Internationalization Paths of Chilean Fruit Export Companies: Are They Regionally or Globally Oriented?

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Problem Statement
• Emerging economies’ firms have become key competitors in global markets.
• Economic literature on internationalization strategies is mainly focused on big Multinational Companies from developed countries or Asian countries as emerging economies.
• Scientific literature with such focus including goods from the agricultural sector is even more scarce.
• Countered viewpoints on firms’ internationalization pathways and the systems used for firm categorization, resulting in controversial degree of firms’ globalization.

Objective
• To examine the changes in the internationalization strategies of export fruit companies in Chile and determine if they are rather globally or regionally oriented.

Main Contributions
• Extension of Aggarwal et. al (2011) framework.
• In-depth view of the dynamics in the firms’ internationalization process.
• Closing the research gap of internationalization strategies studies in the agricultural sector from Latin America.

Framework to assess Firms’ Internationalization
• Depth: trade level by focusing in foreign sales.
• Scope: firm’s export dispersion within geographic regions: Far East & Pacific, Middle East & Africa, North America, Mexico-Central America & Caribbean, South America, and Europe.
• Scale: share of every geographic region to total exports.
• Time: uninterrupted exports between 2009-2015.
• Sample: 233 exporters from Eximfruit data base.

Classification of Firms’ Internationalization
• Home regional (R): only home region.
• Host regional (H): only one region, but different than home region.
• Transregional (T2-T5): between three and five regions.
• Global (G): all the regions.

Results

Table 1. Changes in the classification of firm’s internationalization 2009-2015

<table>
<thead>
<tr>
<th>No. of Changes</th>
<th>R</th>
<th>H</th>
<th>T2</th>
<th>T3</th>
<th>T4</th>
<th>T5</th>
<th>G</th>
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<tr>
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<td>35 (100)</td>
<td>27 (100)</td>
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Conclusion and discussion:
• Firms are mostly transregionally (65.12%) and globally oriented (16.06%), following a pattern of incremental internationalization regarding the number of markets, but acting as born-global firms regarding the psychic distance.
• Existence of some liability of inter-regional foreignness.
• Firms in the agricultural sector show similar behavior than firms from other sectors in terms of internationalization.
• Extension to Aggarwal et. al. (2009) approach permits a better and more inclusive classification system.
• Future studies using this extended framework should include more export based activities to test its general applicability.

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References

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