Internationalization Development of Emerging Market Firms: A Comparative Study of Chile and Brazil

Track: Strategies for Global Competitiveness

Abstract

This study investigates an under-researched topic: factors that affect internationalization development of firms located in emerging markets. Data were collected from Chilean and Brazilian firms in three different stages of internationalization process (non-exporter, trial and established exporter stages). The results show significant differences in managers` perception of the main factors that drive or inhibit international development. Non-exporter firms perceive more internationalization barriers and present less commitment towards international markets than more internationalized firms. Differences are also found between Chilean and Brazilian firms due to environmental differences. The findings have important implications for internationalization efforts of managers and export promotion agencies.

Keywords: Brazil, Chile, Latin America, internationalization development, export stages

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Introduction

Internationalization, the process of increasing involvement in international operations across borders, is a major dimension of the ongoing strategy process of most business firms (Welch and Luostarinen, 1988). An unprecedented amount of research regarding the internationalization process of the firm has been produced in the last three decades (Ruzzier et al., 2006). However, internationalisation still poses a critical challenge, particularly for firms from emerging markets (Tesfom and Lutz, 2006; Yiu et al., 2007).

One important finding in firm internationalization research is the incremental nature of the internationalization process and the changes of state that firms pass through as they deepen their international development (Cavusgil, 1980; Johanson and Wiedersheim-Paul, 1975). Specifically, the internationalization process model (Johanson and Vahlne, 1977) explains the internationalization of firms as a learning process based on a risk management strategy of gradually increasing international commitment as the uncertainties of operating in foreign markets are reduced through foreign market experience and knowledge development.

Internationalization models do not explicitly address the very starting point of the internationalization process (Johanson and Vahlne, 2009; Welch and Luostarinen, 1988), but they do provide guidance as to what is likely to be important in influencing a firm's transition from a domestic to an international position, with a gradually increasing commitment of resources and capabilities to foreign operations.

These theoretical approaches have predominantly considered firms located in developed markets, especially the United States and Western European countries, while little research has been conducted regarding the internationalization process of firms from emerging markets (Elahee and Vaidya, 2001; Luo and Peng, 1999). Emerging markets are generally defined as low average income, rapid growth countries using economic liberalization as their primary engine of growth (Hoskisson et al., 2000). These market contexts are characterized by institutional turbulence and lower levels of economic development compared to developed nations (Welsh et al., 2006). Further, firms from emerging markets are confronted with distorted information, weak market structures, poorly specified property rights, and changing institutional environment (Peng and Heath, 1996; Pisani, 2009). Thus, current theories of firm internationalization may not be suitable for explaining the internationalization development of firms based in emerging countries (Arnold and Quelch, 1998; Guillen and Garcia-Canal, 2009; Luo and Tung, 2007).

Additionally, "the [relatively scarce] literature on emerging market multinationals has thus far focused mainly on firms from regions other than Latin America." (Aguilera, Ciravegna, Cuervo-Cazurra, and Gonzalez-Perez, 2014: 1), predominantly considering firms located in the Asia-Pacific region (e.g., Child and Rodriguez, 2005; Fornes and Butt-Philip, 2011; Mathews, 2006; Sim, 2006; Singh et al., 2010; Tsai and Eisingerich, 2010). Among the studies about Latin America (e.g., Thomas, 2006), few have considered differences in the export development process for firms in highly-export oriented Latin American countries, such as Chile and Brazil (Arbix, 2010; Cyrino et al., 2010). Since Latin America's current strategies of market liberalization rely heavily on private initiative and entrepreneurship, it is essential to learn more about how firms from different countries in the region are pursuing internationalization. Thus, two relevant research questions are: *Are there differences, across countries, in the factors that drive or inhibit the internationalization development of emerging market firms? Are the perceptions about drivers and inhibitors of internationalization different across firms with distinct levels of international development?*

Drawing on innovation adoption models of internationalization (Wickramasekera and Oczkowski, 2004), and the resource-based view of the firm (Barney, 1991; Wernerfelt, 1984), the present study aims to examine the internationalization development of firms located in Brazil and Chile, two emerging countries in Latin America. We chose these countries because they are relevant players in the region, but present very different economic, political and regulatory environments, as reflected in their global competiveness indexes (WEF, 2014). Specifically, our research goal is to explore if managerial and organizational resources and capabilities, as well as environmental characteristics influence the internationalization process of these emerging market firms and whether those drivers or inhibitors differ across firms with different stages of export development. Findings will be useful for managers and policymakers to develop appropriate strategies that contribute to promoting and supporting internationalization development.

Literature Review

Uppsala internationalization (stages model)

The Uppsala internationalization model is a theory that explains how firms gradually intensify their activities in foreign markets (Johanson and Vahlne, 1977, 1990; Johanson and Wiedersheim-Paul, 1975). The main argument of the Uppsala model is that firms tend to intensify their commitment towards foreign markets as their experience grows. Experiential knowledge tends to diminish the perception of risk and lead to higher international commitment shih, in turn, leads to more experiential learning – that is why several firms adopt an incremental and sequential approach to internationalization (Chetty, 1999; Zucchella et al., 2007). The Uppsala model thus describes, and to some extent predicts, the internationalization process of firms (Bilkey, 1978; Cavusgil, 1980; Johanson and Vahlne, 1977, 1990; Leonidou and

Katsikeas, 1996). Its basic premise is that the outcome of one decision (commitment) affects the input (experiential learning) of the next.

Models of Internationalization Adoption

Rogers's (1962) theory of innovation adoption divides the adoption process into five stages: awareness, interest, evaluation, trial, and adoption. Reid (1981) developed another innovation diffusion model, tailored to the internationalization, conceptualized as a five-stage model of internationalization awareness, intention, trial, evaluation, and acceptance. Lim et al. (1991) empirically tested a four-stage model of export adoption (awareness, interest, intention, and adoption), which includes the ability of firms to skip stages, in line with the original work of Rogers (1962).

Drawing on models of innovation diffusion (Bilkey and Tesar, 1977; Cavusgil, 1980; Reid, 1981), Wickramasekera and Oczkowski (2006) proposed a model of internationalization adoption. This model consists of four stages: awareness, interest, trial and adoption. Awareness is the initial stage of the internationalization adoption process model, during which the firm becomes aware of the possibility of internationalizing. It involves management's recognition of international markets as an opportunity for the firm, although managers are not yet sufficiently interested in searching for additional information regarding internationalization and firms are still domestically oriented.

The second stage is Interest. In this stage, firms have a management team that is interested in the opportunity of internationalizing, favorably disposed to internationalization, and searching for information about the benefits of internationalization. During the third stage, Trial, firms undertake a "mental trial" of internationalization, whereas other firms will be willing to internationalize on a limited basis. The experience gained during this stage provided management with the information to adopt or reject the option of internationalization. Finally, in the Adoption stage, management perceptions of internationalization trials or a favorable evaluation lead the firm to proceed with internationalization on a permanent basis. This stage includes management commitment to high-scale adoption of internationalization. In this model, the post adoption evaluation, which can lead to strengthened commitment and internationalization expansion, is considered.

Firm's resources and internationalization development

Internationalization studies have considered several factors that can stimulate or hinder internationalization performance (Leonidou et al., 2004) or the decision to initiate and continue with internationalization (Bilkey, 1978), such as managerial profile (Leonidou et al., 1998), firm characteristics (Zou and Stan, 1998), and environmental barriers to internationalization (Shaw and Darroch, 2004).

According to the Resource Based View (RBV), firms must seek to identify their resources in order to exploit opportunities in foreign markets, as well as the domestic market. Firm-specific resources and capabilities are derived from managerial assets, inter-firm networks, and redeployment of resources (Eisenhardt and Martin, 2000; Luo, 2003).

Specifically, the literature suggests that internationalization is influenced by specific managerial capabilities (Cavusgil and Naor, 1987). Some authors find that firms initiate exports because of the confidence they have in their competitive advantage, while other studies identify the important role of managerial attitudes and characteristics on export development (Acedo and Galán, 2011; Andersson, 2001; Calof and Beamish, 1995). For example, foreign market orientation of senior managers has been found an important driver of international growth (Cavusgil and Nevin, 1981). Similarly, management attributes such as language skills and knowledge are found to assist managers in competing successfully in international markets (Chadee and Kumar, 2001; Swift, 1999). The age of the decision-maker has also been associated with risk-taking behavior (Hambrick and Mason, 2984) as well as with export propensity and intensity, but literature findings have been controversial (e.g., Ursic and Czinkota, 1989; Moon and Lee, 1990). Additionally, managers' level of education affects their ability to deal with more complex decisions, such as those related to international operations (Hambrick and Mason, 1984).

Other important factors of international growth identified in the literature are managerial perceptions of profit and costs (Forsgren and Hagström, 2007) and knowledge about export matters (Cavusgil and Zou, 1994). For example, many firms are still reticent to export because they believe that their lack of resources and expertise are not suited for such risk (Sommer, 2010). Additionally, domestically-oriented managers are found more risk averse than internationally-oriented managers (Shaw and Darroch, 2004).

Furthermore, managers' perception regarding a firm's resource strength and attributes is central to foreign market commitment decision (Johanson and Wiedersheim-Paul, 1975). In addition, export commitment can be an important determinant of export behavior and results (Cavusgil and Naor, 1987; Katsikeas et al., 1996). Moreover, manager's perception of the foreign environment may have an effect on export development and growth. However, the influence that managerial perceptions about the external environment (in particular, about socio-cultural and political-legal factors as export barriers) have on the internationalization of a firm represents a relatively under explored research area (Manolova et al., 2002).

Overall, the main objective of this study is to test the application of the model of internationalization adoption (Wickramasekera and Oczkowski, 2006) and RBV of the firm for explaining internationalization development of firms from two emerging markets – Chile and Brazil. Specifically, this study follows Wickramasekera and Oczkowski (2006) and seeks to identify factors that drive or hinder the internationalization development process of Latin American firms that are located in three different stages of international development: non-exporter, trial exporter and established exporter stages.

Methodology

The data for this study was collected via an online survey undertaken in two Latin American countries: Chile and Brazil, between March and October 2014. In Chile, the sampling frame was derived from the largest directory of Chilean companies (http://www.prochile.cl), which publishes a list of more than 2,000 firms and their detailed contact information. Initially managers of these companies were contacted through email to solicit their participation in the survey and to identify the key informants. In Brazil, since there is no publicly available repository of export firms and their contact managers, the sampling frame was derived from several sources: a list of around 4,000 of the largest Brazilian exporters (as of 2006, which had been used in a previous study by one of the authors), former executive MBA students of a Brazilian university and direct contact via LinkedIn (www.linkedin.com) with export-related groups and people whose professional profile indicated interest in exports. After filtering for invalid e-mail addresses, a total of 3,186 e-mails (containing an explanatory letter about the purpose of the survey and the link to an online questionnaire) was sent to the list of larger exporters and 1,157 e-mails were sent to former MBA students; regarding LinkedIn contacts, 491 invitations were issued and 205 e-mails with the link to the online questionnaire were sent out (only to those that had accepted the invitations).

The original survey instrument was compiled in English, translated into Spanish and Portuguese, and back translated for accuracy checking. Its content was based on an extensive item analysis of theoretical and empirical research published over the previous decades. Five-point Likert-type questions were developed from the literature. The Spanish and Portuguese versions of the questionnaire were carefully pre-tested and some refinements were done. A three-stage e-mail sent out with follow-up telephone calls yielded a total of 147 responses in Chile; in Brazil 209 responses were obtained. After eliminating six responses with excessive missing data in Chile and four in Brazil, 136 responses were used for the data analysis in Chile, and 205 responses in Brazil. Nonresponse bias was checked based on the extrapolation method proposed by Armstrong and Overton (1977).

Respondents provided factual data on the ownership and age of the firm, number of employees and the markets serviced by the firm, demographics of the manager most responsible for exports and internationalization, firm's international experience and current stage/level of internationalization. Furthermore, they were required to evaluate specific factors related to internationalization: perceived firm-specific capabilities/limitations; managerial perceptions/experiences regarding contributions of international markets to the firm's business, inhibitors (barriers) to internationalization, and about the impact of costs in hindering expansion abroad; and firm's internationalization commitment.

We employed One-Way Analysis of Variance (ANOVA) tests to verify differences between Brazilian and Chilean firms across different export development stages. In ANOVA the significant F value is only indicative of the population means being unequal. However, it does not indicate which pairs of groups have different means. In order to determine which means are significantly different from each other, multiple comparison methods need to be employed (see Winer et al., 1991). For this study, we employed the Bonferroni test.

The key informants for the study in both countries were the managers responsible for the decision to export. The use of key informants is regarded as being an effective means of gaining representative views from decision makers within the firm (Mitchell, 1994). A total of 87% of the informants in Chile and 89% in Brazil were top managers of the firms, while the remainder of the respondents were senior and professional employees involved with the firm's decision to export. The data also show that 100 percent of the managers in Chile and 97.9 percent in Brazil were tertiary educated. In addition, the Chilean managers had far more export experience/knowledge than the Brazilian managers. For example, 73.5% of Chilean managers received training in exporting compared to 64.6% of Brazilian managers. Similarly, 54.4% of Chilean managers had worked previously for an exporting firm compared to only 20.1% of Brazilian managers (see Table 1).

Insert Table 1 here.

In the Chilean sample, only one of the firms had been in existence for over 100 years, 71% for less than 20 years, and 47% of the firms have been in existence less than 10 years. The average age of the sampled firms was 18.1 years. The survey showed that 18% had more than 100 employees, while 75% had less than 50 employees and 41% had less than 10 employees. Regarding the Brazilian data, there were three firms that were nearly 100 years old, 46% for less than 20 years, and 31.1% of the firms have been in existence for less than 10 years. The average age of the sampled firms was 31 years. In the survey sample around 40% of the sample had 100 or more employees, while 13.3% had less than 50 employees.

In Chile, more than 86.7% of the firms had an Internet site that was initially used for marketing their products or services. Also, the three largest international markets indicated were as United States (28%), Peru (12%) and Mexico (6%). The most recently entered overseas markets informed by most of the respondents were China, USA, and Colombia. These firms on average derived 55% of their revenue from international markets, while 30% of them derived more than 90% of their revenues from international sales.

Similar to the Chilean data, for Brazilian firms 89.5% of the respondents had an Internet site, but only 11.5% used it intensively for marketing and sales. The three largest international markets were identified as United States (21%), Argentina (20%) and Paraguay (6%). The most recently entered overseas markets informed by most of the respondents were the USA, Holland and Mozambique. These firms on average derived 43% of their revenue from international markets, while nearly 25% of exporters derived more than 90% of their revenues from foreign sales.

Findings

Perceptions of the relevance of the firm's capabilities for its competitiveness

Respondents indicated their perceptions about how much 12 firm-specific factors enhanced, or else inhibited, their firm's competitiveness in the marketplace. Table 2 presents the results, disaggregated across three levels of export development of firms: non-exporters, trial exporters and established exporters.

Insert Table 2 here

For the Chilean sample, only two factors were rated as significantly different among the three different stages of internationalization, namely the *products' competitive price* and the *extent of online sales.* Established Chilean exporters believe that they are price competitive. It is likely that firms involved in international business are gaining economics of scale by tapping into a larger market pool. Also, it is apparent from the data that non-exporters rely more on Internet sales (at least, in their domestic market) than established exporters. Regarding the remaining variables, Chilean respondents believe that their firm's capabilities are, in general, contributive to their competitiveness, in particular, the quality of their products, the long-term relationship with business partners and the ability to embrace new business ideas/management methods.

Brazilian established exporters rated their *long-term relationship with business partners* significantly higher while they rated their *online sales* as significantly lower in contributing to their competitiveness than did exporters in the other two stages of internationalization. Overall, the Brazilian respondents were in agreement with their Chilean counterparts that having *high quality products* and *good relationship with business partners* are important factors to succeed in international markets. However, the results show that Brazilian respondents rated their firms' *unique technologies / know how* higher in contributing to their competitiveness than did their Chilean counterparts.

Perceived contributions of internationalization to the firm's business

Since an important variable in explaining the export behavior of firms is managerial expectations of internationalization (Yannopoulos, 2010), the questionnaire contained seven statements related to potential benefits of exporting (see Table 3).

Insert Table 3 here

While Chilean firms believe that exports are particularly important in order to help firms *diversify markets*, *overcome a limited home market*, *add to overall profitability*, *gain a prestigious image* (among domestic customers) and *exploit* *economies of scale* (with no significant differences across levels of export development), Brazilian firms attribute a greater contribution of exports to *diversify markets* and *reduce the impact of a domestic economic downturn*. Among Brazilian firms, significant differences between established exporters and the other two stages of internationalization were reported regarding *utilization of excess production capacity* and the *exploitation economies of scale*.

Internal and external factors inhibiting internationalization

Interestingly, Chilean and Brazilian managers did not rate high (above 4.0 in the 5-point scale) any one of the individual internal and external factors investigated, suggesting that perceived difficulties to exporting may be the result of several factors, without domination by any particular one (see Table 4). However, on average, Chileans reported higher *perceived risks*, higher *difficulties in finding out a reliable distributor abroad*, and *lower access to financial resources*; both Chileans and Brazilians contend that *limited government support to encourage exports* and *exchange rate variability* are important inhibitors to internationalization, while *low demand abroad* does not seem to be a big issue for either of them.

Insert Table 4 here

There are significant differences across types of exporters regarding some external aspects. In Chile, non-exporters and trial exporters perceived significantly higher difficulties than do established exporters, as expected, in *finding a reliable distributor abroad*; the former also reported lower *access to financial resources*, complained more intensely about the (extensive) *legal and regulatory barriers in export markets*, *limited stocks* and the (perceived) *difficulties in collecting payments from foreign markets*. Interestingly, as Chilean firms gain experience abroad, they perceive lower *risks in foreign markets* and dismiss the need to have *lower prices* as a requirement to compete abroad. (Nonetheless, Chilean established exporters had reported (see Table 2) to be more price competitive than their less export-experienced counterparts.) However, perceptions about firm-related aspects are not significantly different across types of Chilean exporters. On the other hand, Brazilian non-exporters and trial exporters complain more (than do established exporters) about *lack of government support*, but complained less about *variability in exchange rates*. In terms of firm-related aspects, Brazilian non-exporters report to give low *priority to export markets* and to face *lack of financial resources*.

External cost factors inhibiting internationalization

Eleven cost factors were evaluated as possible inhibitors to internationalization (see Table 5).

Insert Table 5 here

In Chile, only one cost factor stands out as higher than the others across all three types of firms: the *cost of financing new plant capacity*. This factor, however, would affect not only exports but also the expansion of Chilean firms in the domestic market as well – and compounds the problem of lack of financial resources, reported above. Interestingly, established exporters perceive this cost as significantly lower than the other firms do (although higher than any other factor), which may be a potential explanation for their higher involvement abroad. In comparison with their counterparts in other internationalization stages, Chilean established exporters perceive significantly lower costs of three additional items: (stringent) *export regulations*, *employing managers with export experience*, and *export documentation and procedures*. Regarding the other factors, all are situated at a medium level (and there are no significant differences across firms in distinct internationalization stages), suggesting that some attention from policymakers would be welcome, but their level is not alarming. In general, established exporters perceive costs as lower than the other firms do.

In Brazil, *government charges* stand out as the highest reported cost. Remarkably, Brazilian exporters (both novice and established) perceive *international shipping/airfreight costs* as higher than non-exporters do; therefore, it seems that these costs (although regarded as quite high) would not be enough to frighten firms way from exporting in the first place. In general, Brazilian managers perceive the cost of factors as higher than Chilean managers do. Such fact, coupled with the large (and until the period of data collection for this study, growing) domestic market may lead some Brazilian firms to forgo exports, which might explain in part the lower level of exports from Brazil in comparison with the country's GDP.

Commitment to internationalization

Chilean established exporters ranked significantly higher (as expected) in items related to export commitment, but it is instructive to see that non-exporters and trialing exporters show medium levels of commitment in terms of: *export planning*, (reported) *management commitment towards exporting*, and *resources committed towards exporting* (see Table 6). A strikingly distinct picture emerges from Brazilian exporters, which reported low levels of export commitment (in the case of non-exporters and trialing exporters) and only medium (though statistically higher) level of commitment (in the case of established exporters). Therefore, when compared to their Brazilian counterparts at a similar stage of export development, Chilean firms in general are more export-oriented, which can, in part, be explained by the lower size of the domestic market in Chile.

Insert Table 6 here

Discussion and conclusions

The objective of this study was to explore the key factors that enhance or inhibit the international development of firms, as perceived by export managers from two Latin American countries. This research extends internationalization literature by shedding light on why some firms from emerging markets show higher levels of internationalization than others. The findings of this study show differences across firms that are located in different levels of internationalization development (non-exporter, trial exporter and established exporter). The results also show differences in the main drivers and inhibitors of internationalization development between Chilean and Brazilian exporters.

In terms of firms' resources and capabilities, established Chilean exporters reported to be more price competitive than their less export-experienced counterparts, while Brazilian established exporters reported to have better relationships with business partners. Overall, the Brazilian respondents were in agreement with their Chilean counterparts that having high quality products and good relationship with business partners was important to succeed in international markets.

When prompted to respond about the potential contributions of exports to their firms' competitiveness, both Chilean and Brazilian exporters indicated a high contribution – irrespective of the level of export development of the firm in Chile, but with a significantly higher contribution regarding utilization of excess production capacity and exploitation of economies of scale for Brazilian established exporters.

Interestingly, while no statistically significant differences were found across the three types of Chilean exporters in terms of the priority given to export market development within the company, Brazilian established exporters reported a higher priority than did their less export-experienced counterparts. Interestingly, while Brazilian established exporters complained more about exchange rate volatility and lack of government support, no significant different differences in these aspects were found across Chilean exporters.

In Chile, less experienced exporters reported perceptions of higher costs (e.g., compliance with stringent export regulations, financing new plant capacity, employing managers with export skills / experience and export documentation and procedures), which may serve as a deterrent to expand exports; but no significant differences in the perception of cost factors were found across the three types of Brazilian exporters, expect regarding the cost of raw materials (reported as higher by established exporters).

Regarding barriers of internationalization, as opposed to perceived advantages of internationalization, the findings identify significant differences on several factors with significantly higher evaluations from non-exporter firms in both countries. Moreover, the main inhibitors of internationalization differed between Chile and Brazil, possibly due to a more regulated environment in Brazil than Chile.

The findings also reveal significant differences in internationalization commitment between firms in different levels of internationalization development in both countries, with significantly higher levels for established exporters, as expected. This is consistent with previous research that finds that the extent to which a firm is motivated to export is largely contingent upon the decision maker's perceptions and commitment to the export market (Leonidou et al., 2007).

Another interesting finding is the internationally oriented nature of both countries, especially Chile with 45.9 percentage of income derived from export sales. In addition, export managers are mostly tertiary educated managers with international experience.

Managerial Contribution

The findings of this study make a significant contribution to international managers in terms of understanding the drivers of internationalization behavior of Chilean and Brazilian firms. Managers can better understand the elements of their firm's internationalization status and take action accordingly. Similarly, for public policy makers who are interested in improving a nation's exporter numbers, the questions employed in our survey can help assess potential exporter firms and determine likelihood of internationalization. Further, specific support can be provided to firms that want to advance in their internationalization process depending on which stage they are located. For firms well positioned for export but inhibited by internal capabilities, actions could be taken to change the mindset of managers by providing appropriate export training. In addition, for managers that lack previous export experience, the local government could initiate mentoring programs to assist firms interested in commencing their exporting process.

Limitations and Future research

Like many other studies examining the internationalization of firms, in both samples analyzed there is a larger proportion of firms that are already engaged in international activities. Besides, the merely descriptive statistics provide some clues regarding the drivers and barriers to exporting, but they do not allow for a deeper understanding of the phenomenon. In addition, interpretation of the individual impact of each variable (of the firm and of the environment) across types of exporters is hindered by possible multicolinearity (covariation among indicators). Besides, the cross-sectional nature of the study does not allow for any inferences about differences in speed or rhythm issues (as done, for example, by Hutzschenreuter et al., 2011). Furthermore, endogeneity issues (e.g., reverse causation) cannot be ruled out. For example, the fact that established exporters perceive lower risks and do not report low prices as a determinant in competing abroad may mean either that their experience makes them change their perceptions or else that, because some firms perceive lower risks (or feel that they can deal with them, better than do less experienced exporters) or have differentiated products (thus, discarding low prices as a requirement), they expand abroad more than do their counterparts – thus becoming established exporters.

This study has provided a better understanding of the factors perceived to inhibit or enhance internationalization development in two Latin American countries. More studies are necessary to confirm the present findings in other Latin American countries. For example, a fruitful area of research would be to undertake follow up interviews to enquiry more deeply about some of the factors identified in this study as aiding or inhibiting exporting. For example, the background of the managers must be further probed to understand the type of tertiary education received. Also, given the higher level of female respondents in the Brazilian dataset, it would be very interesting to identify the factors behind this positive change in working towards equality in the workplace.

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Table 1. Respondents' demographic characteristics

Characteristics Definition	Chile (N=136)	Brazil (N=205)
Gender		
Male	85.3%	77.1%
Female	14.7%	22.9%
Characteristics of Export Manager		
Completed tertiary education	100.0%	97.9%
Received training in exporting	73.5%	64.6%
Fluency in a foreign language	83.0%	91.5%
Previously worked for an exporting firm	54.4%	20.1%
Born overseas	14.0%	14.6%
Has lived overseas	61.8%	47.9%
Has family overseas	55.9%	37.5%

Table 2. Perceptions of factors enhancing internationalization development

CHILE (N=136)	**STAGES OF EXPORTING**				
BRAZIL (N=205)	**STAGES OF EXPORTING**				
Firm's resources and capabilities	**Non-Exp (n=54)**	**Trial Exp (n=25)**	**Estab Exp (n=126)**	**F**	**Sig.**
Our product's competitive price	3.11	3.40	2.82	3.045	.050
Our perceived high quality of our products	4.30	4.12	4.06	1.478	.228
Our unique technologies/know how	4.17	3.84	3.84	2.344	.099
Quality packaging	3.26	3.68	3.35	1.618	.201
Our well-developed marketing skills	3.56	3.76	3.45	1.112	.331
Our innovative production skills	3.91	3.76	3.71	.698	.499
Our well established network of distributors	3.41	3.56	3.60	.654	.521
Our well established online sales	2.80	2.88	2.29	5.148	**.007****
Our brand identity	3.76	3.80	3.94	.712	.492
Our long term relationship with our business partners	3.87	3.92	4.27	5.918	**.003****
Our ability to embrace new business ideas/management methods	3.76	3.48	3.45	2.079	.128
Our well established company credo or mission statement	3.59	3.64	3.59	.035	.966

Notes:
The question was: "What are your company's major strengths / core competences that enhance your product's competitiveness in the marketplace?", rated on a 5-point Likert scale (1 = strongly disagree … 5 = strongly agree)
Bold: established exporters significantly different from non-exporters and trial exporters: * p<.05; ** p<.01; *** p<.001.

Table 3: Perceived contributions of internationalization to the firm's business

CHILE (N=136)	**STAGES OF EXPORTING**				
BRAZIL (N=205)	**STAGES OF EXPORTING**				
Advantages of internationalization	**Non-Exp (n=54)**	**Trial Exp (n=25)**	**Estab Exp (n=126)**	**F**	**Sig.**
Diversify markets	4.24	4.20	4.38	.832	.437
Utilize excess production capacity	3.31	3.76	3.92	6.276	**.002***
Reduce the impact of a domestic economic downturn	4.06	4.20	4.21	.616	.541
Overcome a limited home market	3.80	3.84	3.94	.453	.637
Add to overall profitability	3.89	4.08	4.02	.507	.603
Gain a prestigious image which would help domestic performance	3.89	4.04	3.87	.305	.737
Exploit economies of scale (i.e. spread overheads through greater output)	3.59	3.76	3.97	2.694	**.070****

Notes:
Question: "Exports (would) allow a firm to: […]", rated on a 5-point Likert scale (1 = strongly disagree … 5 = strongly agree)
Bold: established exporters significantly different from non-exporters and trial exporters: * p<.05; ** p<.01; *** p<.001.

Table 4: Internal and External Internationalization Barriers

CHILE (N=136)	STAGES OF EXPORTING				
Internationalization Barriers	**Non-Exp (n=27)**	**Trial Exp (n=27)**	**Estab Exp (n=82)**	**F**	**Sig.**
Low priority given to export market development within the company	3.04	2.74	2.50	1.761	.176
Management's lack of knowledge and experience in export matters	3.74	3.59	2.57	11.555	**.000***
Limited quantities of stocks for market expansion	3.22	2.89	2.77	1.421	.245
Lack of financial resources	3.81	4.15	3.26	5.707	**.004**
Limited government support to encourage exports	3.41	4.19	3.46	4.143	**.018*
Extremely low prices required to gain volume sales in major export markets	3.59	3.30	3.16	1.413	.247
Extensive legal and regulatory barriers in export markets	3.85	3.41	3.16	3.447	**.035*
Exchange rate variability	3.56	3.85	3.77	.607	.546
Unfamiliar foreign business practices	3.70	3.59	3.13	3.896	**.023*
Difficulties in collecting payments from foreign markets	3.56	3.78	3.10	3.997	**.021*
Problems in selecting a reliable foreign distributor	4.19	4.00	3.34	8.105	**.000***
Risks involved in selling abroad	3.78	3.33	3.34	1.806	.168
Inadequate / incorrect market information	3.93	3.52	3.13	5.607	**.005**
Lack of demand for the types of products we produce	2.96	2.74	2.60	.941	.393
Our firm's lack of cultural understanding	2.93	2.81	2.61	1.004	.369
The impact of the global financial crisis	3.00	3.44	3.11	1.109	.333

Notes:
Question: "To what extent do you disagree / agree that the following factors inhibit your firm from exporting (i.e. either in starting up or expanding exports)?", rated on a 5-point Likert scale (1 = strongly disagree … 5 = strongly agree)
Bold: established exporters significantly different from non-exporters and trial exporters: * p<.05; ** p<.01; *** p<.001.

BRAZIL (N=205)	STAGES OF EXPORTING				
Internationalization Barriers	**Non-Exp (n=54)**	**Trial Exp (n=25)**	**Estab Exp (n=126)**	**F**	**Sig.**
Low priority given to export market development within the company	3.57	2.76	2.86	7.091	**.001****
Management's lack of knowledge and experience in export matters	3.39	3.20	2.75	4.902	**.008****
Limited quantities of stocks for market expansion	2.83	2.64	2.81	.252	.777
Lack of financial resources	3.19	2.96	2.94	.719	.489
Limited government support to encourage exports	3.54	3.60	4.01	4.248	**.016***
Extremely low prices required to gain volume sales in major export markets	3.24	3.28	3.37	.297	.744
Extensive legal and regulatory barriers in export markets	3.46	3.60	3.83	2.857	.060
Exchange rate variability	3.59	3.52	4.00	4.513	**.012***
Unfamiliar foreign business practices	3.41	2.96	2.63	6.656	**.002****
Difficulties in collecting payments from foreign markets	3.07	3.16	2.81	1.471	.232
Problems in selecting a reliable foreign distributor	3.31	3.16	3.02	1.303	.274
Risks involved in selling abroad	3.02	3.20	2.84	1.448	.237
Inadequate / incorrect market information	3.11	3.28	3.16	.207	.814
Lack of demand for the types of products we produce	2.48	2.92	2.50	1.476	.231
Our firm's lack of cultural understanding	2.93	2.84	2.52	2.724	.068
The impact of the global financial crisis	3.19	3.00	3.33	1.083	.340

Notes:
Question: "To what extent do you disagree / agree that the following factors inhibit your firm from exporting (i.e. either in starting up or expanding exports)?", rated on a 5-point Likert scale (1 = strongly disagree … 5 = strongly agree)
Bold: established exporters significantly different from non-exporters and trial exporters: * p<.05; ** p<.01; *** p<.001.

Table 5: External Cost barriers of internationalization

CHILE (N=136)	STAGES OF EXPORTING				
BRAZIL (N=205)	**STAGES OF EXPORTING**				
Internationalization cost barriers	**Non-Exp (n=54)**	**Trial Exp (n=25)**	**Estab Exp (n=126)**	**F**	**Sig.**
Labor cost in Brazil	3.76	3.64	3.73	.106	.899
Domestic transport	3.94	3.92	4.32	3.457	.033
International shipping / airfreight	3.61	4.12	3.96	2.605	.076
Raw Materials	3.15	3.60	3.67	4.391	**.014***
Public Utilities (i.e. fuel, communications, waste disposal etc.)	3.61	3.28	3.80	2.337	.099
Domestic government charges	4.28	4.28	4.29	.007	.993
Insurance associated with exports	3.26	3.36	3.39	.266	.767
Compliance with stringent export regulations (i.e. packaging, labeling)	3.22	3.36	3.44	.784	.458
Financing new plant capacity	3.37	3.40	3.66	1.735	.179
Employing managers with export skills / experience	3.19	3.00	3.02	.432	.650
Export documentation and procedures	3.46	3.44	3.44	.006	.994

Notes:
Question: "Our firm's market expansion activity is inhibited by the high cost of:", rated on a 5-point Likert scale (1 = strongly disagree … 5 = strongly agree)
Bold: established exporters significantly different from non-exporters and trial exporters: * p<.05; ** p<.01; *** p<.001.

Table 6: Commitment to internationalization

CHILE (N=136)	STAGES OF EXPORTING				
BRAZIL (N=205)	**STAGES OF EXPORTING**				
Firm Commitment	**Non-Exp (n=54)**	**Trial Exp (n=25)**	**Estab Exp (n=126)**	**F**	**Sig.**
Planning towards exporting	2.56	3.40	3.87	30.004	**.000*** **
Management commitment towards exporting	2.78	3.52	3.95	25.236	**.000*** **
Resource commitment towards exporting	2.57	3.28	3.88	31.897	**.000*** **
International experience	3.41	3.56	4.17	11.211	**.000*** **

Notes:

Question: "In our firm there is substantial:", rated on a 5-point Likert scale (1 = strongly disagree … 5 = strongly agree)
Bold: established exporters significantly different from non-exporters and trial exporters: * p<.05; ** p<.01; *** p<.001.