightclubs, and even at soccer matches, we activated the Blue brand. Our slogan is "Blue, life is a party." So, people already knew the blue brand in some way through the brand's publicity campaign. Slowly, they accepted it, and now Blue is already the soft drink recognized as an Angolan brand, and we are all to be congratulated; we have a brand that is well-accepted abroad, with different flavors". (Interviewee A)

According to Forsgren (2002), Blue brand recognition can be considered as part of the process of acquiring and sharing knowledge and learning.

> "With a strong focus on proximity, we realized that there is a great affinity between Portugal and Angola, which explains the national market. We began by focusing on the Angolan communities, supporting the Portuguese League of Clubs MTV, and sponsoring the Meo Arena and the Sudoeste Festival, which also greatly facilitated brand awareness in this process". (Interviewee B)

The cultural proximity between the two countries was also crucial in this process. The Meo Arena festival is one of Portugal's most important summer festivals because it brings together a wide range of renowned artists from various musical styles ranging from reggae to rock, electronic music, and even fado. We have also had several Angolan singers, which helps to promote our brand. Other agents are then hired to expand operations to other countries. From the perspective of Interviewees A and B, and with the theories corroborated by the authors, we can conclude that, in an internationalization process, when entering inexperienced or developing countries, the essential thing is to first insert the product into markets that are close geographically and culturally and, after acquiring knowledge in this process, the company can then leverage it for more distant markets.

4.4 Block III - Factors that hindered internationalization

In the interviews, the following factors hindering the company's internationalization process were identified: low-skilled labor, lack of infrastructure, and difficulty accessing financing, among other problems identified.

It is difficult to export products abroad from Angola; the process is long, and when a product reaches the international market, it is more expensive than the other products already there for the other players, so we have this difficulty. That is why we find producing in the Netherlands and selling in Portugal easier. Costs are much lower when compared to direct exports from Angola. For example,

> "When we exported Blue to Mozambique, the price was higher than the other products there, and in Mozambique, Blue was more expensive than Coca-Cola, so it was challenging to compete with these players." (Interviewee A)

External factors include the country's characteristics, e.g., infrastructure, market size, growth, economic and political environment, trade barriers, government regulations, and others characteristics. Internal factors refer to objectives, management, strategies for selecting markets and product customization. We can see this in Interviewee A's account when he says that the company has great difficulty in producing due to the high costs the company will face when exporting, which we consider an obstacle the company faces in this process. Another point also highlighted was Interviewee B's account of the competitiveness of the markets when they said:

> "One of the hindering factors we have observed is that these are highly competitive and closed markets." (Interviewee B)

Lucato (2009) states that business competitiveness is based on how the company maintains itself in the market and chooses favorable strategies to obtain better profitability. The globalization of markets has opened up countless business opportunities for companies that have internationalized, but, at the same time, these companies have had to adapt to new risks and fierce competition with foreign competitors.

From the words of "Interviewee B," we can see that the company must be well-prepared to be able to face this competitive market; the company must have more knowledge about this process, thus formulating strategies that will allow it to improve and sustain a lasting position against the competition in the market in which it wishes to operate or operates. In this context, for organizations, market performance comes from knowledge of the competitive strategies adopted, supported by an understanding of their target markets and the environment in which the company operates.

5. Case Conclusions (Main Company Results)

In this section, based on the analysis of the results and in conjunction with the contents of the theoretical chapters, some points will be debated to flesh out this discussion.

According to the authors behind this research, rapid growth rates in emerging market countries have increased interest in these countries' market potential (Douglas & Craig, 2010). Thus, competition has become markedly international in a world of increasing globalization. Companies adapt their strategies to maximize their advantages and reduce their disadvantages. In our analysis of Refriango's internationalization process, we sought to identify and confirm the entry strategies for the Portuguese market. Despite the difficulties encountered in the business environment for the internationalization process, the company's association with the Portuguese Group to distribute its products was a breakthrough for Refriango.

The assumptions of the Uppsala School model and the Uppsala model revisited to confirm the greater explanatory power of this model for companies that are in the early stages of the internationalization process, such as the low commitment of resources to the foreign market through the practice of exporting and with relationship networks.

The brand chose Portugal as its export destination because of its historical, cultural, and linguistic affinities. Moreover, regarding difficulties, we can see that Refriango's products are produced in the Netherlands due to the high cost of exporting from Angola to Portugal and the procedures linked to an export operation's bureaucratic, documentary, and logistical aspects.

As far as learning is concerned, the results obtained from entering foreign markets have been positive, and there is a need to continue innovating and investing in product promotion strategies.

Kobrin (1991) stressed that by operating internationally, a company can benefit from greater product standardization, rationalization of production, and more efficient allocation of resources. In other words, by operating beyond its national borders, a company can exploit the benefits of this process in international markets (Buckley & Casson, 2009; Rugman, 1986). In addition, the company gains more knowledge from this process.

Exporting organizations achieve higher levels of productivity and efficiency in their results due to access to larger markets and the need to overcome the costs of internationalization. The statements made by Interviewees A and B explained some of the progress the company has made in this process, and it was noted that the company wants to go further and break new ground. These results were achieved at the international stands at Sial Paris, one of the largest food fairs in the world, where the company took the opportunity to launch the Blue Pulp innovation, an opportunity not only for people to get to know them but also for them to get to know the players and potential consumers.

Interviewees A and B said that internationalization had increased the company's market share abroad and at home. The company gained an image in the domestic market after entering the international market. Furthermore, entering the Portuguese market was the company's gateway to other markets. The company recently had positive results when it conquered the Chinese market. The Nutry juice brand is the company's most recent success. A newcomer to the Chinese market, the result of a partnership with China's largest B2C chain, Nutry is sold throughout mainland China, representing 1.4 billion consumers.

Given this information, we can understand that in recent years, with the process of internationalization, in addition to the company's difficulties, Refriango has made significant progress, making the company a leader in Angola's beverage and food sector. It was also noted that the company has won several awards for the quality and innovation of its products, making it a successful company in the Angolan market. In the studies regarding the company's learning after the internationalization process, it is necessary to always be innovative in product quality because the company competes with the whole world. Companies can build and strengthen their competitive positioning by internationalizing into foreign markets. Thus, internationalization requires companies to be cautious: organizations must be attentive to international developments, understand what they represent, and develop the capacity to adapt to change. The company has been developing because of learning from this process and creating strategies to explore other markets.

According to the answers given by those interviewed in the survey, it can be concluded that companies starting now, which suffer from a lack of experiential knowledge essential for entering the global market, should develop more competencies to improve their performance. However, increasing the degree of internationalization does not lead to improved performance. For companies to improve their performance by increasing the degree of internationalization, they will have to develop new competencies and strategic alliances as a strategy because they are one of the ways that provide faster access to foreign markets, thus facilitating the company's internationalization process.

6. Final Considerations

This study aimed to investigate the internationalization process of African companies. Based on the case study, it became clear that exporting is the dominant action toward the international market based on the relationships established with distributors or local representatives in the importing markets. Thus, Refriango's internationalization process in the Portuguese market occurred through the company's strategic alliance, and entry into the Portuguese market needed to be faster. Among the factors that facilitated the company's internationalization process were cultural and linguistic proximity and the strength of Angolan residents, which made it a positive point for the company in this process. Regarding the factors that made it difficult, it was clear that exporting from Angola was challenging due to the high costs and lack of structure. The option of associating or creating strategic alliances early in the internationalization process was the alternative adopted by the company to overcome these difficulties. In this way, building a partnership of alliances for inexperienced companies is fundamental to success because it allows them to avoid mishaps and reduce possible risks inherent in the internationalization of companies.

Because of a managerial contribution to companies, this research shows that networks are an essential model for companies at an early stage in this process. This research also points to opportunities for the insertion of Angolan companies and supports organizations in this movement.

As it is a single case study, this research does not allow generalizations. However, with an in-depth understanding of the phenomenon studied, it was possible to identify essential variables for the internationalization process and the main difficulties Refriango faced. These identified variables will allow us to investigate new studies with greater scope on the internationalization of companies and, specifically, the internationalization of African companies.

Also, as a suggestion for future research, the following propositions could be explored in this field: 1. What kind of image does a brand from an African country have from the perspective of foreign consumers? 2. How do government policies in developing countries help or hinder companies' involvement in the internationalization process?

Informed consent

Obtained.

Ethics approval

The Publication Ethics Committee of the Canadian Center of Science and Education.

The journal and publisher adhere to the Core Practices established by the Committee on Publication Ethics (COPE).

Provenance and peer review

Not commissioned; externally double-blind peer reviewed.

Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

Data sharing statement

No additional data are available.

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