



Internationalization to Colombian market: enablers and constraints

Master degree in International Business

Daniela Susano Jacinto

Leiria, April of 2020



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Dissertation under the supervision of Professor Doctor Susana Rodrigues

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Dedication

To my family, the biggest support of my life.

Acknowledgments

For me, finishing this master is not just the achievement of one more academic degree. At this moment, I can say that it is also an individual conquer that makes me feel stronger than I thought I could be. However, if all this route was made alone, I'm sure that I had already given up a long time ago and that's why I really need to write these acknowledgements.

The most important pillar were my parents, my sister and all my family. Huge thanks to them who always supported and encouraged me from the beginning of this master, in every conquest and every desperate moment.

Thanks to my friends I met before and during this master, who always helped me to keep strong and never to give up and to the ones that even without knowing me were available to help as much as they could.

Thanks to my work colleagues from Bicimax and NERLEI who respected and supported my decisions since I started this master, and made me believe that having a job is not only about work, but also about having good people around us.

Last, but definitely not least, thanks to professor doctor Susana Rodrigues, who always motivated me with the best words to finish this dissertation, even in my worst moments.

Resumo

Os estudos sobre negócios internacionais têm ganho cada vez mais importância na era de globalização em que vivemos, pelo que uma análise mais profunda sobre mercados específicos, em condições específicas (como é o caso deste estudo) é sempre uma mais-valia para complementar a literatura existente.

A presente investigação pretende estudar as principais oportunidades e desafios que as empresas Portuguesas enfrentam durante o processo de internacionalização para a Colômbia, com o objetivo de testar a influência desse processo na performance das mesmas. Através da metodologia aplicada, esta investigação pretende, ainda, definir a melhor estratégia possível para contornar os desafios identificados e obter mais vantagens com a entrada neste mercado.

De forma a obter informações o mais fidedignas possível, os dados foram obtidos através de dois métodos: entrevistas presenciais e questionários, ambos os métodos aplicados a empresas Portuguesas que mantenham atividade internacional com o país supra referido, empresas essas que conhecem o mercado em causa, pela sua própria experiência. A amostra recolhida representa 10% do total das 387 empresas portuguesas com negócios com o país em estudo, registadas em 2018.

As conclusões deste estudo não permitem identificar uma influência positiva das oportunidades, nem uma influência negativa dos desafios na performance da empresa. No entanto, é possível apontar várias características que os gestores devem ter em conta para garantir a sua satisfação durante o seu processo de internacionalização para a Colômbia.

Palavras-chave: internacionalização, performance, oportunidades, desafios, mercado Colombiano

Abstract

International business studies have reached more importance in the era of globalization where we live and, a deep analysis of specific markets, under specific conditions (like happens in this study) is always important to complement the existent literature.

The current research attempts to study the main enablers and constraints faced by Portuguese companies during the internationalization process to the Colombian market, and its impact on organisational performance. Additionally, the current research attempts to define the best strategy possible to work around the challenges identified in order to obtain higher advantages to enter this country. It was used a hybrid strategy with multi data collection methods and sources.

Data were collected through two methods: face-to-face interviews and questionnaires, both applied to Portuguese companies, with international business activities in Colombia and knowledge of the market, by their own experience. The sample collected represents 10% of the 387 Portuguese companies with businesses with the country in study, registered in 2018.

The results showed that there is no evident of a positive influence of the enablers, neither a negative influence of the constraints on companies performance. Important insights are delivered to the Portuguese managers succeed in internationalization process to Colombia.

Keywords: internationalization, performance, enablers, constraints, Colombian market

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List of Abbreviations and Acronyms

AICEP	aicep Portugal Global - Trade & Investment Agency
DANE	National Administrative Department of Statistic (Colombia)
EIU	The Economist Intelligence Unit
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
INE	National Statistics Institute (Portugal)

1. Introduction

1.0. Introduction

Chapter one is a general presentation of the dissertation with the objective of introducing the main topics that will be approached. This introduction is composed by six sections. The first section will be about the contextualization of the theme studied in the dissertation and the motivations that lead to this choice. The second section it will be explained the importance of the investigation and the results that will be obtained from it. Then, section three, presents the objectives expected to be achieved with the investigation. Section four resumes the distinctive character of the investigation. The methodology followed during the investigation is briefly explained in section five and, in order to have an overall look to all the investigation, the sixth section exposes the structure of the investigation.

1.1. Contextualization and motivations

“Cross borders” is, nowadays, a concept that is always associated with development: personal development, social development and business development. Everyone, every society and every company must interact with people, societies and companies out of their “borders” to develop themselves. In the business world, this happens when companies find in internationalization a strategy to develop their business. This is a very important step for every small or big company, as well as the choice of the markets to start the process.

After my involvement in an international project in NERLEI, I became more interested in one of the target markets: Colombia. This country in Latin America has been recently more wanted for Portuguese companies to internationalize and I consider that the existent information may be compiled and updated with real information from companies that are already in the market.

In a worldwide perspective, according to data collected by AICEP, in 2018 Colombia was placed in the position 65 in the ease of doing business ranking, among 190 countries. In the global competitive index is rated in the 60th position of 137, in the global corruption perceptions index is rated in the 99th position of 180 and in the Global Ranking of business environment in the 52nd position among 82 countries. Taking into account that usually companies prefer markets with high attractiveness and low risk (Sakarya, Eckman & Hyllegard, 2006), one of the motivations for this study is to understand why,

even so, Portuguese companies still operate with Emerging Markets, classified as a high-risk environment, such as Colombia.

In a national perspective, in 2018, Colombia represented approximately 0,40% of the imports to Portugal and 0,09% of the exports from Portugal to Colombia. That makes Colombia the 57th client of Portugal and the 31st provider of Portugal, regarding the trade of goods and services presented by Banco de Portugal. Despite the negative trade balance, the internationalization from Portugal to Colombia has increased in recent years and actually the direct investment of the 50 Portuguese companies in Colombia represent 600 billion dollars. This fact constitutes another interesting point of view to develop in this study in order to understand what moves Portuguese companies to keep their business with Colombia, despite the not so high statistical values existent.

All these facts put Colombia in the list of countries to where Portuguese companies should expand their business and an in-depth knowledge about the country may contribute to encourage them to explore the opportunities that the fourth economy of Latin America can give to its growth. The interest provided by this market as well as the importance of internationalization for the companies' development are the main motivations to develop this study.

1.2. Importance of the investigation

There are many markets that Portuguese companies already know and feel more comfortable to choose to internationalize their products or services, for different reasons: geographic distance, cultural proximity, market growth, among others. However, at a certain point, these markets are not enough and companies need to extend their business beyond their comfort zone and increase even more their business. Colombia is one of these markets, one that many Portuguese companies don't know deeply, and a proof of that is the low percentage that Colombia represents in the internationalization of the Portuguese market (0,09%).

This is the reason why this investigation may be so pertinent and relevant for the even higher number of companies who look for new markets like Colombia. The practical and updated information collected in the following chapters is expected to become very important for several managers by providing them a higher capability of making successful businesses in this market and contribute to increase the exports volume.

1.3. Objectives of the investigation

Regarding the actual position of Colombia in the economic international context and its influence in Portuguese international trades, this study aims to find the main enablers and constraints that Portuguese firms, that have some international relationship with Colombia, have found during the internationalization process to this market.

Considering these findings, this investigation aims to define the best strategy possible to work around the challenges identified in order to obtain higher advantages to enter this country. In a practical point of view, the final objective is to create a practical guide with more information to support Portuguese managers who want to internationalize their trades to the Colombian market.

1.4. The distinctive character of the investigation

Nowadays, the information about countries to where companies want to expand their businesses are easily available through many resources. However, this information is not always real or complete for managers who are making important decisions and this investigation aims to fill in this gap.

This investigation aims to study the internationalization of Portuguese companies to Colombian market by collecting not only information about the country, but also information about companies that already know the market by their own experience. Besides this realistic distinctive character, the investigation will be supported by theoretical concepts about internationalization.

1.5. Methodology of the investigation

In order to achieve the proposed objectives, this investigation follows a detailed methodology explained in chapter four by using different sources of data and data collection methods.

First of all, it was collected secondary data that was very important to support all the contents of the investigation to obtain the primary data. This exploratory information is very important to better understand the content of the investigation, mainly the market in study and the business relationships between Portugal and Colombia and some concepts and theories associated with an internationalization process.

Secondly, it was collected primary data through two interviews made to a CEO and a country manager of two different Portuguese companies with a deep knowledge about Colombia. The analysis of the information obtained from the interviews was helpful to

refine and adjust the structure of the instrument used to collect the primary and quantitative data, with the expectation of giving a wide range of real perspectives of the internationalisation to the Colombian market. Methodologically, this study adopted a process of triangulation because it used different sources of information, primary and secondary (triangulation of sources of information) and qualitative and quantitative data (methodological triangulation) by adopting different procedures to guarantee the viability and validity of the results.

Questionnaires were applied to Portuguese companies, from every activity sector that maintain or already had, in the past 5 years, any kind of international activity with Colombia. Forty one valid questionnaires were obtained and statistically analysed through the Statistical software IBM SPSS Statistics 26 (Statistical Package for the Social Sciences). Descriptive statistics and ANOVA were conducted to analyse the survey questions and test the hypothesis.

To better understand the way the process was conducted, the next section will resume the structure of the investigation.

1.6. Structure of the investigation

This dissertation is composed by seven chapters. It starts with an introduction with a presentation of the chosen theme and its contextualization, motivations, importance, objectives and methodology.

In order to contextualize the theme of the investigation with the reality nowadays, the next chapter presents a research market of Colombia, considering several aspects about the country. To better understand the business relationship between Portugal and Colombia, this second chapter also presents some considerations about the internationalization of Portuguese companies to Colombia.

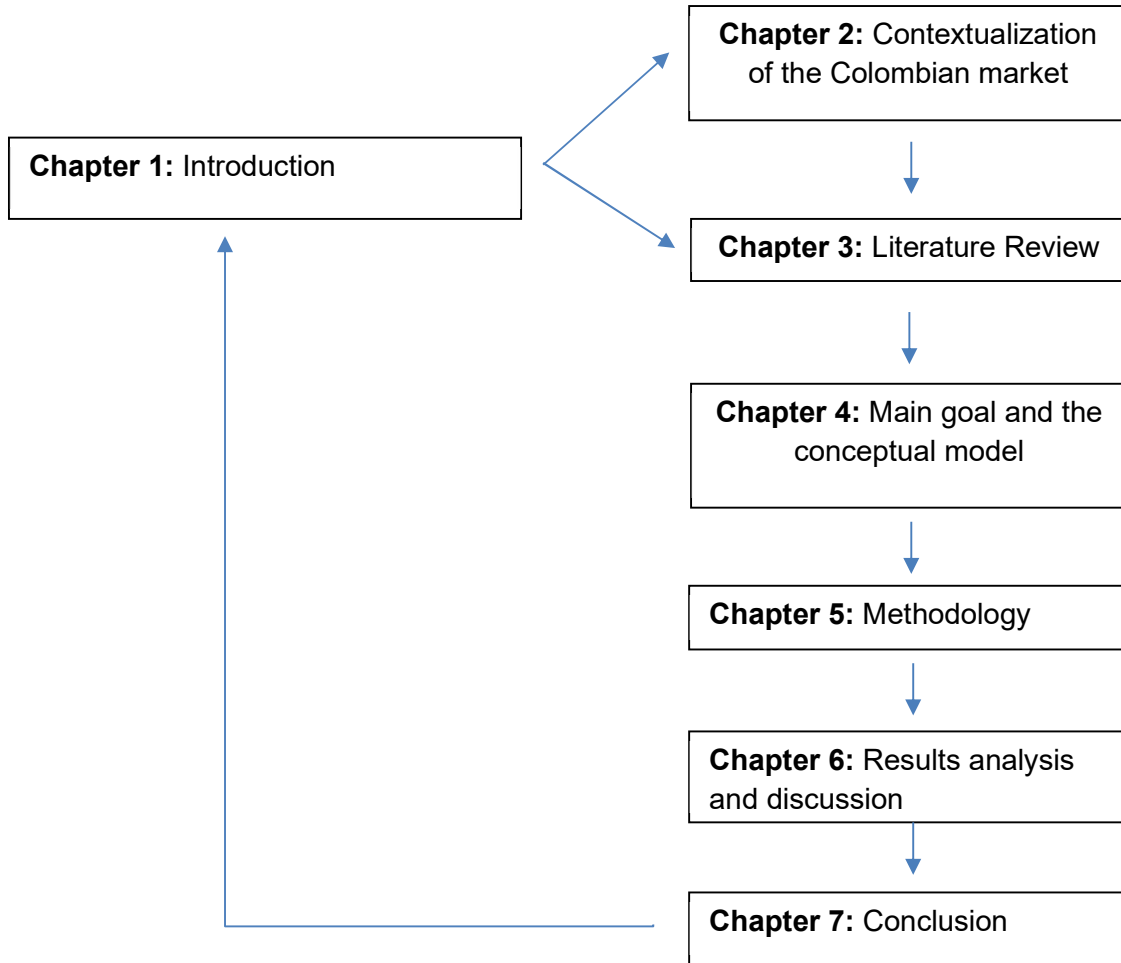
The following chapter is composed by a literature review about the main topics in study and theories from the most influent authors in this subject, namely: internationalization, entry modes, selection of the market, performance, enablers and constraints.

The fourth chapter clarifies the objectives and the main goal, the conceptual model of this investigation as well as the hypothesis in study. The methodology used to test the hypothesis is explained in the fifth chapter, mainly the data selection process, statistical procedure and variables used. The sixth chapter presents the results obtained regarding the methodology proposed, its analysis and discussion.

The seventh and last chapter is composed by the main conclusions provided by the results obtained, the theoretical and managerial contributions, the limitations of the study and suggestions of future research that may complete this study.

The scheme presented below, resume the structure of the investigation:

Figure 1 - Structure of the investigation



Source: Own construction

2. Contextualization of the Colombian market

2.0. Introduction

After the introduction of the study, this chapter suggests a contextualization of the subject. In order to understand the market in study, it will be developed a market research based on some facts and numbers, of different topics about Colombia.

The geographic location, population and currency used will be the first aspects mentioned about Colombia, in order to get a better perception about its dimension. After this, it will be explained how the political system and economic situation are presented, with the most recent data possible to obtain. Foreign trade will be the next point that exposes the situation of the country regarding international relationships with the rest of the world. To complete the market study of Colombia, in this chapter will be possible to understand the historical and cultural involvement of the country.

This chapter also includes actual aspects about the business relationship between Portugal and Colombia: a global framework of international activities and some facts and numbers about the trade of goods and services between them.

2.1. Market research

2.1.1. Geographic location

Colombia is a country with a continental territory of 1.036.700 km², a maritime extension of 2.900 km and is located in the northwest corner of South America. This country has an excellent proximity with many countries: its surface limits are with Venezuela, Brazil, Peru and Ecuador and the maritime limits are Panama, Costa Rica, Nicaragua, Honduras, Jamaica, Haiti, Dominican Republic and Venezuela. The capital of Colombia is Bogotá and it is possible to consider other 5 important cities: Medellín, Cali, Barranquilla, Bucaramanga and Cartagena (Figure 2). The country is divided into six regions: Caribe, Pacífica, Andina, Orinoquía, Amazonía and Insular.

Because of its proximity to the equatorial line, Colombia doesn't have seasons: the climate is stationary because of the altitude and proximity to the sea. Bogotá is located 2700 meters above the sea level, so the climate is similar to the autumn in Portugal, while Medellín is located 1600 meters above the sea level and has a constant spring weather. In the rest of the territory, like Cali or the coast, the climate is tropical.

Figure 2 - Geographic Location

Source:<http://country.eiu.com/article.aspx?articleid=1368945120&Country=Colombia&topic=Summary&subtopic=Basic+data>

Because of its geographical characteristics and the recent insecurity period, the country still verifies considerable delays when we talk about infrastructures. That means that distances inside the country are huge, measurable in hours and not in kilometres and insufficiently covered by plane or truck. The road infrastructure is composed by 141 374 deficit kilometres and only few of them are motorway. For this reason, people only use cars as transportation mode for less than 200km. The public transportation has been improved but it still has low comfort and may be insecure; the easiest way to travel is by taxi. The railway infrastructure is composed by 874 non-operational kilometres.

In Colombia there are 121 national and international airports but the most important ones are placed in Bogotá, Medellín, Cali and Cartagena. The air transportation is the most expensive option because of the inefficiency offered by the other alternatives. Regarding the maritime transportation, Colombia has several important seaports to receive goods imported from other countries and the main ones are placed in Barranquilla, Buenaventura, Cartagena, Puerto Bolívar and Santa Maria.

2.1.2. Population

According to DANE – National Administrative Department of Statistic (Colombia), in 2018 Colombia had an estimated population of 49,8 million inhabitants where 48,8% are men and 51,2% are women. Regarding these numbers, this is the third most populational country in Latin America. The highest percentage of Colombian inhabitants range from 15 to 64 years old. Even so, the youth index has been decreasing and the index of aging has been increasing. That means that the demographic dependency ratio has been

decreasing since 1964. The same department shows that since 2005 the majority of Colombian people lives at municipal seats, especially in Andina where it is located the highest number of inhabitants.

Regarding the educational and laboural activity in the country, the most recent data is from 2018, when DANE found a percentage of 34% of economically active population that have completed medium education. Only 22,7% of the rest of this population completed the primary basic education, 5,7% completed the secondary basic education, 11,3% completed technical-vocational courses, 8,5% completed the university education and 3,5% completed after graduation studies. Considering the unemployment rate, DANE informed that on January 2019 the rate was 12,8% and increased to 13% on January 2020.

There are other curious factors about the Colombian population:

- According to the official website of Colombia, the majority of Colombian people is Christian (92%), with different religious groups. The rest of the citizens belong to other religious communities;
- The official language is Castellán, because of the historical Spanish influence, but there are a lot of other indigenous languages that influence many regions of the country.

2.1.3. **Currency**

The actual currency used in Colombia is the Colombian Peso (COP) and according to the Bank of Republic from Colombia, 1USD\$ corresponds to 3.464,15COP\$.

The official coin is composed by notes (produced in Cash Centre in Bogotá) and coins (minting at the Coin Factory in Ibaqué). The actual ones are in transaction since 2012.

2.1.4. **Political system**

The official name is the Republic of Colombia and its government is formed by a democratically elected representative system with a strong executive. The president is the head of state and the one who leads the cabinet. The head of state can only be elected for a four-year term as well as the 102 members of Senate (the upper house) and the 166 members of the Chamber of Representatives (the lower house) that compose the bicameral congress. The first president of Colombia was Simon Bolivar and the current president is Iván Duque Márquez.

The legal system is composed by seven courts: Supreme Court of Justice, Constitutional Court, Council of State, Superior Council of the Judiciary, Departmental, Circuit and Municipal courts.

The national elections that took place in 2018 elected the centre-right Centro Democrático (CD) that has the majority in both houses of Congress composed by CD, Partido Conservador, Partido de la Unidad, Cambio Radical and Partido Liberal. In the opposition there are Partido Verde, Los Decentes, Polo Democrático Alternativo and FARC (the political party formed by the FARC ex-guerrillas). The governing coalition is expected to support all the initiatives of CD, but they will also need some support from other parties to pass some reforms as the changes in the peace deal.

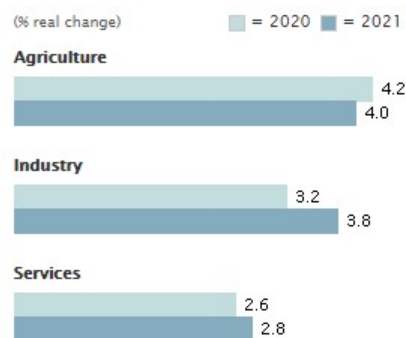
Since 1886, Colombia has a democratic regime, except between 1953 and 1957 when a military dictatorship occurred. However, the long internal conflicts and activities related to drug trafficking represent some violence and instability that, besides its decreasing, still represent a problem to this country.

2.1.5. Economic review

The GDP – Gross Domestic Product of Colombia in 2018 of 331.047 billion dollars, according to The World Bank, and its growth in the last decade (GDP in 2008 – 241.711 billion dollars) puts the country in the fourth position of Latin America, after Brazil, Mexico and Argentina. The GDP has grown 2,7% between 2014 and 2018, according to The World Bank and, more recently, DANE confirmed a growth in the GDP of 3,4% from 2018 to 2019.

Actually, according to EIU (The Economist Intelligence Unit) the services represent 2.6% of GDP in 2020, the industry represents 3,2% of GDP and agriculture represents 4,2%. These values are expected to grow in 2021, except the agriculture (Figure 3).

Figure 3 - Origin of Colombian GDP



Source: The Economist Intelligence Unit

Colombia is well known by the abundance of natural resources of mineral, energy or agricultural origin. According to the information provided by the practical guide of AICEP, the country is the higher producer of emeralds, the second producer of gold and platinum, the fourth producer of coal and has the largest coal reserves, the second largest of oil and the third largest reserves of natural gas in South America. This abundance places Colombia as the priority destination of international investment for exploration and mining. The main agricultural products that Colombia offers are coffee, flowers, bananas, rice, tobacco, corn, sugar cane, cacao, oilseeds and vegetables, while the main industries are textile, processed products, petroleum, clothing, shoes, drinks, chemicals, cement, gold, coal and emeralds.

Regarding these resources and according to some information provided by AICEP on September 2019, the main business opportunities in Colombia are the following sectors: machines, equipment and materials, agri-foods and drinks, row house, technologies, goods and energy.

Other important macro-economic data that explain the growth of the country between 2014 and 2018, according to EIU, are the population growth of 1,3%, the real domestic demand growth of 2,9%, the inflation of 4,6% and also the FDI inflows that represent 4,2% of the GDP. Analysing these macroeconomic indicators, it's possible to conclude that 2018 was a positive year for Colombia.

2.1.6. Foreign trade

Colombia has been making an effort in order to cooperate with the rest of the world. According to AICEP, this country has a lot of relationships with many international and regional associations and entities, from many years ago.

It's a member of American Development Bank – IDB, Bank for International Settlements – BIS, United Nations – UN and some specialized agencies with funds, programmes, and others. It is also integrated in World Trade Organization – WTO.

Colombia has also some regional partners like Comunidad Andina (CAN), Asociación Latinoamericana de Integración - ALADI, Asociación de Estados del Caribe (AEC), Sistema Economico Latino Americano y del Caribe (SELA), Organization of American States (OAS), Union de Naciones Suramericanas – (UNASUR), Alianza del Pacifico and Acuerdos Comerciales y de Inversión.

One of the most important partners is Pacific Alliance, a commercial group that, in partnership with Mexico, Peru and Chile, promotes and facilitates the commercial relationships between its members. There is also a relevant politic convergence between

Colombia, Brazil and the United States of America that have several economic and cooperative implications.

The European Union market is also an interest in Colombia considering the range of trade agreements established between them. The most important is the Trade Agreement, signed on 11th November 2016 between the EU and Colombia, Peru and Ecuador that already left the agreement. The main objective of this agreement is to eliminate customs duties, raise technical barriers to trade, liberalize service markets, protect the EU geographical indications and open up public procurement markets.

Regarding the international trade, the National Directory of Statistics from Colombia, DANE, realized that on January 2020 the sales of Colombia were of USD\$3.423,7 billion and registered a growth of 11,7% considering the same period in the previous year. The fuels and mineral oils are the sector that most contribute to this growth (60,9%), the manufactures represent 16%, the agriculture, food and beverages represent 19,7% and other sectors represent 3,2%. Regarding the imports, on December 2019 Colombia registered buys in the total amount of USD\$4.078,4 billion that represent a decrease of 2,5% from the previous year. The manufactures participated in 78,3% to this volume, the agriculture, food and beverages participated with 12,9%, fuels and mineral oils with 8,6% and the other sectors participated with only 0,2%.

The same source concluded that the main clients of Colombia are the USA, Ecuador, Peru and Mexico. On the other hand, the main suppliers of Colombia in 2019 were the USA, China, México, Brazil and Germany.

The legal regime devotes the equality of treatment between foreign and national capital and free access to almost all foreign activities. Another characteristic about the operations of foreign investment is the atomicity to realize these operations. In order to share the profits generated by the investments, foreign promoters must be registered in Central Bank.

PROCOLOMBIA is the responsible entity for the promotion of foreign investment and their website promotes more information about foreign investment in Colombia. The Government also gives some incentives to investors with the aim of supporting investments such as sectorial fiscal benefits, fiscal and customs benefits in Free Zones, among others. The Colombian government also provides different aids in the taxes paid by foreign investors such as: sectorial tax benefits (exemption of “Impuesto sobre la renta” in sectors like tourism, health or others) and tax and customs benefits in free zones.

The following topics describe some legal considerations that should be taken into account to export to Colombia:

- The Colombian customs legislation was recently reviewed with the objective of compile, modernize, simplify and suit the best international practises with the aim to facilitate the external trade and fulfil the commitments acquired during the trade agreements. The electronic system VUCE (Single Window for Foreign Trade) aims to simplify the processing of merchandise external trade operations.
- The main import of goods is free and only some products are restricted or forbidden to some legislation. For example, certain combustibles, specified plant varieties and fresh fruit, particular chemical products, certain radioactive substances, chemical and/or nuclear weapons, toxic and/or nuclear waste and toy weapons are banned from being imported to Colombia. At the same time, there are some products that are restricted to licensing, authorization or sanitary registration, like medicines, cosmetics or foods that must be registered in INVIMA (National Institute for Medicines and Foods Vigilance) and animals, animal origin products and plants that must be registered in ICA (Colombian Agricultural Institute).
- There are also some Colombian official standards and technical regulations, established by ICONTEC (Colombian Institute of technical standards and certification), for the entrance of some products (like products for human use or industrial products) that need an obligatory Conformity Certification and a registration of the importer of products subject to compliance with technical regulations in the “Superintendencia de Industria y Comercio”, Industry and Tourism Minister. Regarding labelling, Colombia also has a specific condition for packaging and labelling.

According to some information provided by AICEP, the foreign companies that want to invest in Colombia are submitted to the same fiscal obligations as national companies. There are national and regional taxes. National taxes include income taxes as “Impuesto sobre la renta”, “Impuesto sobre la renda para la equidad – CREE”, value added tax, health tax and financial transactions taxes. Regional taxes include the property tax and Industry and Commerce tax.

Besides these charges, there are other kinds of payments: Vallue Added Tax (taxes of 0%, 5% or 16%, applied in every transaction of goods or services realized in the country or importations), casual income tax (that tax incomes as heritages, lotteries and related searches with a tax of 10%) and consumption tax (applied in certain products/sectors as vehicles, telecommunications, foods and drinks, with a tax of 4%, 8% and 16%).

In terms of customs taxation, there is a commercial agreement between Colombia and the European Union that establishes that goods imported from the EU benefit from exemptions or reductions in the customs duty rates – in Market Access Database is possible to verify these taxes according to each product. In order to benefit from this preferential treatment, the community origin must be proved with a goods circulation declaration or a declaration emitted by the exporter; this declaration could be made by any exporter for goods with invoices that don't exceed 6.000 euros or by “authorized exporters” for invoices with higher values. These “authorized exporters” in Portugal are delegated by Portuguese Tax Authority and the certificates of origin emitted by them could need additional information in the customs authority's destination. For that reason, companies that ask for a certificate of origin must verify if all the requirements of the destination country are accomplished.

Regarding the customs tariff, Colombia applies the Common Nomenclature of the Member Countries on the Andean Community Agreement (NANDINA) that is based on Harmonized Commodity Description and Coding System (SH). Generally, the customs duties affect the value CIF (Cost, Insurance and Freight) of goods.

2.1.7. History and culture

Colombia is a country with Indigenous origin. It was conquered by Spain in 1525. Since then, Colombia took part in a colony with Panama and Venezuela. Only in 1886, the country gained its own independence. Some years after, in 1948 one popular candidate to President was murdered and the civil war started. 250 000 people died. One of the main causes of this was the drugs and its dealers, like Pablo Escobar who died in 1993. Only at that moment the state of emergency in the country was declared.

The history of the country, the heroes and its independence were converted in some symbols like the flag, the harness and the hymn. The country has 3 main elements that represent the homeland: the flower (orchid), the tree (the wax palm of Quindío) and the bird.

Associated with the symbols, the culture of a country could be described taking into account many other characteristics and some of them are more visible than others. For example, there are some universal rules, business etiquettes, greetings, dress codes, meetings that vary very much from country to country, and below it is possible to understand some of them in Colombia, according to a practical guide of access to the market developed by AICEP.

Colombian people are very welcoming and transparent, so it's easy to feel an instant empathy with them and feel like home.

- Some universal rules: focus on the business objectives; do the previous homework by analysing the market and potential partners; be prepared to find a lot of competitors; use legal advice to protect your products from being forged or copied.
- Business etiquette: the business culture varies from region to region inside the country. While in the main cities the corporate culture is more formal, in smaller cities it is more informal.
- The greetings occur with a firm and prolonged handshake and a strong visual contact. The physical contact is very common in Latin societies. People shouldn't address anyone using their first name but "Señor" or "Señora" before their surname.
- For the dress code, people adopt a conservative European style in Bogotá or Medellín and a casual dress in smaller cities as Cali or in the coast.
- Business meetings: plan the visit 2 or 3 weeks before, take a long-term approach to adapt to current circumstances and opportunities; look always for independent consulting; advice the Colombian company about the subject of the meeting; the punctuality is a problem in Colombia and meetings are prolonged very often because people extend the subjects to the family, holidays, health or others. Changing contact cards is more usual at the beginning of the meetings, the mobile phone should be turned off. Colombians appreciate Power point presentations and other promotional materials about the company.

Despite these cultural characteristics, Hofstede (1993) developed the most known cultural dimensions, that classify each country according to some criteria and make it possible to companies to understand the cultural diversities of a certain country. According to the information on Hofstede Insights website, Colombia scores 67 in the scale of Power Distance, which means it is a society where it is accepted that power is distributed unequally between members of institutions and organisations in a country. Regarding the level of interdependence, the members of the society keep among themselves – individualism - Colombia represents a low score of 13, which means that it is one of the most collectivistic countries. Colombia is also considered a masculine society, with a score of 64 in this dimension, because people are driven by competition, achievement and success. Regarding the avoidance of members to ambiguous or unknown situations, beliefs and institutions, Colombia scores 80 in the scale of uncertainty avoidance. Long term orientation describes how societies maintain some

links with their own past while dealing with challenges of the present and future and the country in analysis have a low score of 13. This classifies Colombia as a normative culture where people have a strong concern about establishing the absolute truth. The most recent Hofstede cultural dimension is indulgence, where Colombia scores 83. This means that people try to control their desires and impulses to enjoy life and have fun.

The information contained in the contextualization of the market is very important to know a little bit more about the country. However, the next section helps to consolidate this with some specific information about the business relationship that already exists between Portugal and Colombia.

2.2. Internationalization of Portuguese companies to Colombia

2.2.1. Global framework

According to INE – The National Statistics Institute (of Portugal) there are around 400 Portuguese companies that export to Colombia. From these companies, according to an actualization in 2019, around 50 Portuguese companies invested directly in Colombia – Foreign Direct Investment – with a total amount of more than 600 billion dollars. This places Portugal in front of economies like Mexico, Venezuela or Russia. Most of these companies are located in Bogotá and the main sectors are Food Retailers, Construction and Engineering, Food and Information Technologies.

The Colombian market has motivated many Portuguese companies to invest. The main examples, according to AICEP, are the Jerónimo Martins Group, Pestana Group, ETE, Bluepharma, Parfois and Tecnimede while the others are mainly service companies that support locally the sells and service assistance. According to Invest Bogotá, between 2010-2015, Portugal was the 7th investor in greenfield projects, with a global investment of 574 million dollars.

Regarding the reciprocal promotion and protection of investments, there isn't an agreement between Portugal and Colombia. Only in 2010, a Double Taxation Convention on Income was established. Despite this, there are some community supports, like Portugal 2020, that support the internationalization of Portuguese companies to different countries around the world, based on four priority axes: competitiveness and internationalization, social inclusion and employment, human capital, sustainability and efficient use of resources. DGAV – General Directory for Food and Veterinary (Constraints to Exportation/ General Procedures of Exportation – Colombia)

is the entity that Portuguese companies should contact in order to know all the concluded agreements, in negotiation or to negotiate.

Another important aspect considering the internationalization to Colombia, despite the Colombian legislation explained before, is that Portuguese companies that want to export animal or vegetable origin products should previously contact some Portuguese entities (Divisão de Internacionalização e Mercados, Direção de Serviços de Sanidade).

2.2.2. Trade in goods and services

Regarding the international trade of goods and services between Portugal and Colombia, the most recent data is from 2018, when 0,09% of Portuguese exports were to Colombia - this value has decreased since 2014 but it is very similar to the last two years – and 0,35% of Portuguese imports were from Colombia - this value registered many changes through the last five years (Table 1).

Table 1 - Quote of Colombia in the Portuguese International Trade of Goods and Services

	2014	2015	2016	2017	2018
Colombia as Portuguese client (Export)	0,11	0,11	0,09	0,08	0,09
Colombia as Portuguese supplier (Import)	0,31	0,40	0,39	0,45	0,35

Unit: %

Source: Bank of Portugal

When this analysis is converted in euros, it is verified that the exports from Portugal to Colombia were of 80,4 million euros in 2014 and 79,9 million euros in 2018. This trade balance only represents a variation of 0,5%. However, if we only compare it with the previous year (2017) the variation is much higher: 14,8%. The imports from Colombia register higher values: while in 2014 Portugal imported 213,3 million euros, in 2018 it imported 310,10 million euros; this represents a variation of 11,6% (Table 2).

Table 2 - Trade Balance of Goods and Services of Portugal with Colombia

	2014	2015	2016	2017	2018	Var % 18/14	Var % 18/17
Exports	80,4	82,6	67,9	69,6	79,9	0,5	14,8
Imports	213,3	285,3	286,2	363,4	310,1	11,6	-14,7
Balance	-132,8	-202,7	-218,3	-293,8	-230,2	--	--
Cov. Coef. %	37,7	28,9	23,7	19,2	25,8	--	--

Unit: million euros

Source: Bank of Portugal

All of this data, in euros or percentage, clearly shows that through all these years, Colombia was more a provider than a client of Portugal and the exportations only cover

25,8% of the imports from Colombia, with a deficit of 230,2 billion euros. In the following data it will be possible to understand which kind of transactions have a higher impact in these results: goods or services.

Considering the ranking of Portuguese clients, Colombia was in place 56 in 2018. This country represented 0,09% of the Portuguese exports, one of the lower values of the last five years. In terms of imports, Colombia scores 32nd in 2018 which represents 0,40% of the imports in Portugal (Table 3).

Table 3 - Position and Quote of Colombia in the Portuguese International Trade of Goods

		2014	2015	2016	2017	2018	2019 jan/aug
Colombia as Portuguese client	Position	51	51	55	59	56	55
	% Export.	0,13	0,12	0,09	0,08	0,09	0,09
Colombia as Portuguese supplier	Position	33	26	28	25	32	39
	% Import.	0,36	0,46	0,46	0,53	0,40	0,24

Source: INE

The exports from Portugal to Colombia decreased from 2014 to 2017 but raised again in 2018 with an amount of 54 million euros. The purchases to Colombia occurred in the opposite way. They increased from 2014 to 2017 and decreased in 2018 to 304,4 million euros. However, the trade balance stayed negative throughout these five years with a negative volume of 250,4 million euros in 2018. The changes registered from 2018 to 2019, in the same period, were positive to Portugal, with a variance in exports of -0,5% and a variance of -27,6% in imports. This means that exports from Portugal only cover 26,8% of the imports from the same country, the highest value since 2015 (Table 4).

Table 4 - Portuguese Trade Balance of Goods with Colombia

	2014	2015	2016	2017	2018	Var % 18/14	2018 jan/aug	2019 jan/aug	Var % 19/18
Exports	63,8	59,2	46,6	45,1	54,0	-3,0	34,8	34,6	-0,5
Imports	210,5	279,4	282,2	367,2	304,4	11,7	178,5	129,3	-27,6
Balance	-146,7	-220,2	-235,6	-322,1	-250,4	--	-143,7	-94,7	--
Covariance Coefficient %	30,3	21,2	16,5	12,3	17,7	--	19,5	26,8	--

Source: INE

Despite the negative trade balance of goods, AICEP concluded that in 2018 Colombia contributed with 0,02% to the growth of Portuguese global exports and with -0,09% to the growth of Portuguese global imports.

In a detailed analysis, the products more exported to Colombia in 2018 were machinery and equipment (27,4%), vehicles and other transport materials (16,1%), chemical (13,7%), plastics and rubbers (9,3%) and common metals (8,4%). These five groups represent 74,9% of total exports from Portugal. From these groups, only plastics and rubbers and machinery and equipment suffered a decrease from the previous year (-22,5% and -19,9% respectively). On the opposite side, chemical and vehicles and other transport materials, registered a huge positive variance (from 1 million euros to 7,4 million and from 0,8 million to 8,7 million respectively). The less significant group of products are mineral fuels, furs and leathers, without exports in 2018 and cellulose and paper pulp and optics and precision instruments, each one with a volume of 0,4% of total exports in 2018 (appendice A1).

In these groups, the main exported products in 2018 were wires and other conductors, insulated for electrical purposes; fibre optic cables which represent 11,6% of the exported products and acyclic hydrocarbons that represent 11,1% of the exported goods.

According to data that AICEP collected from INE (Table 5) the number of Portuguese companies that export to Colombia have increased from 2014 to 2017 and decreased a little in 2018 to 387 companies.

Table 5 - Economic Portuguese Operators

	2014	2015	2016	2017	2018
Exporters to Colombia	331	392	413	413	387

Unit: Number of companies

Source: INE

The main group of products imported from Colombia in 2018 were mineral fuels that represented 90,9% of total imports from this country, followed by agricultural with only 6,8%. Despite these high values, they represent a decrease from the previous year. Textile materials were the group of materials that registered the highest variance, of 265,4% (appendice A2).

The goods that contributed the most to these results are coals; briquettes, balls and similar solid fuels, obtained from coal that represented 90,9% of the total imports in 2018 and bananas, including plantains, fresh or dried that represented 3,3% of the total imports from Colombia.

Regarding the Portuguese international trade of services, it is possible to verify that the most positive years were 2015 and 2017 and didn't decrease more than 0,07% since 2014 to 2018. If we analyse the imports, the values are a little higher with a percentage of 0,25% in 2018 (Table 6).

Table 6 - Quote of Colombia in the Portuguese International Trade of Services

	2014	2015	2016	2017	2018
Colombia as client of Portugal (Export)	0,07	0,09	0,08	0,09	0,08
Colombia as supplier of Portugal (Import)	0,24	0,32	0,30	0,32	0,25

Unit: %

Source: Bank of Portugal

The exports of services from Portugal to Colombia registered a variation of 13,5% between 2014 and 2018 but registered the highest amount in 2017 with a sales volume of 25,9 million euros. The purchases to Colombia have increased from 2014 to 2017 and decreased in 2018 to 39,8 million euros. However, the trade balance keeps negative through these five years with a negative volume of 13,9 million euros in 2018. The changes registered from 2017 to 2018 were positive to Portugal because, despite the negative variance, the exports from Portugal covered 65% of the imports, the highest value since 2014 (Table 7).

Table 7 - Portuguese Trade Balance of Services with Colombia

	2014	2015	2016	2017	2018	Var % 18/14	Var % 18/17
Exports	16,6	23,0	21,3	26,8	25,9	13,5	-3,5
Imports	29,3	40,8	39,9	46,6	39,8	9,8	-14,4
Balance	-12,8	-17,8	-18,6	-19,7	-13,9	--	--
Cov. Coef. %	56,5	56,3	53,3	57,6	65,0	--	--

Unit: million euros

Source: Bank of Portugal

This contextualization of the Colombian market and its international commerce with Portugal is very important to better understand the relationship between the countries. However, to complete this information it is also very important to understand some concepts about internationalization and entry modes as exposed in the literature review of the next chapter.

3. Literature Review

3.0. Introduction

To better understand the importance of knowing all the aspects mentioned in the previous chapter, about an international market, it is very important to analyse some existent literature about international businesses. In the first section of this chapter it will be clarified what “internationalization” means and some theories that may be adopted in an internationalization process. The second section presents the different modes of entry that companies could adopt when decide to go abroad. After understanding the entry modes, the third section contains some literature about the process of selection of the market. The fourth and last section of this chapter approaches the main enablers and constraints associated to an internationalization process and an important concept transversal to them: the performance.

3.1. Internationalization

Internationalization is a topic that could be defined depending on different factors. Paul, Parthasarathy & Gupta (2017) found some definitions from multiple authors: a process in which a firm steps up incremental stages, its involvement in international operations; a process by which firms increase their awareness of both the direct as well as the indirect influences of international transactions in their future, and establish and conduct transactions in other countries; the process of adapting the operation of a firm to international environments.

Internationalization also implies some business decisions, namely country selection and evaluation, entry mode, segmentation-targeting-positioning and the marketing mix as mentioned by some authors such as Kotler, Manrai, Lascu & Manrai (2019) and Kraus, Ambos, Eggers & Cesinger (2015). All of these international business decisions may be influenced by different schools and theories. Despite the importance of all of them, the following topics are focused on the choice of entry modes, selection of the country and its evaluation depending on same enablers and constraints.

3.1.1. Internationalization – definition and theories

Before taking any of the business decisions inherent to an internationalization process, it is important to know some of the theories that explain the internationalization process.

According to Paul, Parthasarathy & Gupta (2017) and Sakarya & Hyllegard (2006), the most common are:

- Product life cycle theory: firms only start to export or venture into foreign direct investment in a certain product, after introducing it in the home country and collecting the necessary information about its performance (Paul, Parthasarathy & Gupta, 2017);
- Uppsala model: firms adopt a gradual process by starting their internationalization to closest countries (in terms of language, culture and political system) and then to foreign markets that fulfil their criteria. The authors of this model (Johanson & Vahlne, 1977) have two basic assumptions: lack of knowledge is an important obstacle to the development of international operations and the necessary knowledge can be acquired mainly through operations abroad. Considering this, the model has been evaluated and, in 2009, the same authors gave more importance to network of relationships in the internationalization process model and defined a mechanism where balancing state aspects (knowledge opportunities and network position) and change aspects (relationship commitment decisions and learning creating trust-building) influence the internationalization process of a firm;
- Network approach: the networking relationships that firms established with customers, the industry, regulatory and public agencies and other market actors, are crucial sources of market information and knowledge that facilitate the process of internationalization of firms (Paul, Parthasarathy & Gupta, 2017);
- International New Ventures (INVs) and 'born globals': an alternative internationalization model, defined by the internationalization from the inception of the company. Companies sales outputs in a number of countries, in order to obtain resources that contribute to a significant competitive advantage. These ones are helped by some factors like new market conditions, technological developments, capabilities of managerial team and/or entrepreneur and international network relationships;
- Eclectic paradigm: published by Dunning in 1988, this theory treats market and entry mode selection as one decision, but the emphasis goes to the choice of the entry mode, where the information about the country is a crucial indicator (Sakarya & Hyllegard, 2006);
- Transaction cost theories: leads companies to choose the entry mode that provides a better performance, by using a transaction cost-predicted mode choice (Paul, Parthasarathy & Gupta, 2017).

The theories and concepts defined in this section are the basis that should be taken into account in the decisions inherent to the next topics.

3.2. Entry modes

Entry mode is the form of operations that firms employ to enter into foreign markets and its selection is one of the most important international business decisions for multinational enterprises (Zhao, Ma & Yang, 2017).

There are several entry modes strategies and Kotler, Manrai, Lascau & Manrai (2019) resume them in exporting, contractual agreement, franchising, licensing, joint venture and wholly owned subsidiary and all of them have different characteristics, as explained below.

Traditionally, exporting is the first step to enter in international markets and create a platform for future international expansions, once firms sell their products directly to corporate and final consumers in foreign countries. This happens because of the lower risk in terms of capital investment involved (Lu & Beamish, 2001 and Békés & Murakozy, 2018). According to Lu & Beamish (2001), Foreign Direct Investment (FDI) is the proprietary asset exchange across international borders of a company. This is the case when companies invest abroad, in diversified locations, to sell locally (Békés & Murakozy, 2018). This kind of investment has some advantages such as the minimization of transaction risks associated with exportation and the competitiveness that will be found in the host market. As concluded in the study developed by the authors, 63% of European manufacturing firms with, at least, 10 employees sell abroad and 25% of them adopt exporting or FDI as entry mode.

Hill, Hwang & Kim (1990) define licensing as a non-equity contractual entry mode where the control over operations, strategies, costs of opening up and serving the foreign market are made according to the licensee in exchange for a fixed payment, a per-unit royalty fee and a commitment to remain by any terms set out in the licensing contract. Usually associated with licensing, emerges the concept of franchising, a non-equity, non-owner and ship-based entry mode (Zhao, Ma & Yang, 2017 and Kraus, Ambos, Eggers & Cesinger, 2015). As in the case of licensing, wholly owned subsidiary is an entry mode where the company supports all the costs of opening up and serve the foreign market. However, it owns all the revenue generating assets. In this case, the control over day-to-day operations and certain strategic decisions may be delegated to the foreign subsidiary, but ultimate control always resides with the MNC's corporate office (Hill, Hwang & Kim, 1990).

Another common mode of entry is joint venture. This one provides access to local firms by partially integrating selected local resources (including networks) from a local partner (Meyer, Estrin, Bhaumik & Peng, 2009). In this case, the level of control is dependent on the ownership split and the number of parties involved (Hill, Hwang & Kim, 1990). Alliance is an entry mode with similar characteristics once it also involves a relationship with a company in the host country. However, alliance is an engagement of two or more separate firms, who share resources in order to overcome shortages of capital, equipment and other tangible assets (Lu & Beamish, 2001). In a study developed with 164 Japanese companies, the authors found that the establishment of alliances with local partners is an effective strategy to overcome the deficit of knowledge: a problem faced by Small and Medium Enterprises when adopt FDI in a host country.

As a type of FDI, there is an entry mode, named as “greenfield”. In this case, the company doesn’t create a local company in the foreign market, but a subsidiary instead, that allows the buy or just contract local resources available in the market, such real estate or labour (Meyer, Estrin, Bhaumik & Peng, 2009). In a study developed by the authors with surveys applied to emerging economies like India, Vietnam, South Africa and Egypt, the results lead to conclude that this is the easiest entry mode to adapt when few local resources are required or when these ones can be acquired through transactions in the market.

Another, and more recent, foreign entry mode studied by Blackburne & Buckley (2019) is business incubators. These are known as “a shared office-space facility that seeks to provide its incubatees with a strategic, value-adding intervention system of monitoring and business assistance” (Blackburne & Buckley, p.33). In the study developed in a Chinese business incubator, used by UK firms, business incubators were proved to offer benefits to firms. The main benefits are related to some aspects mentioned in internationalization theories: low risk, high control, knowledge management and international network relationships. Recent studies emerged with another mode of internationalization, designed as a born- global company.

Regarding the entry modes expressed before, different authors affirm that this choice can vary depending on different aspects. One of these aspects is the degree of commitment that companies are able to establish with the entry mode, regarding its resources (Kotler, Manrai, Lascu & Manrai, 2019; Hill, Hwang & Kim, 1990). In Kotler, Manrai, Lascu & Manrai (2019) article, the authors concluded that companies will start with a low-resource commitment mode of entry and will adopt other modes only after gained experience in internationalization operations. This adoption will take into account country characteristics (opportunities, risk, distance) and company characteristics

(International Business experience, assets and resources and expansion and growth strategies).

Meyer, Estrin, Bhaumik & Peng (2009) focused their study in some existent literature that supports that the resources and capabilities of firms, their needs to minimize transaction costs and the institutions in the host country are also important factors that influence the entry mode choice. To complete this information, Hill, Hwang & Kim (1990) identified three underlying constructs that influence the entry mode decision of MNC's: the level of control of the foreign operation, the resource commitments and the dissemination risk. The same author argued that the entry mode choice depends on the strategic relationship that companies expect to establish between operations in different countries.

Once entry mode is one of the most important decisions in an internationalization process, it may also influence the enablers and constraints that Portuguese companies face during their internationalization process to Colombia. This explains the relevance of understand the several existent entry modes, mainly exports, which is the most selected by Portuguese companies to enter in the Colombian market. In order to complement the studies presented, this investigation will analyse the selected entry modes by Portuguese companies, from every activity sector, in the specific case of Colombian market because none of them developed it before.

Following this point of view and the importance of understanding all the international business decisions, the next section helps to complement some information about the selection of the market.

3.3. Selection of the market

Another important decision that companies face when they decide to internationalize is the selection and evaluation of the foreign market (Kotler, Manrai, Lascu & Manrai, 2019). It is always necessary to do an in-depth analysis of the target country, in order to identify the "optimal opportunity/risk profile, with the most desirable profile being a large opportunity combined with low risk" (Kotler, Manrai, Lascu & Manrai, 2019, p.483). This analysis consists in evaluating the main enablers and constraints, as presented in the following chapter, and choose the market that best suits the objectives of the companies.

The same authors consider that the selection of the market, as well as the entry mode, depends on an important country characteristic: the distance from home to the host country in terms of geographical distance, cultural distance, socio-economic distance and historical distance. Johanson & Vahlne (2009) highlight the importance of network

relationships not only in the mode of entry but also in the foreign market selection. Kotler, Manrai, Lascu & Manrai (2019) also found that a company will only invest in a country when location and ownership advantages make production abroad profitable, especially small to midsize firms or companies that prefer to expand for the first time to a closer market and only afterwards gradually move to more distant markets.

In the specific context of emerging markets, as the case of Colombia, Sakarya, Eckman & Hyllegard (2006) developed a study about the use of apparels produced in the US and sold in Turkey. They concluded about four main criteria that companies should take into account in the moment of selecting the market for international expansion. The authors found that the long-term market potential, cultural distance, competitive strength of the industry and customer receptiveness are important external factors that, once interacted with internal company factors, enable the assessment of Emerging Markets as international expansion opportunities.

In the following chapters some of this country and company characteristics will be identified, grouped into enablers and constraints, with the objective of being analysed in a similar condition: its impact when applied to the emerging market in study, Colombia. Further this, next section approaches a subject transverse to these concepts: the performance.

3.4. Performance, enablers and constraints

When the company already decided that wants to internationalize, how to do it and where to go, it will find some positive and negative factors, considered in this study as enablers and constraints, that will contribute to its success or failure. Considering the crucial importance of achieving the greatest success possible regardless the choices made, the next section approaches a concept transverse to all of the decisions – the performance.

3.4.1. Performance

When someone decides to invest in something, usually some return is expected. In business, the same happens exactly: when investors apply some of their resources in a certain business, they will always work in order to get a profit that compensates their effort. These investments occur not only in the beginning of the business but also during its life time, with the same objective of achieving the best performance possible. However, and according to the conceptual study developed by Lebas & Euske (2017), through existent literature about the theme, the concept of performance is not so linear and has a diversity of meanings. The authors define the concept as “doing today what will lead to measured value outcome tomorrow” (Lebas & Euske, 2017, p.68).

One of the propositions highlighted by the authors affirms that performance only exists if the prevent outcomes and results could be described or measured and transmitted to the managers or decision makers inside a company or organization. The main goal is to promote extensive discussions and create deliberated constructions that will contribute to the creation of performance.

Regarding the importance of obtaining results to measure the performance, there is some literature about different ways to do it and the most common are financial performance and operational performance (Ruigrok & Wagner, 2001 and Zhao, Ma & Yang, 2017). Financial performance, the most common, complains indicators based on accounting data or capital market values, such ROA – Return on Assets; the operational performance complains measures that determine core underlying processes that also result in financial performance, such as OCTS – operating costs to total sales.

According to the measurement of performance examined by Hult *et al* (2008), over 96 articles published in multiple journals about international business studies, the classification of financial performance is based on sales (sales volume, foreign sales/total sales, sales growth and growth in foreign sales) and the classification of organizational performance is based on market share. The same author found that most of the international business studies only use one type of measures and the most common are financial ones. Otley (2007), after a research developed over 30 years found that at the most senior levels, financial performance is also the most considerate measure in companies' context. The main functions associated with financial measures are its use as a tool of finance and financial management, its use as a major objective of a business organization and its use as mechanism to motivate and control the organization.

Based on these findings, the current research will also appeal to the use of one financial measure, based on sales, to achieve the objective purposed and measure the performance of companies.

Trying to adapt this concept to the international business field, by highlighting and solving some controversies, Ruigrok & Wagner (2001) developed a study between 1993 and 1997, with 84 medium and large manufacturing German companies. They found that there isn't a linear relationship between the Degree of Internationalization of a certain company and its performance: only in low and high degrees of internationalization the performance is high and in medium degrees of internationalization the performance is low. Also Contractor (2007) and Zhao, Ma & Yang (2017), through the analysis of 30

years of the existent literature, found a non-linear relationship between performance and the degree of Internationalization.

Besides the “multi-stage or evolutionary perspective on international expansion”, after reviewing 100 theoretical studies for 30 years, Contractor (2007) announces three views of the multinational corporations that can influence the relationship between multinationality and performance: when the international firm exploits the internalized capabilities, learns by absorbing knowledge from abroad or coordinates and arbitrages across national borders. In the same study, the author also found some theories that show that the international scale of a certain company improves its benefit depending if they are based on Plant-Level Economies or Firm-Level Economies of Internationalization, and, on the other hand, that contribute to reduce the risk depending on the geographical location.

Following the same reasoning, the study proposed in this dissertation will also link the concept of performance with the international business, by testing the impact of some enablers and constraints on the performance of a company but in a specific market: Colombia, as will be explained in detail in the next sections.

3.4.2. Enablers

An enabler is something that gives the authority or means to do something and make it possible. In an international business context, there are many factors that give this authority or means to companies that make the internationalization process possible. Opportunities, considered as a state variable in the network internationalization process of Upsala model 2009, is the most important element of the knowledge that conducts the process.

Despite the different statistics found, Contractor (2007) concluded that international business is good for companies and based on the analysed theories, identified a certain range of arguments that proved it: knowledge derived from abroad, accessing or arbitraging cheaper inputs, exploitation of firm-specific assets in foreign markets, accumulation of global market power, international scale, lowering of volatility from geographical diversification and accumulated internationalization experience. These conclusions provided by an empirical analysis will be applied in a practical context, in this dissertation, in order to understand if the same enablers identified by this author are the ones identified by Portuguese companies that export to Colombia, with the additional analysis of test its impact on the performance.

Freixanet (2012) developed a study with exporting companies from the region of Catalonia (Spain) about the export promotion programs (EPP) – set of services created through public or private initiatives, with the purpose of helping companies to overcome the obstacles imposed by the internationalization process - and their impact on the internationalization performance and competitiveness of companies. The author concluded that these programs have a positive effect but could be stronger and spread out to more companies if communication was improved, programs more adapted to company needs, and program management were more flexible and efficient. The same author concluded that every type of programs in analysis (direct promotion programs, information programs and investment support programs) have a positive influence in the export diversification and other intermediate results but do not have influence in economic results. Despite the lower number of companies that used consultancy programs, this was the only export promotion program with any relationship with the export outcomes in study. It is very important to notice that, despite the conclusions obtained, the impact may vary depending on the stage of export involvement of each company. Considering the conclusions obtained, the same factors will be adapted and tested according to the context of this dissertation.

Kotler, Manrai, Lascau & Manrai (2019), as mentioned before, assume that the country and company characteristics influence not only the country selection, but also the entry mode selection. To justify these findings, the authors mentioned different country characteristics classified as opportunities: globalization, competition, market size, profit potential, experience, diminishing profits in domestic markets, economic condition, policy support, natural resources, low costs and infrastructures. These conclusions obtained through the analysis of 169 published reports will be now tested in a practical context from Portuguese companies that export to Colombia.

According to the theories presented, the following table resumes the main enablers that further the internationalization of companies:

Table 8 - Enablers faced during an internationalization process

Economic situation of the country
Infrastructures of the country
Intern capabilities / Inputs / Assets of the company
Knowledge absorbed from abroad of the company
Internationalization experience of the company (International scale, level of globalization, geographic diversification of the company, global market power, market size)
Geographic location
Export promotion programs
Competition level

Profit potential
Policy support
Natural resources
Low costs

Source: Own construction

The main objective of companies should always be to grab the opportunities in order to achieve the best performance. Different authors, in different contexts, developed several studies and identified some of these enablers. However, none of them studied the impact on the performance of Portuguese companies during their internationalization process to Colombia. In order to fill this gap, this dissertation will test the following hypothesis:

H1: The main enablers identified by Portuguese companies have a positive impact on performance

3.4.3. Constraints

On the other hand, there are some facts that severely restrict the scope, extent or activity of something, i.e. the constraints. In the international business context, this section presents some of these facts that restrict the scope, extent or activity of companies when they decide to internationalize.

According to the study developed by Kahiya (2018) during five decades, many studies were published about the export barriers but no one has reviewed these findings yet. In order to provide a more depth analysis, the author analysed the most cited journals and articles about this field and found the following most frequent researched export barriers:

- Strong competition in overseas markets
- Inadequate/untrained personnel exporting
- Locating a suitable agent/distributor
- Gathering data/information about foreign markets
- Preparing/handling export documentation
- Exchange rate risk/fluctuations
- Delays/difficulties in collecting on foreign payments
- High tariff barriers
- Excessive transportation/insurance costs
- Lack of government incentives /support

The same author found that these and other barriers are generally grouped in four main groups: knowledge and experience, procedural, resources and exogenous and identified the aspects that have a positive or negative impact on the export barriers.

However, the influence of these export barriers in the performance of the companies was not studied. This gap will be tested in this dissertation.

According to the review made by Kotler, Manrai, Lascu & Manrai (2019) to 169 published research papers about International Business Decisions and their determinants, is possible to mention some country characteristics classified as risks for international business: country risk, economy risk, regulatory risk, political risk, terrorism, currency risk and inflation. These risks were proved by the authors to influence some international business decisions and, in this dissertation, their impact on the performance of the companies will be tested.

Luiz & Ruplal (2013) developed a study about some factors that influence the internationalization of mining companies into Africa. Among their findings, supported by three internationalization theories (Uppsala model, resource-based-view and OLI paradigm), they list some important factors that influence the internationalization process: ability to control supply of commodity, restricts in ownership levels, risk associated with country governance and political stability, taxation and royalties, secure and tenure, social license to operate, cultural considerations, infrastructure considerations and foreign exchange regulations. After their study, they supported some important conclusions: there are three most important factors, known as institutional voids, that influence the internationalization in emerging countries, like security of tenure, political stability and availability of infrastructure. Considering the concern of the African companies to these risks, this dissertation will also analyse their impact in the internationalization of Portuguese companies to Colombian market.

The same barriers are grouped in different ways by other authors (Paul, Parthasarathy & Gupta, 2017), based on the study focused on exporting challenges of SMEs. The exporting barriers can be grouped into macro and micro problems, internal and external export problems, human resource management challenges, export marketing and inadequate social capital resources. According to these authors, the major exporting barriers in terms of internal barriers are difficulty in selecting reliable distributors, lack of negotiation power, little understanding of target market and its challenges, poor organization of exports department, inability to access information, short internal experience, inability to achieve competitive advantage in foreign markets and lack of capital and insufficient resources. The major exporting barriers in terms of external barriers are lack of proper trade institutions, lack of incentives & protection from the government, political instability, legal and political problems, demand insufficiency and adaption problem of market entry.

Kraus, Ambos, Eggers & Cesinger (2015) found, by analysing the experience of 126 CEO's and top managers from companies in Austria, Germany and Switzerland, that some important country factors that decrease the risk to invest in a certain target market are the economic distance, then the cultural, followed by political and geographic distance. In the same study, they concluded that the market-entry modes are the less important determinant to perceive the risk in internationalization decisions. In this dissertation, it will be tested if the perceived risks in these countries have a positive or negative influence in the performance of Portuguese companies to Colombian market.

According to the theories presented in this section, the following table summarizes the main constraints studied, that companies may face in the internationalization process.

Table 9 - Constraints faced during an internationalization process

Competition level in foreign countries
Personnel exporting
Select suitable and reliable agents or distributors
Access to data and information about foreign country
Export documentation
Exchange rate risk and fluctuations
Delays/difficulties in collecting on foreign payments
High tariff barriers
Excessive transportation and insurance costs
Lack of government incentives, support and protection
Geographic distance
Economic risk
Regulatory risk
Political risk, distance, instability
Terrorism
Inflation
Ability to control supply of commodity
Restricts in ownership levels and lack of negotiation power
Taxation and royalties
Cultural distance
Infrastructures
Little understanding of target market and its challenges
Internal experience of the company (poor organization of exports department, lack of capital and resources)
Select the most adapted market entry mode

Source: Own construction

Besides the enablers faced, companies should also circumvent the obstacles in order to achieve the best performance. Based on the literature review suggested, the most common constraints that companies face during an internationalization process are

already known. However, there isn't a study that specifically evaluates the impact of these constraints in the performance of Portuguese companies during their internationalization process to Colombia. In this line of thinking, the study developed in this dissertation will test the following hypothesis:

H2: The main constraints identified by Portuguese companies have a negative impact on performance.

The results provided by the test of the hypotheses established are expected to complement the already existent knowledge about the enablers and constraints that companies face during an internationalization process, with the distinctive feature of studying a specific market.

The following topics will analyse the impact of these enablers and constraints in the success or failure of multinational companies, by following the below suggested methodology.

4. Main goal and the conceptual model

4.0. Introduction

After the literature review about the main characteristics of the Colombian market, the main theories and concepts about international business and the main enablers and constraints associated to the internationalization process of a company, this chapter aims to compile the information obtained about the theme and to develop a conceptual model. Its purpose is helping to frame the goal of the study and establish the hypothesis that will be evaluated in the results analysis chapter.

This chapter is divided into two main sectors. The first section will point out the main goal and the main objectives of the study. The second section will resume the hypothesis in study, that will be analysed according to the methodology proposed in the next chapter.

4.1. The main goal and objectives of the investigation

The main purpose of this study is to find the main enablers and constraints that Portuguese firms, that have some international relationship with Colombia, found during the internationalization process to this market. according to their experience, in terms of negotiation, culture, country and company characteristics, the choice of the market and the inherent strategic entry mode. By following the methodology presented in the next chapter, it is expected to achieve the main goal of the investigation: identify the main enablers and constraints that Portuguese firms face during the internationalization process to Colombia.

Answering this question, will allow us to achieve the main objectives: helping Portuguese managers to understand the main enablers and constraints that they will find when starting the internationalization process to Colombia; defining the best strategy possible to work around the challenges identified in order to obtain a better performance when entering this country, by creating a practical guide with more information and support to managers of Portuguese companies who want to internationalize their trades to the Colombian market.

The main goal will be illustrated in the following section.

4.2. Hypotheses

The literature review of this study reveals some characteristics about Colombia, namely its geographic location, population, the currency, the political system, an economic review, the foreign trade, the history and culture. All of these factors certainly differ not only from Portugal but from all the other countries that Portuguese firms may choose to internationalize their businesses and, for that reason, they should be evaluated in detail in this study. According to some authors (Kotler, Manrai, Lascu & Manrai, 2019; Luiz & Ruplal, 2013) the characteristics of this country may be considered important factors (enablers or constraints) that influence all the internationalization process to a certain country. Despite this, other authors, as resumed in the tables of chapter 3, identified other aspects, like the characteristics of the company, that may also influence this process.

Besides these characteristics, the choices of the market, the entry mode, segmentation-targeting-positioning and the marketing mix, like Kotler, Manrai, Lascu & Manrai (2019) and Kraus, Ambos, Eggers & Cesinger (2015) said, also have an important business impact. And despite the decision taken, there is an important common element among the choices made by managers: the main objective of the company should be always to achieve the best performance possible.

There are already several studies about the enablers and constraints that firms face during an internationalization process, and managers are conscious about their existence. There are also some literature about the performance of companies, and managers act in order to achieve it in the best performance possible. However, this study aims to understand the relationship between them. In this context, the following independent variables were considered to integrate the conceptual model:

- The constraints identified by Portuguese companies
- The enablers identified by Portuguese companies

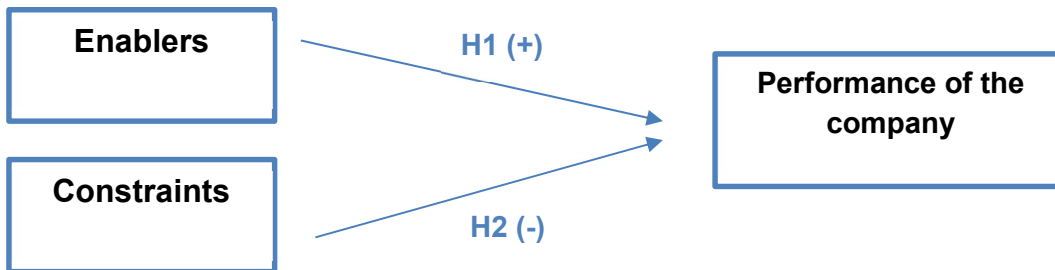
It was considered as dependent variable:

- The performance of companies

This variable will be analysed based on Total Sales Amount indicated by the companies in study. The choice of this performance indicator was based in the analysis of the literature presented about performance in previous chapter. According to the information obtained, financial performance is the most used in international business studies, mainly the indicators based on sales volume. Besides this, Total Sales Amount was considered, in the specific case of this study, the easiest indicator to obtain.

Based on the analysis presented, it was defined the conceptual model shown in figure 4, that reflects the relationship between the variables, to obtain empirical evidence that support the hypotheses formulated.

Figure 4 - Purposed research model



Source: Own construction

Through the analysis of the suggested relationship between variables, the following hypothesis were set:

H1: The main enablers identified by Portuguese companies have a positive impact on performance.

H2: The main constraints identified by Portuguese companies have a negative impact on performance.

In order to test the hypotheses presented, and achieve the main objective of the study – understanding the main enablers and constraints that Portuguese firms face in the internationalization process to Colombia and its impact on performance - the following chapter describes the methodology used.

5. Methodology

5.0. Introduction

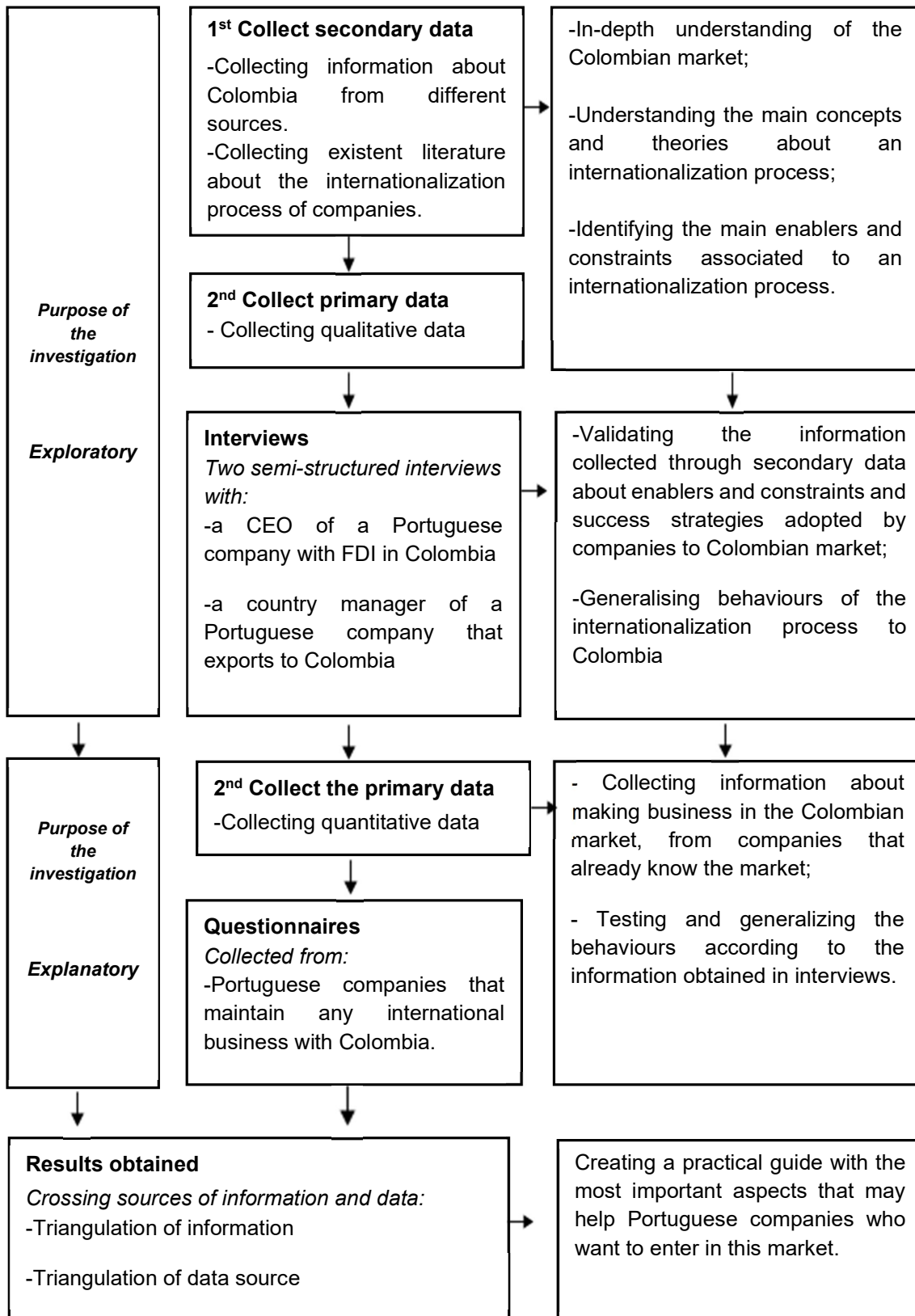
This chapter will present and explain the methodology followed and the sources and tools used to gather the information that allow to answer the research goal.

In order to better fulfil the objectives of this study, “multiple methods” were used (Saunders, Lewis & Thornhill, 2009). It means that the data were collected from different sources, more than one technique was used to collect the data and, consequently, two different triangulation modes were applied. According to the authors, an important advantage of using multiple methods is the opportunity to achieve a better answer to the research question in study. By following this theory, this study collected primary and secondary data, through different sources of information that led to a triangulation of sources of information. Qualitative and quantitative data were also collected, through different techniques, that led to a methodological triangulation.

This process started by collecting the secondary data, with the objective of providing a better understanding about the specific characteristics of the country in study, and some theories and important concepts about an internationalization process. After understanding the key elements of the internationalization process to Colombian market, an interview and a survey instrument were developed and applied. These tools were used to obtain the primary data, by providing qualitative information of exploratory nature (interviews) and quantitative descriptive information (surveys).

After this contextualization of the study, the primary data that includes qualitative information of exploratory nature (in the form of interviews) and quantitative descriptive information of explanatory nature (in the form of questionnaires) was collected. The next figure (Figure 5) illustrates the methodology used in this study.

Figure 5 - Methodology followed by the study



Source: Adapted from Rodrigues (2002)

5.1. Data collection – Secondary data

The secondary data is the information that already exists in the market through historical data, statistics, scientific articles or studies, that were collected with different purposes. According to Saunders, Lewis & Thornhill (2009) these sources of secondary data could be classified into documentary, multiple source and survey. In the following topics it will be explained in detail the secondary data for this study.

5.1.1. Advantages and disadvantages about collecting secondary data

Collecting secondary data is a process associated with some advantages such as: fewer resource requirements, higher quality, may be feasible, provide comparative and contextual data, result in unexpected discoveries and the permanence of data. On the other hand, it may be collected for a purpose that does not match with the need required, the aggregations and definitions may not be suitable, there is no real control over the quality of data and the initial purpose may affect how the data is presented (Saunders, Lewis & Thornhill, 2009). Despite this advantages and disadvantages, the secondary data was considered an important method for this study because it can enrich all the content exposed.

5.1.2. Process of secondary data collection

This process started by collecting some information that supports the contents provided in this dissertation. This information was obtained from the secondary data collected through articles published in different journals, case studies, dissertations, books, official reports from AICEP and INE and official entities websites (for example: articles, statistical data). The selected articles were obtained from Google Scholar and the online platform B-on (Online Knowledge Library).

Collecting and analysing the secondary data had as first main objective an in-depth understanding of the Colombian market, by collecting the most actual information available about the country. A contextualization of the market in study provides a better understanding about its characteristics such as the geographic location, population, currency, political system, economic review, foreign trade, history and culture. With this information, the secondary data also provided some quantitative data about the internationalization of Portuguese companies to Colombia.

In the literature review chapter was also complained the secondary data collected from articles already existent, within the same field of this study, to better understand the main concepts and theories about an internationalization process, the entry modes, the choice

of the market and identify the main enablers and constraints associated with an internationalization process of a firm.

The secondary data were very important to support the process of collecting the primary data because it helped to develop the basis of the interview and the survey.

5.2. Data collection – Primary data

The primary data is the information collected directly by the authors of the study. It can be collected through different ways: observation, semi-structured, in-depth or group interviews and questionnaires. These methods have different characteristics and, in this study, data were collected in the form of interviews (qualitative information of exploratory nature) to validate previous secondary data and in-depth understanding of the process of internationalization of the Portuguese managers to Colombia; in the form of questionnaires (quantitative descriptive information of explanatory nature) with the objective of testing and generalising their behaviour.

5.2.1. The interviews

According to Saunders, Lewis & Thornhill (2009) there are different types of interviews and their selection is related to the purpose of the research and the research strategy. In this study semi-structured interviews will be adopted. According to the exploratory purpose of the investigation it is expected to obtain qualitative information with the aim of gaining a deeper and wider understanding of the literature.

5.2.1.1. The advantages and disadvantages of interviews

The use of interviews, in general, is characterized by some aspects that makes it one of the most used data collection technique. One of them is the control over the conduction of the interview by leading the interviewees to explain and build on the responses that interviewers want and, at the same time, the control over who answers the questions in order to guarantee that they are not passed from one person to another. Often, interviewees prefer this source of collecting information because it gives them personal assurance about how the information will be used and conducted during the study (Saunders, Lewis, & Thornhill, 2009).

In the specific case of semi-structured or in-depth interviews, this kind of approach is the most advantageous in the case of more complex or open-ended questions or when the order and logic of questioning may need to vary.

According to Sarantakos (1993), the use of interviews can consume a lot of time and the vast amount of data collected may be difficult to analyse and compare (as cited in Rodrigues, 2002, p.168).

5.2.1.2. The objective of the interviews and why they were used in this study

Semi-structured interviews were conducted in this study, in an attempt to assess the data previously collected in the literature review and, consequently, contribute to achieve the main goal of this study. This choice was taken in agreement with the fact that “the use of interviews can help you to gather valid and reliable data that are relevant to your research question(s) and objectives.” (Saunders, Lewis, & Thornhill, 2009, p. 310).

As written before, interviews allow a high control over its conduction and, in the case of semi-structured interviews, despite the previous list of themes and questions made, some of them may be omitted, reorganized or complemented, from interview to interview, depending on the context of the conversation established. This flexibility enables, for example, new insights to the conversation that the interviewer considers pertinent to enrich the content of the information.

The objectives with the semi-structured interviews in this study are getting different opinions from who has a better knowledge and a deeper experience about the market, identifying some additional information besides the one collected in the market study made previously and obtaining more evidences to construct and support the questionnaire.

After describing the main reasons underlying the conduct of the interviews, the next section illustrates the selection of the target group.

5.2.1.3. The selected interviews: semi-structured interviews

The intention of this study was to do, at least, five interviews with Portuguese companies with a consolidated presence in the market and Portuguese entities (such as AICEP, Chambers of commerce, Business Associations) with a different perspective and knowledge of the market. This selection was made based on the existent information, articles and recent news about the presence of Portuguese companies in Colombia.

The first approach with the potential interviewed was established via e-mail. The two possible interviews were made with companies with different strategic entry modes in the Colombian market and from different activity sectors. One of them was made with the Export Manager of a company that exports food products to Colombia since 2016 and the other one was made with the Vice-President of a company with FDI, i.e. a filial

in Colombia since 2014, in the pharmaceutical sector. Both of them have an important presence considering the sectors that they represent. Also, the delegate from AICEP in Colombia was contacted but, because he was not able to answer to all the questions proposed, he suggested the reading of a personal testimony in the magazine "Portugalglobal", published by AICEP, where very relevant information about the country could be found.

5.2.1.4. How the semi-structured interviews have been conducted, what has been asked, how long the interviews lasted

The interviews were made in July of 2019, face-to-face in one of the cases and via Skype in the other case. In both cases they were conducted in the same way. First, it was explained the main goal of the study and the exclusive use of the information obtained through the interview.

Then, the open-ended questions, were grouped in eight main themes that guided the conversation. To start, the interviewee was asked about the profile of the reported company, with the main focus on identifying and characterizing the company. The following groups of questions were directed to discover and to understand the main supports existent to the entrance in the market, the entry modes, the main enablers and constraints that they faced during the internationalization process to Colombia, the approach to the market, the installation of the company in the new market and the whole negotiable process. In the last, and more generalist, group of questions, the interviewees were asked about: the worst and best situations that their companies faced during the internationalization process to Colombia; the advices to managers or governmental agents about the internationalization process to Colombia.

The semi-structured interviews, lasted between 45 minutes up to one hour. After the collection of the data, the next section describes and discusses the method of analysis.

5.2.1.5. How the information has been recorded and analysed

First, it was asked the permission to voice-record the interviews and to take some hand-notes in order to facilitate the analysis of the information obtained. After the interviews, the information was collected, analysed and codified according to content analysis method that, according to Vala (1986), is one of the most common techniques used in the empirical investigation by human and social sciences. According to the same author, the content analysis is a very pertinent tool when applied to interviews in the phase of pre-questionnaire, as happens in this study.

The data collected in the semi-structured interviews followed three distinctive stages, as suggested by Wolcott (1994): i) description, ii) analysis and iii) interpretation. The answers obtained in each question and the hand-notes were immediately transcript to a table with a column for each question. The information was re-read and examined in order to identify common elements which were systematically mentioned by the interviewees in each group of questions. This process provides an intelligible and comprehensive analysis of the main characteristics inherent in an internationalization process of Portuguese companies to the Colombian market.

After analysing the information collected in the interviews, its structure was adapted to construct the questionnaire, as explained in the following section.

5.2.1.6. Results from the analysis of the interview

Through the qualitative analysis of data performed, it was intended to hold the relevant information for the study, from the knowledge of the interviewees. Thus, based on the objectives outlined, the questions launched by the researcher and the content analysis performed, it is possible to present the following results.

The entities contacted by both companies were AICEP, with the objective of obtaining help with institutional issues and sharing some experience, some entrepreneurial and business associations that promote market prospection trips and also some contacts with local entrepreneurs (Portuguese or Colombian). This need of acquiring information and establishing networking relationships with customers, the industry, regulatory and public agencies and other market actors confirm the theory of Paul, Parthasarathy & Gupta (2017) that are crucial sources of market information and knowledge that facilitate the process of internationalization of firms.

The consultancy and advice were considered important supports to enter in the market, mainly because of the information provided about the financial supports (in the case of companies that don't have capacity to start an internationalization process) and laboral, fiscal and customs conditions. Regarding the workshops/seminars about the market, they were considered very important instruments to provide useful information. The more relevant issues that companies identified were legal, laboral and customs conditions about the country, that help the construction and improvement of the business plan. These workshops/seminars were also considered to be very useful to share real experiences. Negotiable conditions are something that, according to the interviewees, is acquired after some time dealing with the market. The business missions or individual meetings in Colombia were highlighted as a way to develop a better knowledge about the market and to create a wide range of contacts.

The third theme approached in the interviews was the entry modes. It was common sense that the most accepted entry mode in Colombia is FDI, much more than exporting. This happens because in Colombia there is already a huge offer of different products (that justifies the barriers to export) but with a low level of technology (that, in this case, Portuguese companies can offer).

The following table resumes the aspects that the interviewed companies identified as enablers and constraints during their internationalization process to Colombia.

Table 10 - Enablers and constraints: results from the interviews

Enablers	Geographic Location (because of the proximity to a wide range of ports and easy access to many countries); Language; Economy (positive economic growth); Obtaining Visas (not necessary for less than 90 days and very easy to obtain); Legislation (balanced); Social Security System; Incentives from Portuguese and Colombian governments; Existence of skilled labour; Qualifying of the Human resources; Telecommunications; Religion; Above average growth rate; Attractive potential (sectors of tourism and industry); Influence in the region (by the break of Venezuela);
Constraints	Economy (stratification of the society); Legislation (in the case of export food, because of the bureaucracy associated with INVIMA); Access to information (difficulty in obtaining contacts about public services); Commercial conditions (prices); Labour legislation; Qualified formative offer; Infrastructures (negative impact in internal logistics); Security; Competition; Bureaucracy; Corruption; Exchange rate
Divided opinions	Culture; Politics; Fiscal situation

Source: Own construction

Regarding the approach to the Colombian market, companies identified as preferred method, travelling and having a direct contact with potential customers. Knowing someone in the government entities facilitates the process in some way. There is a lot of competition from local companies, but also from abroad like Spain, France or other American countries.

Another important issue asked in the interviews was the constitution of the company in Colombia. The selected city to develop their business was Bogotá because of the high concentration of people, companies and clients. In the case of the company with FDI, it was easy to buy an office and the strategy was to create some partnerships with local entities and contract lawyers or other entities to help with specific issues of the country. The first group of workers in Colombia are Portuguese people and only after gaining a stabilisation in the market, local workers are contracted. Visits and meetings with potential clients and participation in events (like fairs) are the most used methods to present the products to Colombian costumers.

The process to enter in the market vary depending on the activity sector or entry mode chosen but, in general, it varies from 2 to 4 years. The meetings can occur in the

company or during lunch/dinner, but the personal contact is always preferred. The dress code is different from region to region because of the climate. The conversation disperses easily to different subjects. In most cases, meetings don't start on time, usually because of the traffic, and can last long hours.

In the last group of sections, companies identified as biggest mistakes the expectation of a short period of time to enter the market and the time to adapt their working methods to an unknown market. Nevertheless, both companies mentioned the support received to deal with their specific bureaucratic issues. As lessons to Portuguese managers that want to start an internationalization process to Colombia, the contact with AICEP stands out to know the necessary steps and requirements to specific products, the funding capacity and the resilience. An important message was the fact that Colombia has become a "more european" country, regarding the way of thinking of people and the communication, and is actually much better than many people think. As lessons to government agents, interviewees focused on the agreements already existent between both countries: some are still pendent but others can perfectly support companies that want to internationalize.

The semi-structured interviews contributed significantly to the preparation and enrichment of the questionnaire, because they helped to have a better perception of the set of items for measuring the variables under study. In this way, focuses attention on the explanatory study, therefore, on the quantitative instrument developed.

5.2.2. The questionnaires

Based on the secondary data presented in the literature review and some primary data collected in the interviews, this questionnaire collected quantitative data that makes possible to analyse the hypothesis established previously. The following sections clarify the use of questionnaires in this study.

5.2.2.1. Advantages and disadvantages of using questionnaire

Questionnaires are the most used method in management and business researches because they provide a large amount of data from a certain size of population, in a very standardized way and easy to compare. The quantitative collected data through this research method allows the use of statistics to analyse the relationships between variables, as was done in this study. Other advantages associated to the use of survey strategy is the higher control over the research process and the possibility to "generate findings that are representative of the whole population at a lower cost than collecting the data from the whole population" (Saunders, Lewis & Thornhill, 2009, p.138).

According to the same authors, collecting a representative sample, designing and piloting the data collected and obtaining a good response rate is also a very important process that implies some time. Other disadvantages related to the use of questionnaires are the dependence of the investigators from others to collect the data, a few number of questions that could be used and the fact that very long questionnaires may not be completely filled. Furthermore, the data collected may not be so comprehensive than the data collected through qualitative methods and the questionnaires do not allow an explanation, elucidation or encouragement for participants involved in filling it.

Considering these facts, the next section presents the reasons that conducted to the use of questionnaires in this study.

5.2.2.2. The objective of the questionnaire and why they were used in this study

There is already some information about Colombia to support Portuguese companies that want to internationalize to this market. However, this study aims to compile this information with the opinion from who is already in the market. For this reason, in this study the questionnaires were used with the main purpose of collecting real information about who is making business in the Colombian market, that know the market, and identifying the main enablers and constraints that Portuguese companies find during the internationalization process to Colombia.

5.2.2.3. The structure of the questionnaire

The structure of the questionnaire was based in questionnaires made previously in similar studies to other markets but adapted to the Colombian market.

Besides the length of the questionnaire, the questions were constructed in order to be as simple as possible to the respondents to answer. For this reason, most of them are of close-ended questions, with the exception of the last ones which are no mandatory answers. The questions of close-ended are multiple choice, short numerical answer or, as in the case of most of them, rating scales were used - a Linkert scale, from 1 to 5, where 1 was associated with the negative connection and 5 with the positive, depending on the question, as shown in table 11.

Table 11 - Linkert scales used in the questionnaire

	1	2	3	4	5
Importance	Unimportant	Slightly important	Moderately important	Important	Very important
Facility	Very hard	Hard	Fair	Easy	Very easy

Source: Own construction

The questionnaire is divided into six main groups. The first group pretends to identify the respondents and the companies' profile: its dimension, activity and presence in Colombian market (the year of entrance, the entry mode strategy selected and the percentage of sales that this country represents in total sales amount of the company). With this information it was possible to identify the demography of the companies that compose the sample of answers. In this group it was also collected the necessary data to measure the performance of the companies. According to the information possible to obtain, this is the indicator that will be used to measure the dependent variable "performance of the companies":

✓ Total Sales Amount

The second group of questions is about the constitution of companies in the foreign country and, for that reason, a considerable part was applicable only to companies who selected "Foreign Direct Investment" in the first group. It was asked the importance that companies attribute to some listed services in supporting the constitution of the company, the location(s) chosen by companies for its constitution in Colombia and the importance of some listed factors for that choice, the degree of facility in acquiring a physical space, how the technological equipment was acquired, how was the process of hiring labour and the degree of importance of some listed aspects to make the company known to its Colombian costumers.

The third group aims to understand the supports that Portuguese companies received to enter the Colombian market. In this set of questions, it was expected to know the importance of entities to obtain supports, and the importance of the different supports provided by them, during all the internationalization process to the market in study.

The fourth group is the most important for this study: it is composed by a list of company and country factors that respondents were asked to classify into "enablers", "constraints" or "both", according to their experience in the market. According to the results obtained in this question, it was defined a group of factors that most of the Portuguese Companies classified as "enablers" and a group of factors that most of the companies classified as "constraints". These factors were used to measure the independent variables of this study: "The constraints identified by Portuguese companies" and "The enablers identified by Portuguese companies".

Group five is composed by 17 multiple-choice questions and 3 with scale-rated questions about all the negotiable process and some characteristics inherent to the cultural characteristics of people who make business in Colombia.

In the sixth and last group, respondents were required to classify their internationalization experience with Colombia in a general mode, considering all the aspects mentioned during the questionnaire, in a scale from “Unsatisfactory” to “Excellent”. In a multiple-choice question, respondents were asked to select a recommended entry mode to enter in Colombia. In this group there were four open-ended and non-mandatory questions for respondents to describe any situation that marked their experience, in a positive and less positive way, and some advices to companies that are looking for this market or suggestions to the Portuguese government about the internationalization to Colombia.

Because the questionnaire was only applied to Portuguese companies, it was constructed in Portuguese and afterwards translated into English as found in appendice B.

5.2.2.4. The pilot-test

Questions were tested in seven companies, as a pilot-test, in order to understand if all the questions were adapted to reality or if any other aspect should be present in the questions. The pilot-test was conducted in the beginning of November of 2019. After obtaining these answers and participants' comments, some questions were improved and simplified until the final version.

5.2.2.5. How it was applied, how much time and how the data was collected

The questionnaires were sent to the companies in the beginning of December of 2019, via e-mail, with an introduction about the study and its purpose, and a link to the questionnaire that was answered on-line in Google Forms platform. According to Kahiya (2018), this mail surveys are the most used approach. A follow-up was conducted to increase the rate response with several phone calls to the companies who didn't answer until that moment, in order to confirm if they received the questionnaires. In most cases, the link to answer the questionnaire was re-send to the same or a different e-mail inside the company. In order to reinforce these contacts and obtain more answers as possible, it emerged the need to adopt online/electronic methods, and were made several contacts via Linked-in with the objective of reaching the best person to answer the questionnaire inside the companies: responsible for the company or representants of the market. Some personal contacts were also developed

The receiving of answers was cancelled in the end of February of 2020, with a total amount of 43 questionnaires received and only 41 were considered with valid responses.

The number of valid responses under the total sample represents a response rate of 10%.

5.2.2.6. Identification of the sample

As Kotler, Manrai, Lascu & Manrai (2019) said, an effective approach to searching a new market involves gathering information about firms that already exist in these markets. For this reason, the sample used in this study was only composed by Portuguese based companies that maintain any kind of international relationship with Colombia, or have had any relationship in the last five years, in order to achieve real results about the internationalization of Portuguese companies to Colombia.

According to INE, in 2018 there were 387 Portuguese companies that developed any business relationship with Colombia. In SABI database the same number of companies is reported. Through the possible information obtained from AICEP and some individual research through websites, news and personal contacts, a database of 387 companies was constructed.

A perfect representative sample is one that represents exactly the population from which is taken (Saunders, Lewis & Thornhill, 2009). In the current study, the possible efforts were made to obtain the larger sample size and the lower likely error in the generalisation to the population. In a database of 387 companies, the response rate is 10,5% (41 companies), the representative sample of the population that was used in this study.

5.2.2.7. Prepare the information and insert data

All the questionnaires were collected on Google Docs platform. The next step was to generate an Excel Doc with the answers. Some values of this document were formatted in order to facilitate its analysis and the answers were translated into English.

To support the statistic evaluation of the primary data collected, it was used the statistical software IBM SPSS Statistics 26 for Windows (Statistical Package for Social Sciences), where the excel sheet obtained was inserted automatically into a SPSS spreadsheet. Each of the items in the questionnaire had been pre-coded and these codes and their descriptions were entered into SPSS. Open-ended questions were categorised, which was possible due to the limited number of open questions. Once the data were entered, the data errors, e.g. mis-typing and missing values were checked. Frequencies were also conducted to detect any data entry mistakes. Corrections were made accordingly.

The data in SPSS were entered, prepared and analysed. The following section illustrates the questionnaire method of analysis.

5.2.2.8. Questionnaire method of analysis

The first approach to the information obtained from the questionnaires applied was a descriptive analysis of the data, through descriptive statistic, with the objective of describing the sample obtained and their perceptions about the questions applied.

The second approach was the inferential statistics. This process started by developing a cluster analysis of the variables classified as “Enablers” and “Constraints” by the companies. The objective was to exclude the less significant variables and to consider only the most significant variables for the study.

After this, was tested the distribution of the variables in study. A non-parametric test Chi square was applied, one of the most useful for testing hypothesis when there are nominal variables (McHugh, 2012). In this test, the null hypothesis is rejected if $p\text{-value} \leq \alpha$, where α is the significance level of the test. If the null hypothesis is rejected, is possible to confirm that, is not verified a normal distribution of the variables in study. For the Chi-square test, the established hypotheses are:

$$H_0 : X \sim N(\mu, \sigma^2)$$

$$H_1 : X \not\sim N(\mu, \sigma^2)$$

After validating the normal distribution of the variables, it was possible to consider the use of a parametric test. It was used the ANOVA multifactorial test, because the influence of three or more factors in one dependent variable was tested (Saunders, Lewis & Thornhill, 2009). ANOVA is an inferential method that allows the comparison of more than two means and the established hypotheses are:

$$H_0 : \beta_1 = \beta_2 = \dots = \beta_n = 0$$

$$H_1 : \exists \beta_i \neq 0, i = 1, \dots, p)$$

The null hypothesis is rejected if $p\text{-values} \leq \alpha$, where α is the significance level of the test. If the null hypothesis is rejected, it is possible to confirm that, at least one of the independent variables have a significant effect under the dependent variable.

The use of this test requires three main assumptions: each value is independent, the data for each group is normally distributed, each group has the same variance. All of them were properly tested. The results obtained were used to validate, or not, the hypotheses proposed in the conceptual model.

The next chapter will describe with more detail the results obtained from the statistical analysis developed.

6. Results analysis and discussion

6.0. Introduction

In this chapter will be presented a detailed analysis of the results obtained from the primary data collected, by using the software SPSS as support, and its discussion.

The results analysis chapter is divided into two main groups. First of all, will be presented the main results obtained from the descriptive statistical analysis of the questions that compose the questionnaire. In second place, will be presented and analysed the results obtained from the hypotheses tests.

6.1. Analysis of the questionnaires

In this section is detailed presented the results obtained from the descriptive statistics of the topics that compose the main source of primary data used in this study: the questionnaires. The main objective with this analysis is to contextualize and describe the overall companies that contribute to this study, by answering to the questionnaire, and analyse the real information collected about making business in Colombia, from companies that already know the market.

The final sample of this study includes 41 respondents¹. The representative members of the company that answer to this questionnaire were mainly Country Managers (22%) or Export Managers (19,5%) - appendice C1. This result leads to expect a higher veracity of the answers obtained, once these are the positions of who are expected to have a higher contact and knowledge about the market in study.

Through figure 6, is possible to confirm that 56,10% of the companies have between 50 and 249 employees and, through figure 7, is possible to confirm that 29,3% had, in 2018, between 2 million euros and 10 million euros of total sales amount. In 2019 the expected total sales amount for 26,8% was less than 2 million euros and 26,8% between 2 million euros and 10 million euros – appendice C2. This leads us to assume that the companies involved in this study are classified as micro, small or medium companies, what means a comprehensive sample of business dimension.

¹ Tables with results on appendice C.

Figure 6 - Number of employees

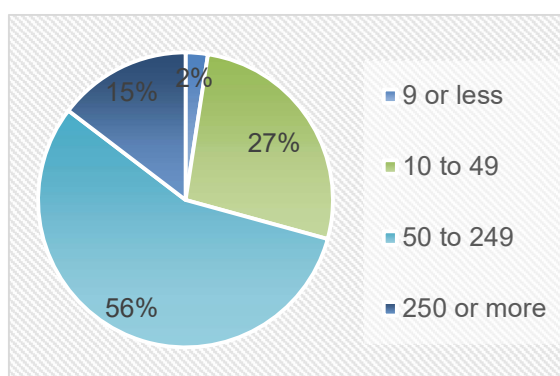
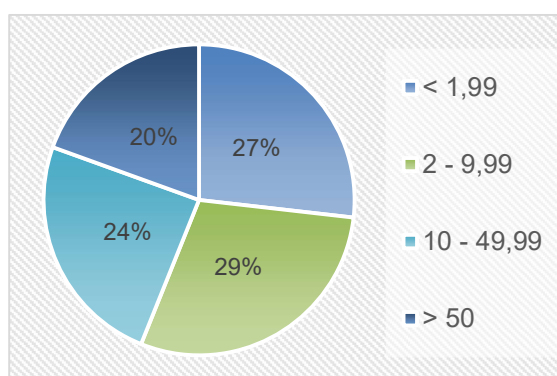


Figure 7 - Total sales amount (2018) (million euros)



Source: Own construction from the results obtained in questions 1.3 and 1.5

To finish the demographic characterization of the sample, the results of question 1.4 points out that 39% of the companies are manufacturing industries, followed by consulting, scientific, technical and similar activities (12,2%), wholesale and retail trade and repair of motor vehicles and motorcycles (12,2%), as presented in table 12. The activity sectors that most answered to this questionnaire are, in some way, linked with the groups of products with more exports from Portugal to Colombia in 2018: machinery and equipment.

Table 12 - Activity sector (According to CAE Rev3)

	Frequency	Percent (%)
Information and communication activities	1	2,4
Agriculture, animal production, hunting, forestry and fishing	3	7,3
Construction	3	7,3
<u>Consulting, scientific, technical and similar activities</u>	<u>5</u>	<u>12,2</u>
Electricity, gas, steam, hot and cold water and cold air	4	9,8
Financial and insurance activities	1	2,4
Information and communication activities	1	2,4
<u>Manufacturing industries</u>	<u>16</u>	<u>39,0</u>
Restaurant equipment	1	2,4
Transport and storage	1	2,4
<u>Wholesale and retail trade; repair of motor vehicles and motorcycles</u>	<u>5</u>	<u>12,2</u>
Total	41	100,0

Source: Own construction from the results obtained in question 1.4

In order to start the analysis of the involvement of Portuguese companies with Colombian market, the results noticed that most of them entered in the market in 2012 (17,1%), in 2013 (12,2%) and in 2014 (14,6%) – appendice C3. Another peak came up in 2017 when 14,6% of the companies in study entered in the market – the same year when, according to INE, there were in Colombia the highest number of Portuguese operators: 413 companies. Regarding the entry mode strategy selected in the Colombian market, as suggested in table 13, most of the companies opted by Export (53,7%) but, FDI (22%) and Joint Ventures (12,2%) also have a significative presence. The number of results obtained for each entry mode strategy is also proportional with the actual number of companies that are in the market with the same entry mode.

Table 13 - Entry mode strategy

	Frequency	Percent (%)
Alliances	3	7,3
<u>Export</u>	<u>22</u>	<u>53,7</u>
<u>FDI</u>	<u>9</u>	<u>22,0</u>
<u>Joint ventures</u>	<u>5</u>	<u>12,2</u>
Licencing	2	4,9
Total	41	100,0

Source: Own construction from the results obtained in question 1.7

The entry mode strategy chosen in the previous question, for 73,2% of the respondents, represents less than 25% of the Total Sales Amount of the company and, for 19,5% of the companies, represents more than 75% of the Total Sales Amount of the company (table 14). The factors that influence these values may be related with the dependence with this market of each company: some of them maintain an international business almost exclusively with Colombia, while most of them may also internationalize with other countries or only operate in Portugal.

Table 14 - Sales in Colombia in the Total Sales Amount

	Frequency	Percent (%)
<u>≤ 24,9 %</u>	<u>30</u>	<u>73,2</u>
25% - 49,9%	1	2,4
50% - 74,9%	2	4,9
≥ 75%	8	19,5
Total	41	100,0

Source: Own construction from the results obtained in question 1.5

After identify the main characteristics of the respondents to the questionnaire, only the companies which foreign entry mode selected was FDI (22% of the respondents) were asked to describe some aspects about the constitution of the company in Colombia. In first question of group 2, companies were asked to classify the importance of some listed services in the support of the company's constitution in Colombia. As represented in appendice C4, for service "Contracting the provision of legal services" 14,6% of the companies classified as "very important", because this could be the safest way to comply all the legal considerations, required certifications, customs taxations and tariffs imposed by the country, regarding the constitution of companies. For the service "Establishing partnerships with local companies" 9,8% classified as "very important" and "Become a member of associations that represent the sector" was classified as "moderately important" by 9,8% of the companies.

The following question aims to analyse the location chosen by companies to constitute their company in Colombia: 7,3% of the respondents chose the city of Bogota while the others selected Bogota and other cities – appendice C5. Regarding the choice of the selected location, according to 9,8% of the companies consider "important" the proximity to the urban centre, 7,3% consider "unimportant" and "moderately important" to stay in the periphery, 9,8% consider "unimportant" the industrial zones, 9,8% consider "unimportant" the proximity to ports and 17,1% consider "important" the proximity to airports. The detailed results are shown in appendice C6. Bogota is the capital and the most important city, what attracts most of the business, as happened with the companies in study. This city also fulfils the criterium required by the companies: is an urban centre, with a near airport but far from industrial zones or ports, which are unimportant factors for most of activities of Portuguese companies that operate in this market.

Regarding the acquisition of a physical space for the constitution of the company in Colombia, 9,8% classified as "Easy" the option of rent a space and 7,3% classified as "Hard" to buy a space – appendice C7. Two companies identified "other options": start with a centre of offices/Co-Working, what is allied with the identified easiest option of rent a space, without any stronger commitment. The companies with FDI in Colombia, prefer to purchase the technological equipment in Colombia (9,8%), while the others prefer to buy them in Portugal (7,3%) – appendice C8 - and, in the process of hiring labour, 12,2% prefer to hire local workers, 2,4% adopt expatriation and 7,3% hire both (appendice C9). This reveals some trust and investment in the country, not only in terms of equipment but also in human resources, something very appreciated by Colombian people when facing a foreign company.

In the last question of group 2, besides the companies with FDI, also the companies that selected “Export”, were asked to answer. The results about the degree of importance of some aspects to make the company known to its customers in the Colombian market, presented in appendice C10, are the following: visits door to door - 26,8% of the companies classified as “very important”; participation/visits to fairs, 39% considered “very important”; Knowledge centres/universities, 22% classified as “unimportant”; digital and traditional ads, 24,4% classified as “moderately important”. Six companies mentioned “other options” that helps to make the company known to Colombian costumers: working with local partners, became a member of Colombian business associations, qualification of the company and register its products. Despite the answer for knowledge centres/universities, the results obtained in this question are not very scattered, what leads to confirm that every action that leads with proximity to customers, will be necessary and very well accepted to create empathy with Colombians.

The questions that compose group 3 are about the supports received by Portuguese companies to the entrance in the Colombian market. In question 3.1, companies were asked to classify, in a Likert Scale from 1 to 5 or “not applicable”, some entities that gave them supports to the internationalization for the Colombian market. The results analysis highlights, as shown in appendice C11: Colombian companies – 34,1% of the companies classified as “very important”; AICEP and Entrepreneurial/Commercial Associations - 31,7% of the companies classified the entity as “important”; Embassies/Consulates - 29,3% classified as “important”. As “unimportant” were classified Portuguese companies in Colombia (29,3%), IAPMEI (26,8%), Portuguese Chambers of Commerce (26,8%) and Colombian Chambers of Commerce (24,4%). Some companies identified other aspect that was not present in the list suggested: individual prospection work. Once again, the focus is on leading with Colombian companies, a very important support for foreign companies that want to internationalize to Colombian market.

In order to analyse the kind of supports provided by the entities mentioned before, question 3.2 pretended to classify its importance in the internationalization process to this market. The answers to this question are summarized on appendice C12 and “unimportant” factors were business meetings in Colombia (26,8%), advice on labour legislation (39%), advice on custom legislation (36,6%) and advice about Colombian market (31,7%). The “moderately important” factors were business missions to Colombia (26,8%), business meetings in Portugal (26,8%), meetings between Portuguese and Colombian companies (24,4%), advice on financial support (24,4%) and workshops/seminars/conferences/webinars on creating Colombian costumers databases (29,3%) and on negotiation conditions(29,3%). The “important” factors were

advice on forms of negotiation (29,3%), advice on bureaucratic aspects (36,6%), advice on financial support (24,4%) and advice on incentive systems (36,6%). The reason that motivates the importance of these factors may be associated with the fact that are the ones with more specificities for each country and companies needs more advices on them.

In section four, companies were asked to classify into enablers, constraints or both, a whole list of factors that they may have faced during the internationalization process to Colombia, in order to accomplish the main finding of this study.

As results, geographic location and fiscal situation are the only two factors that more than 40% of the companies classified as “both” (Table 15), what means that are the only two factors that couldn’t be defined as an enabler or constraint. The same happened in the findings of the authors studied. In the case in analysis, the answers obtained may be justified because Colombia is a country with a long geographic distance from Portugal but with a good strategic location with other countries and, fiscal situation vary from company to company, depending on the kind of activity developed in this country and the products/services commercialized. In all the other aspects is possible to identify a tendency.

Table 15 - Factors classified as "Both" (Enablers/Constraints) in a n internationalization process to Colombia

	Both	E	C
Geographic Location	48,8%	39,0%	12,2%
Fiscal Situation	41,5%	22,0%	36,6%

N=41; E- “Enablers”; C- “Constraints”

Source: Own construction from the results obtained in question 4.1

For “Enablers” (Table 16), stands out the quality level of telecommunications (48,8%), the favourable economic situation (43,9%), attractive potential provided by the resources of the country (43,9%), incentives from the Portuguese government – mainly financial ones (41,5%) and commercial conditions (41,5%), as found by the theories presented in this study as enablers that further the internationalization of companies. Portuguese companies also identified the similar language (73,2%), the welcoming culture (65,9%), the easiest in obtaining visas (43,9%) and the religion (43,9%) as enablers in the specific case of Colombian market.

The following factors (Table 17) also corroborate findings of the authors that studied the constraints that companies face during an internationalization process: security level

(73,2%) that have been improved since the end of the war, the exchange rate (65,9%), international competition (53,7%) with companies from other European or American countries, basic infrastructures (51,2%) very debilitated, existence of skilled labour (46,3%), qualified training offer for the company's needs (46,3%), social security system (43,3%), incentives from Colombian government (43,9%), the politic situation (43,9%), legislation (39%) and access to information (39%). Regarding the internationalization to Colombia, Portuguese companies in study stands out corruption level (75,6%), bureaucracy level (70,7%) to certify the products that companies want to internationalize, stratification of the society (48,8%) because of the problem of define the target market and local competition (46,3%) as constraints.

Table 16 - Factors classified as "Enabler" in an internationalization process to Colombia

	B	Enablers	C
Language	22,0%	<u>73,2%</u>	4,9%
Telecommunications	17,1%	<u>48,8%</u>	34,1%
Economy	29,3%	<u>43,9%</u>	26,8%
Atractive potential	41,5%	<u>43,9%</u>	14,6%
Obtaining visas	26,8%	<u>43,9%</u>	29,3%
Religion	34,1%	<u>43,9%</u>	22,0%
Incentives from the Portuguese government	19,5%	<u>41,5%</u>	39,0%
Comercial Conditions	24,4%	<u>41,5%</u>	34,1%

N=41; E- "Enablers"; C- "Constraints"

Source: Own construction from the results obtained in question 4.1

Table 17 - Factors classified as "Constraint" in an internationalization process to Colombia

	B	E	Constraints
Corruption level	17,1%	7,3%	<u>75,6%</u>
Security level	14,6%	12,2%	<u>73,2%</u>
Bureaucracy level	22,0%	7,3%	<u>70,7%</u>
Exchange	22,0%	12,2%	<u>65,9%</u>
International competition	22,0%	24,4%	<u>53,7%</u>
Basic infrastructures	17,1%	31,7%	<u>51,2%</u>
Stratification of the society	34,1%	17,1%	<u>48,8%</u>
Existence skilled labour	19,5%	34,1%	<u>46,3%</u>
Qualified training offer for company's needs	26,8%	26,8%	46,3%
Local competition	26,8%	26,8%	46,3%
Social Security System	31,7%	22,0%	46,3%
Incentives from Colombian government	24,4%	31,7%	43,9%
Politic	34,1%	22,0%	43,9%
Legislation	36,6%	24,4%	39,0%
Access to information	31,7%	29,3%	39,0%

N=41; E- "Enablers"; C- "Constraints"

Source: Own construction from the results obtained in question 4.1

With the objective of analyse the business process and some characteristics inherent to the culture of people who make business in Colombia, follows group five, composed by 20 questions. According to 53,7% of the companies the average duration of the business process, from the decision making to close the deal is less than 1 year, while 43,9% considered between 1 and 2 years – appendice C13. The bureaucracy is “moderately bureaucratic” according to 36,6% - appendice C14. The level of prices negotiation, according to 51,2% is “moderately negotiable” – appendice C15. In general, these results don't reveal an excessive duration, bureaucracy or restrictions in the level of negotiations. Considering the opinion of Portuguese companies, all these processes are “moderate”.

The questions in group 5.4 are associated with the payment conditions and, considering the options of international payments existent, the main results provided by the statistical analysis shows that 39% of the companies use Cash-in-advance – appendice C16. The mode of payment most used is bank transfer (92,7%) – appendice C17. Were also evaluated the payment conditions and, the most used, is 30 days after the delivery of goods/provide the services according to 39% of the companies – appendice C18.

By analysing question 5.5, as shown in appendice C19, 70,7% of the companies says that businessmen are, generally, complying with conditions/deadlines established. Until the business deal, there are usually needed 3 meetings, according to 39% of the companies, as shown in appendice C20.

Considering the four main parts that compose the process of negotiation, the results in appendice C21 reveals that: in the phase of familiarization between parties, Colombian businessmen start by construct a relationship of trust before the business discussion according to 80,5% of the companies, what confirms the cultural aspects about Colombia mentioned previously. Regarding the approach to the subject, table C22 shows that 51,2% of the companies said that the Colombian businessman do a direct approach. Considering who have the decision power, 63,4% answer that the decisions are made by the companies' owners, in accomplish with the classification made by Hofstede to the country regarding the power distance (appendice C23).

The time to implement the decisions is moderate according to 51,2% of the companies (appendice C24). In the time to drawn up a contract, the results obtained by 48,8% said that it is usually done a short document (appendice C25). Results demonstrate that Colombians are very practical in the time of close a deal but take some time to implement it.

In the group of questions elaborated in group 5.9, were evaluated some cultural aspects that describes some business situations. Doesn't exist a very restrict plan to organize a working meeting according to 36,6% of the companies (appendice C26); they are realized in an office/meeting room in the company, according to 80,5% of the companies (appendice C27); the dress code used is usually a suit (jacket and shirt, without tie) according to 31,7% of the companies (appendice C28); regarding the punctuality to start a meeting 43,9% of the companies classifies it at start at the scheduled time (appendice C29).

The results obtained in question 5.9.5 (appendice C30) reveals that 63,4% of the meetings are usually with men and women and 36,6% are usually with men. During the meetings, the language used is Spanish (Colombia) according to 82,9% of the companies (appendice C31). The last question of this group reveals that the average length of a meeting, according to 58,5% of the companies (appendice C32), is 1 hour. These are important practical aspects that should be taken in account during a business meeting in Colombia in order to be accepted in the best possible way and reduce the cultural distance existent between the countries.

The sixth and last group of questions, was about general considerations that Portuguese companies have about the whole internationalization process with Colombia. As seen in appendice C33, 51,2% of the companies that answered this questionnaire evaluated as "satisfactory" their internationalization experience to this market, 36,6% evaluated as "moderately satisfactory", 4,9% evaluated as "unsatisfactory" and "very satisfactory" and 2,4% evaluated as "slightly satisfactory". None of the companies classified their internationalization process as satisfactory, what, in some way, can justify the low percentage of 0,09% of exports from Portugal to Colombia. However, most of them, classified this process as satisfactory and maintain their activities by contributing to a similar percentage between 2014 and 2018, as mentioned before.

Regarding their experience, 87,8% of the companies said that they would choose the same entry mode, while 12,2% said that won't choose the same entry mode (appendice C34). For the ones who answered that didn't choose the same entry mode, they would recommend: acquisition of an existent operator, alliances (chosen by 7,3%), export (the most used entry mode – 53,7%) or joint ventures (chosen by 12,2%) (appendice C35).

The last four questions were open-ended and non-mandatory. For that reason, companies only answered to some of them. The following paragraphs reveal the most important topics mentioned and all the answers are translated and summarized in tables. In resume, from 19 answers obtained in question 6.4, the main mistakes made by

Portuguese companies during the internationalization process to Colombian market, were associated with the process of prepare the implementation project, the definition of the internationalization strategy, local partners, clients, bureaucracy and construct relationships (Table 18)

Table 18 - Mistakes made by Portuguese companies during the internationalization process to Colombian market

Prepare the project implementation: poor preparation; multiple plans for the same project; investment in some fairs that did not fit the company's field; advance to registrations before having a logistical solution with a local operator; precipitation in the decision to rent the office
Internationalization strategy: don't have a well-defined one; don't choose the correct entry mode
Local partners: unappropriated choice of; lack of follow-up
Clients: don't have physical presence with them; trying to sell without knowing the client; grant exclusivity; the experience of missions and fairs, has nothing to do with the reality; local knowledge and experience and this can only be achieved with time
Bureaucracy: don't taking into account the high level; lack of technical documentation in Spanish
Relationships: it takes too long; personal and trust relationships are required to close a deal
Do not anticipate the scale of corruption
Disability to increase the volume of business

Source: Own construction from the results obtained in question 6.4

To the next question, associated with the most anecdotal situation made during the internationalization process to the Colombian market, the answers obtained by 14 companies are more generalized and were identified only two small groups linked with the cultural differences and the bureaucracy, as explained in table 19.

Table 19 – Anecdotal situations made by Portuguese companies during the internationalization process to Colombian market

Cultural differences: use of the same words with different meanings; initial shock for European culture where the rigor is much greater; it is not easy to build trust relationships
Bureaucracy: in some cases, overlaps with Portuguese technical and regulatory entities; presentation of the same documents several times; very complicated to rent the first office; is tremendous and, in general, nothing works at the first time
Armed escort to trucks with containers
"The approach with AICEP was a surprise because we wanted to sell bakery products in Colombia. After the surprise came help!"
Equipment shipment and payment after equipment sale
"Trademark registration without our authorization"
The approaches have always been very positive, despite the fact that we have not advanced.
Waiting times for responses to a request / decision
Corrupt partner who took advantage of an enabler to compete
Do not know the brand with 200 years old

Source: Own construction from the results obtained in question 6.5

Regarding the lessons/messages that companies would like to leave to managers during the internationalization process to the Colombian market, 22 companies answered. The results obtained in table 20 are focused in the main categories of culture, local support, local partners, investment, legislation, knowledge about the market.

Table 20 – Lessons/messages leaved by companies to managers during the internationalization process to Colombian market

Culture: perceive and adaptation to the country's culture; adaption to business culture; know the history, geography, customs, habits, traditions; visits in person; is necessary to create relationships
Local support: contacts with local people, AICEP, other companies that are already in Colombia; seek help from Colombians to help overcome difficulties
Local partners: search for the right partner; be perseverated with partners; correction and seriousness in business and contacts in general; have someone native to the market in Colombia; “The approach must be accurate, with credible and ambitious partners. Portuguese companies have lost credit in this market due to amusement manoeuvres by an apparent Portuguese power that has installed itself in the market, having had ruinous reflexes for its partners. I believe that the fact of being Portuguese, for those with a good memory, will not prove to be an asset.”
Investment: have a financial cushion to endure a year without billing and not give up; be prepared to invest in the long term; recommend phase of approach before the investment decision; develop an appropriate risk assessment
Legislation: All markets outside Europe have specificities and in Colombia INVIMA is a major Constrain; pay attention to the legislation
The market: must be very well studied; know its special features; consider its particulates; prepare the product for the Colombian
Good market. It takes time and investment in physical presence in the country. Without physical presence it is much more complicated.
The lack of real monitoring, especially for those who sell engineering projects and construction supervision. It seems to me that managers are very focused on exporting products ...
“At the moment, the Colombian market is more concerned with deadlines than with product quality and is doing a lot of work in China (more competitive prices and deadlines).”
Resilience is needed to face the adversities of having to live abroad.
Distribution in different regions of the country

Source: Own construction from the results obtained in question 6.6

The main lessons/ messages that Portuguese companies would like to leave to government agents during the internationalization process to the Colombian market are summarized in table 21. Most of the advices are associated with the supports provided, the knowledge about the market, the bureaucracy and culture of the country.

Table 21 - Lessons/messages leaved by companies to government agents during the internationalization process to Colombian market

Support: support in new markets; follow companies and be consistent; more sovereign guarantees; institutional support to “open doors”; greater support for internationalization, at
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least those companies that depend on this process; more and less restrictive financial support; support within AICEP for trivial tax and labour cases;

Market: “That they evaluate very well who is in front of their local representatives, in particular AICEP. In most cases, they are elements with a weak capacity to respond to the real needs that those who want to install in a new market.”; “Prepare well, the foray into that country, namely, from a fiscal and cultural point of view”

Bureaucracy: should be less; ignorance of bureaucracies.

Culture: Adaptation to business culture and local customs

“They may follow the Danish example. Denmark created an exclusive fund for Latin America, in order to allow Danish companies to present attractive economic models, such as financing transactions, allowing customers to pay as if they were a renting / leasing model. With this model, Danish companies, who come from a culture with much less affinity than ours, obtain results much faster than Portuguese companies that do not have this type of tool at their disposal. Although the relationship is very important, the financial conditions of the business always speak louder.”

“The main help they can give to entrepreneurs is to work with governments to remove legal impediments to the import of our products. Streamlining these legal processes is the most important. For example, why is Portugal still unable to export beef to Hong Kong or China, when EU partners can already do so? That is the main job. Then it's proximity to help you understand the market and open the doors.”

Defend Portuguese companies as the Spanish government does, for example.

Lack of commercial dynamics.

Correction and seriousness in business and contacts in general.

Help with the phytosanitary process for some countries that are waiting for a solution.

Source: Own construction from the results obtained in question 6.7

In order to complement the results provided by the statistical analysis of the questionnaires, the next section analyse the proposed hypotheses of this study.

6.2. Analysis of the hypotheses

After analyse the answers obtained in the questionnaire, in this group will be tested the hypotheses established in chapter 4 of this dissertation. The first step was to verify the most significant variables that were integrated in “Enablers” and “Constraints” through a clusters analysis. The results obtained, reflected that for the independent variable “Enablers” the most significant factors are “Commercial conditions” (1), “Telecommunications” (0,92), “Religion” (0,73), “Incentives from the Portuguese Government” (0,55) and “Attractive Potential” (0,53). Except the religion, these factors are common with the enablers identified in previous theories founded by different authors. For the dependent variable “Constraints”, the most significant factors are “Incentives from the Colombian government” (1), “Social Security System” (0,89) and Legislation (0,53), all of them also classified as constraints in an internationalization process in previous studies developed in similar contexts.

The second step was testing the distribution of the variables used: the dependent variable, “Total Sales Amount” and the independent variables “Enablers” and “Constraints”. Once the independent variables in study are nominal variables, it was used the Chi-square test to verify their distribution. According to the values presented in table 22 ($p\text{-value} \geq 0,05$) the factors that compose the independent variable “Enablers” have a normal distribution. The same test shows a normal distribution of the factors considered in the independent variable “Constraints”, as shown in table 22.

Table 22 - Normality test for the variables in study – Pearson Chi-Square Test

Enablers* Total Sales Amount	<i>p-value</i>		Constraints* Total Sales Amount
Telecommunications	0,273	0,994	Social Security System
Attractive potential	0,544	0,961	Incentives from Colombian government
Religion	0,894	0,755	Legislation
Incentives from the Portuguese government	0,682		
Commercial Conditions	0,850		

Source: Own construction

After evaluating the distribution of the variables in study, was applied the ANOVA multifactorial test. The results obtained to test the first hypothesis are summarized in table 23 and reveals that, for a significance level of 5%, none of the mentioned factors have a significant effect on the dependent variable “Total Sales Amount”.

Table 23 - ANOVAmultifactorial test between the variables “Enablers” and “Total Sales Amount”

Enablers* Total Sales Amount	<i>p-value</i>
Telecommunications	0,493
Attractive potential	0,350
Religion	0,628
Incentives from the Portuguese government	0,928
Commercial Conditions	0,587

Source: Own construction

Once the values used are independent and the distribution of the variables was already tested, is necessary to validate the third assumption of ANOVA multifactorial test: the variance of each group should be constant. In this study was applied the homogeneity test Levene. For the independent variable “Enablers”, the $p\text{-value}$ obtained was 0,076 ($>0,05$) what means that there are homogeneity in the variance and the third assumption is verified.

The same process was conducted to test the second hypothesis. Table 24, summarize the results obtained with the ANOVA multifactorial test, for the factors considered as “Constraints”. With a significance level of 5%, none of the mentioned factors have a significant effect on dependent variable “Total Sales Amount”.

Table 24 - ANOVA multifactorial test between the variables “Constraints” and “Total Sales Amount”

Constraints* Total Sales Amount	p-value
Social Security System	0,264
Incentives from the Colombian government Legislation	0,368
	0,295

Source: Own construction

It was applied the Levene homogeneity test and the results shown a p-value = 0,197 (>0,05) what means that there are homogeneity in the variance and the third assumption was also verified in this case.

The objective of this chapter was to validate, or not, the hypotheses established. According to the results obtained with the applied tests, there were not statistical evidence to support the hypotheses, what means that there are not statistical evidence to support that enablers have a positive impact on companies performance, neither constraints have a negative impact on companies performance. The table below, summarize the results obtained:

Table 25 - Summary of the results of the hypotheses

Hypotheses	Result
H1: <i>The main enablers identified by Portuguese companies have a positive impact on performance.</i>	× Not confirmed
H2: <i>The main constraints identified by Portuguese companies have a negative impact on performance.</i>	× Not confirmed

Source: Own construction

Similar studies, developed in international business context by Ruigrok & Wagner (2001), Contractor (2007) and Zhao, Ma & Yang (2017) found a non-linear relationship between performance and degree of internationalization. Its adaption to the investigation developed in this dissertation, lead to similar results: was not possible to conclude about a relationship between factors that influence the relationship (enablers and constraints) and its performance, in the specific case of Portuguese companies who internationalize their business to Colombia.

Considering the results obtained in this chapter, the next chapter will present the main conclusions of this study.

7. Conclusion

7.0. Introduction

A complete study must present the results obtained from the investigation, analyse them in order to answer the objectives proposed and present the main conclusions. In this way, the first topic of this chapter identify the main remarks possible to conclude, the second topic resumes the theoretical contributions obtained in the study, the third topic presents the managerial contributions obtained from the results of the data collected and the last one suggests some future researches that may complement the limitations faced during the investigation.

7.1. Main remarks

Portuguese companies already know and feel comfortable to internationalize their products to some countries with closer geographical or cultural distance. However, some of them keep looking to extend their business beyond their comfort zone, to new markets like Colombia. In order to take this step, they only need some support like practical and updated information that providing them higher capability of making successful businesses and increase the exports volume. This is the reason why the current investigation was so pertinent and relevant.

In a contextualization point of view, the first chapter of this study presents a research market of Colombia. The information collected helped to better understand the strategic geographic location of the country, the characteristics of the population, the currency in use, the political system in force, the growing economic situation, the legislation of the country regarding the foreign trade and the history and culture that characterize the country. A deeper analysis, regarding the specific internationalization of Portuguese companies to Colombia, reveals some facts and numbers about the trade of goods and services between these two countries. Country characteristics mentioned about Colombia are important issues in the time of make these decisions, as well as know the internationalization theories existent and entry modes, as analysed in chapter 3. The same chapter enounces important theoretical concepts that supported the development of this study.

The main objective with the current research was to find the main enablers and constraints that Portuguese firms, who have some international relationship with Colombia, found during the internationalization process to this market. By collecting information from 41 companies that already know the market by their own experience, it

was possible to verify the existence of some common factors. As demonstrated in the results, is possible to conclude that exists two factors that divide the opinion of the companies and, at the same time, could be classified as enabler and constraint: geographic location (strategic position with different maritime and continental borders) and fiscal situation. In accordance with these results, Contractor (2007) and Kraus, Ambos, Eggers & Cesinger (2015) identified geographic location as something that influence the risk (in a positive or negative way); none of the authors studied, developed an investigation to study specifically the influence of fiscal situation in an internationalization context, what is understandable when, in this case, the opinions are also divided.

Telecommunications, the attractive potential of the country (offer of resources), religion, the incentives from the Portuguese government (mainly financial supports) and the commercial conditions existent (prices, negotiation, payment conditions, etc) were the most significant enablers identified by companies. Despite religion, all of them were also found as enablers or opportunities by different authors in previous researches. Freixanet (2012) concluded about the positive effect of Export Promotion Programs, where is included the financial incentives from the Portuguese government to internationalization; Kotler, Manrai, Lascu & Manrai (2019), focused on country characteristics, classified as opportunities the competition and low costs (contribute to the favourable commercial conditions of the country), the profit potential and natural resources (create attractive potential of Colombia) and the infrastructures (where telecommunications could be included).

As main constraints associated with the country in study, emerged social security system, incentives from the Colombian government and legislation (labour, fiscal, custom, etc). The social security system and legislation are frequently linked with the economy or regulatory risk of each country, foreign exchange regulations and legal and political problems, what, according to Kahiya (2018), Kotler, Manrai, Lascu & Manrai (2019) and Luiz & Ruplal (2013) are common export barriers or risks and, according to the results obtained, Colombia is not an exception once Portuguese companies faced the same problems. Kahiya (2018) and Paul, Parthasarathy & Gupta (2017), identified the lack of government incentives, support and protection as external export barriers, what was verified when Portuguese companies classified the incentives from the Colombian government as a constraint in the internationalization process.

Accomplished this objective, the current research attempts to study the impact of the mentioned enablers and constraints on performance of companies. Through statistical support, this impact was tested. The results obtained show that the main enablers

identified by Portuguese companies don't have a positive impact on performance, as suggested in H1. It was also not proved that the main constraints identified by Portuguese companies have a negative impact on performance, as suggested in H2. The same authors who identified the factors in study, only proved that the previously mentioned factors are something that facilitate or restrict the internationalization process in the moment of take decisions like the entry mode strategy or market selection; they did not also found a positive or negative impact on performance of companies. A possible justification is the fact that enablers facilitate the entrance of Portuguese companies in the Colombian market but do not affect directly their performance, once exists other external or internal factors acting at the same time that should be also taken in account. In the same way, constraints do not have a direct negative influence on performance of companies because managers can identify and work around them appropriately before achieve this consequence.

Given this situation, becomes even more important answering the last objective proposed for this investigation: define the best strategy possible to work around the challenges in order to obtain higher advantages to enter in the country. Through the practical guide suggested in managerial contributions, will be exposed the main conclusions that accomplish this objective.

Despite the importance of the main remarks presented in this topic and the managerial contributions, is also relevant understand the contributions of this study to the existent literature. Next topic lies on this aspect.

7.2. Theoretical contributions

The conclusions obtained from this study are expected to contribute to the theoretical knowledge in some aspects. Several studies, as suggested in the literature review, proved the existence of opportunities, barriers, country and company characteristics that influence the decisions taken by managers when decided to internationalize. This study, by collecting real experiences from who is already in the market, found the existence of some of them in the specific case of Portuguese companies during their internationalization process to Colombia.

The same factors were tested in order to evaluate their impact on performance of companies. As happened in similar studies, where were not proved a relationship between performance and multinationality, this investigation didn't find a positive or negative impact of enablers and constrains on performance of Portuguese companies.

Towards this, the deeper scientific knowledge about the impact of enablers and constraints in internationalized companies' performance represents an important contribution for future researches.

The study also represents some contributions in the field of investigation, once it is unknown the existence of multisectoral studies about the internationalization of Portuguese companies to Colombia. By complementing this information, the current investigation provided a deeper knowledge about the Colombian market and its specificities in a business context.

In order to complement the theoretical contributions expected with this study, the next topic suggest the contributions provided to managers or companies' members who take decisions in an international context.

7.3. Managerial contributions

As mentioned before, this investigation aims to create a practical guide with more information, besides the one already known, to support Portuguese managers who want to internationalize their trades to Colombia. This managerial contribution aims to constitute a strategy that managers should follow to work around the challenges identified and obtain higher advantages to enter the country in study.

In order to accomplish this objective, was constructed and applied a questionnaire to the 387 Portuguese operators (data from 2018) with international businesses in Colombia. The results obtained from here contributed to the following practices:

- 1) Assuming that Colombia was the country select to internationalize, is important to define the entry mode strategy. In both decisions, companies should consider the market research developed in chapter 2 and the advices in next topics, before put in practice the business plan developed to this market;
- 2) Regarding the constitution of the company in the Colombian market:
 - a. In the specific case of FDI, companies should hire the provision of legal services to get support and be informed about the required procedures;
 - b. The location should be in the capital (Bogota - to be close to city centre and airports) and other city (to guarantee the distribution in different regions of the country);
 - c. Rent a space is the easiest option, as well purchase the technological equipment in Colombia and hire local workers;
 - d. In the case of FDI or export, is very important the participation and visits to fairs to make the company known to its customers in the Colombian

market, once promote a face-to-face approach, a very important aspect for Colombian people.

- 3) Considering the supports to the entrance in the market:
 - a. Besides the importance of AICEP delegation in the country and entrepreneurial or commercial associations, Colombian companies are important entities to provide some support;
 - b. The most important supports provided by these entities are linked with advices on bureaucratic aspects (depend on the kind of product/service commercialized) and incentive systems.
- 4) During the internationalization process, Portuguese companies will face the following aspects:
 - a. As enablers that facilitate the process companies will find language (spanish), telecommunications (communications cover rate, access to internet, communication networks, etc), economic situation, attractive potential (offer of resources like raw materials, tourism or industry), obtaining visas, religion (Christian), incentives from Portuguese government (ex: financial supports from Portugal 2020) and commercial conditions(prices, negotiation, payment conditions, etc);
 - b. As constraints that may restrict the process in some way, companies will find corruption, bureaucracy and security level, exchange rate, international competition, basic infrastructures (including poor roads, railways, ports, airports, water, sanitary conditions, energy and education), stratification of the society (very noticed in Colombia), existence of skilled labour, qualified training offer for company's needs, Local competition, Social Security System, Incentives from Colombian government, politic, legislation (labour, fiscal, custom, others) and access to information.
- 5) The steps inherent to the business process should take in account the following characteristics:
 - a. from the decision making until to close a deal, the average duration could be less than 1 year or close to 2 years;
 - b. bureaucracy isn't null or excessive, but moderate;
 - c. the prices are moderately negotiable;
 - d. cash-in-advance is the most common option of international payment;
 - e. payments are made with a bank transfer and 30 days after the delivery of goods or provide the services;
 - f. in general, the conditions and deadlines established, are accomplish;

- g. until the business deal, are usually needed 3 meetings;
 - h. regarding the negotiation, Colombian businessmen need to construct a trust relationship before the business discussion and, after that, they go directly to the subject and companies' owners are who have the decision power and the time to implement the decision is moderate;
 - i. the contracts are usually short documents;
- 6) In order to complement the practical issues, the following cultural aspects should be respected during a working meeting:
- a. is not organized a very restrict plan;
 - b. took place in an office/meeting room in the company;
 - c. the dresscode used is usually a suit (jacket and shirt, without tie);
 - d. punctuality with the scheduled time;
 - e. men and women are present;
 - f. Spanish is the language used;
 - g. the average length is 1 hour.

By following this guide, Portuguese companies are expected to be satisfied with the internationalization process to Colombia. Despite the success or failure, these advices may constitute important information for Portuguese companies that want to enter in the market, as was expected with all the research and work developed through this dissertation. In order to improve or complement the conclusions presented until this moment, following topic identify the main limitations and suggest future researches.

7.4. Limitations and future research

In an overall analysis, all the objectives for this study were accomplish. However, as in businesses, were identified some limitations and future researches that would contribute to the improvement of the dissertation and the conclusions obtained.

Despite the fact that one of the reasons to choose the market in study was exactly the lack of information and feedback existent about it, the collection of information was complicated because of the few Portuguese companies that export to this market, when compared with other Latin America countries like Brazil or Mexico.

In consequence, the main limitation identified is the quantity of primary data collected. In order to achieve better, more realistic and general results, the rate of answers should be higher than the possible to obtain. This happened because of the difficulty in contact the most appropriated persons inside the companies to answer the questionnaires and

capture their attention and time to answer an academic work with information about their own experience.

To test the hypothesis established, it was used only one indicator of performance. This constitute a limitation, once performance is much more than the volume of sales of a certain company. The use of more than one indicator would contribute to a deeper analysis of the impact of enablers and constraints on real performance of companies.

There are several future researches that could be done with the same objective of provide recommendations, with an empirical background that allow managers to better manage foreign markets operations and improve overall business effectiveness (Brouthers, 2013). In order to improve the study developed in the dissertation, a study about the impact of other factors inherent to the internationalization process, like the selected entry mode, on companies performance could provide important findings for managers who have to decide about the best entry mode to enter in this specific country, in order to achieve the best performance possible.

It could be also interesting to apply the same procedure of this investigation with different countries, with different geographic and cultural characteristics, like Europeans or Asiatic, and compare the results obtained. The conclusions would help to understand if the actual behaviour and performance of Portuguese companies with Colombia would be the same when operating in other countries.

In the same point of view, the current research could be further extended with the comparison of results obtained with other Latin America countries where Portugal have a stronger presence. This analysis could be useful to better understand the differences existent and discover why Colombia don't have the same impact on the internationalization of Portuguese trades once, according to the ones who are already there, have so much to offer.

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Appendices

Appendice A – Contextualization of the Colombian market

Appendice A1 - Exports from Portugal to Colombia, by groups of products

	2014	% Tot 14	2017	%Tot 17	2018	%Tot 18	Var % 18/17
Agricultural	0,2	0,3	1,5	3,3	3,7	6,8	148,1
Food	0,4	0,6	2,7	5,9	2,9	5,3	8,1
Mineral fuels			0,1	0,3	0	0	-99,6
Chemicals	15,2	23,9	<u>1</u>	2,2	<u>7,4</u>	<u>13,7</u>	644,4
Plastics and rubbers	4,3	6,8	6,5	14,3	5	<u>9,3</u>	-22,5
Furs and leathers	0,3	0,4	0	0	0	0	-41,8
Wood and cork	1	1,6	1	2,3	0,7	1,3	-32,2
Cellulose pulp and paper	0,5	0,8	0,5	1	<u>0,4</u>	0,8	-2,8
Textil materials	1,3	2,1	1,5	3,2	1	1,8	-33,9
Clothing	0,2	0,3	1,5	3,3	1,6	3	9,5
Shoes	1,7	2,7	2	4,5	1,3	2,4	-35,5
Minerals and ores	17,2	27	2	4,4	0,9	1,7	-55,1
Common metals	8,8	13,8	4,2	9,4	4,5	<u>8,4</u>	7,1
Machinery and equipment	8,3	13	18,4	40,9	14,8	<u>27,4</u>	-19,9
Vehicles and other transport materials	1,9	3	<u>0,8</u>	1,7	<u>8,7</u>	<u>16,1</u>	§
Optical and precision instruments	1,2	1,9	0,6	1,4	<u>0,4</u>	0,8	-33,2
Other products	1,1	1,7	0,8	1,8	0,6	1,1	-27,8
Total	63,8	100	45,1	100	53,9	100	19,5

Source: aicep Portugal Global

Appendice A2 – Imports to Portugal from Colombia, by groups of products

	2014	% Tot 14	2017	% Tot 17	2018	% Tot 18	Var % 18/17
Mineral fuels	202,2	96,1	333,9	90,9	275,1	<u>90,9</u>	-17,6
Agricultural	3,4	1,6	25,4	6,9	20,7	<u>6,8</u>	-18,6
Food	2	1	2,3	0,6	2,7	0,9	19,8
Plastics and rubbers	0,4	0,2	1,4	0,4	0,8	0,3	-43,9
Common metal	0,1	0	0,9	0,2	0,6	0,2	-29,9
Chemicals	0	0	0,7	0,2	0,2	0,1	-62,8
Clothing	0,4	0,2	0,4	0,1	0,2	0,1	-46,9
Textil materials	0	0	0,1	0	0,2	0,1	265,4

Machinery and equipment	0,3	0,1	0,2	0,1	0,1	0	-32,7
Minerals and ores	0,1	0	0,1	0	0,1	0	-0,3
Vehicles and other transport materials			0,7	0,2	0,1	0	-90,3
Hides and skins	0,9	0,4	0,2	0	0	0	-89,3
Cellulose pulp and paper	0	0	0	0	0	0	83,7
Optical and precision instruments	0	0	0	0	0	0	8,5
Wood and cork	0,3	0,1	0,1	0	0	0	-97,4
Shoes	0,1	0	0	0	0	0	-64,7
Other products	0,2	0,1	1	0,3	1,7	0,5	68,7
Total	210,5	100	367,2	100	302,5	100	-17,6

Source: aicep Portugal Global

Appendice B - Questionnaire

“INTERNATIONALIZATION TO COLOMBIAN MARKET – ENABLERS AND CONSTRAINTS”

My name is Daniela Jacinto and I'm on the 2nd year of Master in International Business, in Polytechnic of Leiria. Actually, I'm writing a dissertation about the internationalization of Portuguese companies to the Colombian market, with the objective of evaluate the main enablers and constraints that they face.

Once your company have international businesses with Colombia, I would like to ask your collaboration, by filling this questionnaire.

All the answers will be confidential and this study is its only propose. If there are any interest from you in the results obtained, they may be shared with you.

Thank you in advance for your collaboration.

1. Identification and characterization of the company

1.1. Name of the responsible who answer the questionnaire: _____

1.1.1. Position in the company: _____ 1.1.2. E-mail: _____

1.2. Name of the company: _____

1.3. Actual number of employees: _____

1.4. Activity sector (*According to CAE Rev3*): _____

1.5. Total sales amount of the company in 2018 (€): _____

1.5.1. Expected total sales amount of the company in 2019 (€): _____

1.6. Year of entrance in Colombia: _____

1.7. What was the entry mode strategy selected by the company in the Colombian market? *(Please select the more adequate option to your company).*

- Export
- Foreign Direct Investment
- Licencing
- Joint ventures
- Agent
- Alliances
- Other(s). Which?

1.8. What is the percentage, that the option selected above, represents in the total sales amount of the company? _____

2. Constitution in the Colombian market

2.1. What is the importance of the following services in supporting the company's constitution in Colombia?

(Consider that 1 means "nothing important" and 5 means "very important")

	1	2	3	4	5	Not applicable
Contracting the provision of legal services						
Establishing partnerships with local companies						
Become a member of representative associations of the sector						

2.1.1. Other option(s): _____

2.2. What is/are the location(s) choose(n) by the company for its constitution in the Colombian market *(province/city)*? _____

2.3. *What is the importance of the following factors in the choice of the location?*

(Consider that 1 means "nothing important" and 5 means "very important")

	1	2	3	4	5
Proximity to the urban centre					
Periphery					
Industrial zones					
Proximity to ports					
Proximity to airports					

2.3.1. Other option(s): _____

2.4. What is the degree of facility in acquire a physical space for the constitution of the company in Colombia?

(Consider that 1 means "very hard" and 5 means "very easy")

	1	2	3	4	5	Not applicable
Rent a space						
Buy a space						

2.4.1. Other option(s): _____

2.5. How were acquired the technological equipment specific for the company activity? *(You can select more than one option)*

- Purchased in Colombia
- Imported from Portugal
- Imported from other(s)country(ies)

2.6. How is done the process of hiring labour?

- Expatriation Hiring local workers Other(s). What or which?

2.7. *What is the degree of importance of the following aspects, in order to make the company known to its customers in the Colombian market?*

(Consider that 1 means “nothing important” and 5 means “very important”)

	1	2	3	4	5	Not applicable
Door to door visits (individual prospection)						
Participation/visits to fairs						
Knowledge centres/universities						
Digital and traditional ads						

2.7.1. Other option(s): _____

3. Supports to the entrance in the Colombian market

3.1. What is the degree of importance of the following entities to obtain supports to the internationalization for the Colombian market?

(Consider that 1 means “nothing important” and 5 means “very important”)

	1	2	3	4	5	Not applicable
AICEP – Trade and Investment Agency						
IAPMEI – Agency for competitiveness and Innovation						
Entreperneurial/Comercial Associations						
Embassies/Consulates						
Portuguese Chambers of Commerce						
Portuguese companies in Colombia						
Colombian Chambers of Commerce						
Colombian companies						

3.1.1. Other option(s): _____

3.2. What is the importance of the following supports, provided by the previously mentioned entities, in the internationalization process to this market?

(Consider that 1 means “nothing important” and 5 means “very important”)

	1	2	3	4	5	Not applicable
Business missions to Colombia (institutional visits)						
Business meetings in Portugal						
Meetings between Portuguese and Colombian companies (individual visits to Colombia)						
Advice on labour legislation						
Advice on customs legislation						
Advice on forms of negotiation						
Advice on bureaucratic aspects						
Advice on financial support						
Advice about the Colombian market						
Advice on incentive systems						
Workshops/seminars/conferences/webinars on creating Colombian customers databases						
Workshops/seminars/conferences/webinars about negotiation conditions (commercial negotiation, expected quality standards, payment conditions, delivery times, etc)						

3.2.1. Other option(s): _____

4. **Enablers and constraints**

4.1 How do you classify, in terms of “Constraint; Enabler; Both” each one of the following aspects faced in the internationalization process of the company in the Colombian market?

	C	E	Both
Geographic Location (strategic position with different maritime and continental borders)			
Language			
Culture			
Politic			
Economy			
Stratification of the society			
Attractive potential (<i>offer of resources like raw materials, tourism, industry, etc.</i>)			
Obtaining Visas			
Fiscal situation			
Legislation (labour, fiscal, custom, other)			

Social Security System			
Access to information (<i>about public organisms and services in the country</i>)			
Incentives from the Colombian government			
incentives from the Portuguese government (<i>ex.: Portugal 2020</i>)			
Commercial conditions (<i>prices, negotiation, payment conditions, etc.</i>)			
Existence of skilled labour			
Qualified training offer for the company's needs			
Basic infrastructure (roads, railways, ports, airports, water and sanitation, energy and education)			
Telecommunications (rate of coverage of communications, internet, communication networks, etc.)			
Security level			
Bureaucracy level			
Corruption level			
Exchange			
International competition			
Local competition			
Religion			

4.1.1. Other option(s): _____

5. Business process

5.1. What is the average duration of all the business process, from the decision making to closing a deal?

- Less than 1 year
- Between 1 and 2 years
- Between 2 and 3 years
- More than 3 years

5.2. According to your opinion, classify the bureaucracy required during the business process, from the decision making to closing a deal.

- 1 – nothing bureaucratic
- 2
- 3
- 4
- 5 – excessively bureaucratic

5.3. Classify the level of negotiation of the Colombian businessmen in relation to the price of products/services.

- 1 – non-negotiable prices
- 2
- 3
- 4
- 5 – very negotiable prices

5.4. What are the options of international payments most used?

- Cash-in-advance
- Consignment
- Documentary Collections (DC)
- Open Account

5.4.1. What is the most used mode of payment?

- Bank transfer
- Check

Bank debt Other(s). Which? _____

Bank Letter

5.4.2. What are the most used payment conditions?

Before the delivery of goods/provide the services

Phased payment between before and after the delivery of goods/provide the services

After the delivery of goods/provide the services

30 days after the delivery of goods/provide the services

45 days after the delivery of goods/provide the services

Other(s). Which?

5.5. The Colombian businessman are, in general, complying with conditions/deadlines established? Yes No

5.6. How many meetings are, in general, need until the business deal?

1 meeting

4 meetings

2 meetings

5 meetings, or more.

3 meetings

5.7. How do you describe the negotiation with the Colombian businessmen, in the phase of familiarization between parties?

Go directly to the business discussion

Start by construct a relationship of trust before the business discussion

Other(s). Which?

5.7.1. How do you describe the negotiation with the Colombian businessmen, regarding the approach to the subject?

They do a direct approach to the subject

They do an indirect approach around the subject

Other(s). Which?

5.7.2. How do you describe the negotiation with the Colombian businessmen, considering who have the decision power?

Decisions are made by the companies' owners

Decisions are made by top managers

Decisions are made by middle managers who conduct the meetings

Other(s). Which?

5.7.3. How do you describe the negotiation with the Colombian businessmen, regarding the implementation of the decision?

1 – take months to implement the decision taken 2 3 4 5 – implement the decision taken immediately

5.8. How is, usually, drawn up a contract?

- By word
- Extensive document
- Short document
- Other(s). Which? _____

5.9. Classify, according to your own experience, the following cultural aspects.

5.9.1. How is, usually, organized a working meeting?

- Follow a previously prepared plan/agenda
- Don't exist a very restrict plan
- Only the subjects foreseen are addressed
- The conversation dispersed easily to different subjects
- Other(s). Which? _____

5.9.2. Where is, usually, realized a working meeting?

- Office/Meeting room in the company
- Neutral place outside of the workplace (ex.: restaurant)
- Other(s). Which? _____

5.9.3. How do you classify the "dresscode" used in a working meeting?

- Complete suit (jacket, shirt, tie)
- Suit (jacket and shirt, without tie)
- Only shirt and pants
- Informal clothing (jeans and shirt, not suit)
- Very informal clothing (shorts, t-shirt among others)

5.9.4. How do you classify the punctuality to start a meeting?

- At the scheduled time
- 5 minutes after the scheduled time
- 10 minutes after the scheduled time
- 15 minutes after the scheduled time
- 30 minutes after the scheduled time

5.9.5. The meetings in Colombia are usually with:

- Men
- Men and Women
- Women

5.9.6. What is the language used in a working meeting?

- Spanish (Colombia)
- "Portunhol"
- Portuguese
- Other(s). Which? _

5.9.7. What is the average length of a meeting?

- <1 hour
- 1 hour
- 2 hours
- 3 hours
- >3 hours

6. **General considerations**

6.1. In a general way, how do you evaluate your internationalization experience to this market?

1 – Unsatisfactory 2 3 4 5 – Excellent

6.2. If you decide today to enter in the Colombian market, did you choose the same internationalization entry mode? Yes No

6.3. If not, which internationalization entry mode do you recommend to a company to enter in Colombia?

- | | |
|--|---|
| <input type="checkbox"/> Export | <input type="checkbox"/> Joint Ventures |
| <input type="checkbox"/> Foreign Direct Investment | <input type="checkbox"/> Alliances |
| <input type="checkbox"/> Agent | <input type="checkbox"/> Other(s). Which? _____ |
| <input type="checkbox"/> Licencing | |

6.4. What do you consider the biggest mistake made during the internationalization process to the Colombian market? (*open-ended question*)

6.5. What do you consider the most anecdotal situation made during the internationalization process to the Colombian market? (*open-ended question*)

6.6. Which lessons/message would you like to leave to managers during the internationalization process to the Colombian market? (*open-ended question*)

6.7. Which lessons/message would you like to leave to government agents during the internationalization process to the Colombian market? (*open-ended question*)

Thanks for your collaboration!

Check here if you want to receive the report with the results of this questionnaire.

Indicate the e-mail, if it is different from the mentioned in question 1.

Appendice C – Results of the questionnaire

Appendice C1 - Results of question 1.1.1 - Position in the company:

	Frequency	Percent (%)
Accounting Director	1	2,4
Administrator	1	2,4
Brand Manager	1	2,4
Business Developer	2	4,9
Chief Executive Officer	1	2,4
Chief Financial Officer	1	2,4
Country Manager	9	22,0
Director	3	7,3
Commercial Director	1	2,4
Export Manager	8	19,5
Head of Contracts Management	1	2,4
KAM	1	2,4
Manager	2	4,9
Marketing and Communication Director	1	2,4
Vice-President	1	72,4
Partner	1	2,4
Sales	3	7,3
Not identified	3	7,3
Total	41	100,0

Source: Own construction from the results obtained in question 1.1.1

Appendice C2 - Results of question 1.5.1 - Expected total sales amount of the company in 2019 (€)

	Frequency	Percent (%)
≤ 1.999.999€	11	26,8
2.000.000€ - 9.999.999€	11	26,8
10.000.000€ - 49.999.999€	10	24,4
≥ 50.000.000€	9	22,0
Total	41	100,0

Source: Own construction from the results obtained in question 1.5.1

Appendice C3 - Results of question 1.6 – Year of entrance in Colombia

	Frequency	Percent (%)
2000	3	7,3
2004	1	2,4
2005	1	2,4
2008	2	4,9
2011	1	2,4
2012	7	17,1
2013	5	12,2
2014	6	14,6
2015	2	4,9
2016	3	7,3

2017	6	14,6
2018	3	7,3
2019	1	2,4
Total	41	100,0

Source: Own construction from the results obtained in question 1.6

Appendice C4 - Results of question 2.1 – What is the importance that attribute to the following services in supporting the company's constitution in Colombia?

	Unimportant	Slightly important	Moderately important	Important	Very important
Contracting the provision of legal services	2,4%	2,4%	0,0%	2,4%	14,6%
Establishing partnerships with local companies	0,0%	0,0%	7,3%	4,9%	9,8%
Become a member of representative associations of the sector	0,0%	0,0%	9,8%	4,9%	7,3%

Source: Own construction from the results obtained in question 2.1

Appendice C5 - Results of question 2.2 – What is/are the location(s) choose(n) by the company for its constitution in the Colombian market (province/city)?

	Frequency	Percent (%)
Valid	32	78,0
Barranquilla,Atlantico	1	2,4
Bogota	3	7,3
Bogota,Cundinamarca	2	4,9
Bogota,Medellin	1	2,4
Bogota,Medellin,Barranquilla	1	2,4
Bogota,Medellin,Riohacha	1	2,4
Total	41	100,0

Source: Own construction from the results obtained in question 2.2

Appendice C6 - Results of question 2.3 - What is the importance of the following factors in the choice of the location?

	Unimportant	Slightly important	Moderately important	Important	Very important
Proximity to the urban centre	0,0%	0,0%	4,9%	9,8%	7,3%
Periphery	7,3%	4,9%	7,3%	2,4%	0,0%
Industrial zones	9,8%	2,4%	4,9%	2,4%	2,4%

Proximity to ports	9,8%	0,0%	7,3%	2,4%	2,4%
Proximity to airports	0,0%	0,0%	4,9%	17,1%	0,0%

Source: Own construction from the results obtained in question 2.3

Appendice C7 - Results of question 2.4 - What is the degree of facility in acquire a physical space for the constitution of the company in Colombia?

	Not applicable	Very hard	Hard	Fair	Easy	Very easy
Rent a space	0,0%	0,0%	4,9%	2,4%	9,8%	4,9%
Buy a space	2,4%	2,4%	7,3%	4,9%	4,9%	0,0%

Source: Own construction from the results obtained in question 2.4

Appendice C8 - Results of question 2.5 - How were acquired the technological equipment specific for the company activity?

	Frequency	Percent (%)
Valid	32	78,0
Imported from other place(s), Purchased in Colombia	1	2,4
Imported from Portugal	3	7,3
Imported from Portugal, Purchased in Colombia	1	2,4
Purchased in Colombia	4	9,8
Total	41	100,0

Source: Own construction from the results obtained in question 2.5

Appendice C9 - Results of question 2.6 - How is done the process of hiring labour?

	Frequency	Percent (%)
Valid	32	78,0
Expatriation, Subcontracting	1	2,4
Expatriation and hiring local workers	3	7,3
Hiring local workers	5	12,2
Total	41	100,0

Source: Own construction from the results obtained in question 2.6

Appendice C10 - Results of question 2.7 - What is the degree of importance of the following aspects, in order to make the company known to its customers in the Colombian market?

	Not applicable	Unimportant	Slightly important	Moderately important	Important	Very important
Door to door visits	9,8%	7,3%	4,9%	14,6%	12,2%	26,8%
Participation/visit to fairs	0,0%	4,9%	4,9%	12,2%	14,6%	39,0%

Knowledge centres/Universities	14,6%	<u>22,0%</u>	14,6%	17,1%	4,9%	2,4%
Digital and traditional ads	4,9%	17,1%	7,3%	<u>24,4%</u>	14,6%	7,3%

Source: Own construction from the results obtained in question 2.7

Appendice C11 - Results of question 3.1 - What is the degree of importance of the following entities to obtain supports to the internationalization for the Colombian market?

	Not applicable	Unimportant	Slightly important	Moderately important	Important	Very important
AICEP	9,8%	12,2%	7,3%	19,5%	<u>31,7%</u>	19,5%
IAPMEI	17,1%	<u>26,8%</u>	9,8%	24,4%	14,6%	7,3%
Entrepreneurial/Commercial Associations	7,3%	19,5%	19,5%	12,2%	<u>31,7%</u>	9,8%
Embassies/Consulates	9,8%	22,0%	17,1%	14,6%	<u>29,3%</u>	7,3%
Portuguese Chambers of Commerce	7,3%	<u>26,8%</u>	19,5%	17,1%	22,0%	7,3%
Portuguese companies in Colombia	12,2%	<u>29,3%</u>	12,2%	14,6%	19,5%	12,2%
Colombian Chambers of Commerce	19,5%	<u>24,4%</u>	12,2%	22,0%	17,1%	4,9%
Colombian Companies	12,2%	9,8%	9,8%	14,6%	19,5%	<u>34,1%</u>

Source: Own construction from the results obtained in question 3.1

Appendice C12 - Results of question 3.2 - What is the importance of the following supports, provided by the previously mentioned entities, in the internationalization process to this market?

	Unimportant	Slightly important	Moderately important	Important	Very important
Business missions to Colombia (institutional visits)	17,1%	19,5%	<u>26,8%</u>	19,5%	14,6%
Business meetings in Portugal	<u>26,8%</u>	14,6%	<u>26,8%</u>	24,4%	4,9%
Meetings between Portuguese and Colombian companies (individual visits to Colombia)	14,6%	12,2%	<u>24,4%</u>	22,0%	22,0%
Advice on labour legislation	<u>39,0%</u>	9,8%	19,5%	24,4%	7,3%
Advice on customs legislation	<u>36,6%</u>	4,9%	17,1%	29,3%	9,8%

Advice on forms of negotiation	26,8%	17,1%	22,0%	<u>29,3%</u>	2,4%
Advice on bureaucratic aspects	24,4%	12,2%	17,1%	<u>36,6%</u>	7,3%
Advice on financial support	22,0%	22,0%	<u>24,4%</u>	<u>24,4%</u>	4,9%
Advice about the Colombian market	<u>31,7%</u>	14,6%	17,1%	29,3%	4,9%
Advice on incentive systems	22,0%	9,8%	14,6%	<u>36,6%</u>	14,6%
Workshops/seminars/conferences/webinars on creating Colombian customers databases	19,5%	14,6%	<u>29,3%</u>	26,8%	7,3%
Workshops/seminars/conferences/webinars about negotiation conditions (commercial negotiation, expected quality standards, payment conditions, delivery times, etc)	19,5%	17,1%	<u>29,3%</u>	26,8%	4,9%

Source: Own construction from the results obtained in question 3.2

Appendice C13 - Results of question 5.1 - What is the average duration of all the business process, from the decision making to closing a deal?

	Frequency	Percent (%)
<u>< 1 year</u>	<u>22</u>	<u>53,7</u>
> 3 years	1	2,4
1 - 2 years	18	43,9
Total	41	100,0

Source: Own construction from the results obtained in question 5.1

Appendice C14 - Results of question 5.2 - According to your opinion, classify the bureaucracy required during the business process, from the decision making to closing a deal?

	Nothing bureaucratic	Slightly bureaucratic	Moderately bureaucratic	Bureaucratic	Very bureaucratic
Classification of bureaucracy	2,4%	12,2%	<u>36,6%</u>	22,0%	26,8%

Source: Own construction from the results obtained in question 5.2

Appendice C15 - Results of question 5.3 - Classify the level of negotiation of the Colombian businessmen in relation to the price of products/services.

	Non-negotiable	Slightly negotiable	Moderately negotiable	Negotiable	Very negotiable
Level of negotiation	0,0%	4,9%	<u>51,2%</u>	39,0%	4,9%

Source: Own construction from the results obtained in question 5.3

Appendice C16 - Results of question 5.4 - What are the options of international payments most used?

	Frequency	Percent (%)
Cash in advance	16	39,0
Consignment	9	22,0
Documentary Collections	1	2,4
Open account	15	36,6
Total	41	100,0

Source: Own construction from the results obtained in question 5.4

Appendice C17 - Results of question 5.4.1 - What is the most used mode of payment?

	Frequency	Percent (%)
Bank Debt	1	2,4
Bank Letter	2	4,9
Bank Transfer	38	92,7
Total	41	100,0

Source: Own construction from the results obtained in question 5.4.1

Appendice C18 - Results of question 5.4.2 – What are the most used payment conditions?

	Frequency	Percent (%)
180 days after provide the service	1	2,4
<u>30 days after the delivery of goods/provide the service</u>	<u>16</u>	<u>39,0</u>
90 days after emit the invoice	1	2,4
Before the delivery of goods/provide the service	7	17,1
Phased payment between before and after the delivery of goods/provide the service	12	29,2
EXW	1	2,4
Negotiable	3	7,3
Total	41	100,0

Source: Own construction from the results obtained in question 5.4.2

Appendice C19 - Results of question 5.5 – The Colombian businessman are, in general, complying with conditions/deadlines established?

	Frequency	Percent (%)
No	12	29,3
<u>Yes</u>	<u>29</u>	<u>70,7</u>
Total	41	100,0

Source: Own construction from the results obtained in question 5.5

Appendice C20 - Results of question 5.6 – How many meetings are, in general, need until the business deal?

	Frequency	Percent (%)
>=5	14	34,1
1	3	7,3
2	4	9,8
3	16	39,0
4	4	9,8
Total	41	100,0

Source: Own construction from the results obtained in question 5.6

Appendice C21 - Results of question 5.7 - How do you describe the negotiation with the Colombian businessmen, in the phase of familiarization between parties?

	Frequency	Percent (%)
Go directly to the business discussion	8	19,5
<u>Start by construct a relationship of trust before the business discussion</u>	33	80,5
Total	41	100,0

Source: Own construction from the results obtained in question 5.7

Appendice C22 - Results of question 5.7.1 - How do you describe the negotiation with the Colombian businessmen, regarding the approach to the subject?

	Frequency	Percent (%)
<u>Direct approach to the subject</u>	21	51,2
Indirect approach around the subject	20	48,8
Total	41	100,0

Source: Own construction from the results obtained in question 5.7.1

Appendice C23 - Results of question 5.7.2 - How do you describe the negotiation with the Colombian businessmen, considering who have the decision power?

	Frequency	Percent (%)
<u>Decisions are made by company's owner</u>	26	63,4
Decisions are made by middle managers who conduct the meetings	2	4,9
Decisions are made by top managers	13	31,7
Total	41	100,0

Source: Own construction from the results obtained in question 5.7.2

Appendice C24 - Results of question 5.7.3 - How do you describe the negotiation with the Colombian businessmen, regarding the implementation of the decision?

	Frequency	Percent (%)
1 – takes months to implement the decision	5	12,2
2	7	17,1
<u>3</u>	<u>21</u>	<u>51,2</u>
4	7	17,1
5 – implement the decision imedeatly	1	2,4
Total	41	100,0

Source: Own construction from the results obtained in question 5.7.3

Appendice C25 - Results of question 5.8 - How is, usually, drawn up a contract?

	Frequency	Percent (%)
By word	5	12,2
Extensive document	16	39,0
<u>Short document</u>	<u>20</u>	<u>48,8</u>
Total	41	100,0

Source: Own construction from the results obtained in question 5.8

Appendice C26 - Results of question 5.9.1 - How is, usually, organized a working meeting?

	Frequency	Percent (%)
<u>Don't exist a very restrict plan</u>	<u>15</u>	<u>36,6</u>
Follow a previously prepared plan/agenda	11	26,8
Only the subjects foreseen are addressed	2	4,9
The conversation dispersed easily to different subjects	12	29,3
Online	1	2,4
Total	41	100,0

Source: Own construction from the results obtained in question 5.9.1

Appendice C27 - Results of question 5.9.2 - Where is, usually, realized a working meeting?

	Frequency	Percent (%)
Neutral place outside of the workplace (ex.: restaurant)	4	9,8
Office or neutral place outside of the workplace	1	2,4
<u>Office/Meeting room in the company</u>	<u>33</u>	<u>80,5</u>
Online	3	7,3
Total	41	100,0

Source: Own construction from the results obtained in question 5.9.2

Appendice C28 - Results of question 5.9.3 - How do you classify the “dresscode” used in a working meeting?

	Frequency	Percent (%)
Complete suit (jacket, shirt, tie)	2	4,9
Others: Depends (kind of meeting; online)	2	4,9
Informal clothing (jeans and shirt, not suit)	12	29,3
Only shirt and pants	12	29,3
<u>Suit (jacket and shirt, without tie)</u>	<u>13</u>	<u>31,7</u>
Total	41	100,0

Source: Own construction from the results obtained in question 5.9.3

Appendice C29 - Results of question 5.9.4 - How do you classify the punctuality to start a meeting?

	Frequency	Percent (%)
10 minutes after the scheduled time	4	9,8
15 minutes after the scheduled time	7	17,1
30 minutes after the scheduled time	8	19,5
5 minutes after the scheduled time	2	4,9
After the fair, by e-mail/telephone or Skype/whatsapp	1	2,4
<u>At the scheduled time</u>	<u>18</u>	<u>43,9</u>
Depend on the region of the country: Antioquia punctual, Bogotá 30min, Costa more than 30min	1	2,4
Total	41	100,0

Source: Own construction from the results obtained in question 5.9.4

Appendice C30 - Results of question 5.9.5 – The meetings in Colombia are usually with who?

	Frequency	Percent (%)
Men	15	36,6
<u>Men and Women</u>	<u>26</u>	<u>63,4</u>
Total	41	100,0

Source: Own construction from the results obtained in question 5.9.5

Appendice C31 - Results of question 5.9.6 – What is the language used in a working meeting?

	Frequency	Percent (%)
“Portunhol”	7	17,1
<u>Spanish (Colombia)</u>	<u>34</u>	<u>82,9</u>
Total	41	100,0

Source: Own construction from the results obtained in question 5.9.6

Appendice C32 - Results of question 5.9.7 - How is, usually, drawn up a contract?

	Frequency	Percent (%)
<1 hour	4	9,8
<u>1 hour</u>	<u>24</u>	<u>58,5</u>
2 hours	11	26,8
3 hours	2	4,9
Total	41	100,0

Source: Own construction from the results obtained in question 5.9.7

Appendice C33 - Results of question 6.1 – In a general way, how do you evaluate your internationalization experience to this market?

	Unsatisfactory	Slightly satisfactory	Moderately satisfactory	Satisfactory	Very satisfactory
Experience	4,9%	2,4%	36,6%	51,2%	4,9%

Source: Own construction from the results obtained in question 6.1

Appendice C34 - Results of question 6.2 - If you decide today to enter in the Colombian market, did you choose the same internationalization entry mode?

	Frequency	Percent (%)
No	5	12,2
<u>Yes</u>	<u>36</u>	<u>87,8</u>
Total	41	100,0

Source: Own construction from the results obtained in question 6.2

Appendice C35 - Results of question 6.3 - If not, which internationalization entry mode do you recommend to a company to enter in Colombia?

	Frequency	Percent (%)
Valid	36	87,8
Acquisition of an existing operation.	1	2,4
Local employee presence	1	2,4
Alliances	1	2,4
Export	1	2,4
Joint Ventures	1	2,4
Total	41	100,0

Source: Own construction from the results obtained in question 6.3