

THE INTERNATIONALIZATION PROCESS OF THE SALES OPERATIONS OF THE PRODUCTS OF A SANITARY WARE INDUSTRY

Emerson Antonio Maccari

Doctor in Management, Universidade de São Paulo (USP), Brazil
Professor of the Post-Graduate Program in Management
Universidade Nove de Julho (UNINOVE), Brazil
maccari@uninove.br

Cinthia Maria Ambrogi Alonso

Specialist in Business Administration
Fundação Instituto de Administração (FIA), Brazil
cinthia.ambrogi@elektro.com.br

Tony Hideki Tanaka

Specialist in Business Administration
Fundação Instituto de Administração (FIA), Brazil
tony.tanaka@gerdau.com.br

Ariovaldo Martins da Quinta Junior

Specialist in Business Administration
Fundação Instituto de Administração (FIA), Brazil
amquinta@copersucar.com.br

ABSTRACT

Internationalization consists of extending an organization's operations abroad. It involves decisions based on objective criteria and on an evaluation of strategies for entering the foreign market. The problem addressed in this study concerns a Brazilian firm's difficulties developing its operations abroad. Thus, the purpose of this study was to identify the internationalization process of an industry in the sanitary ware segment in the development of its operations in another country. The research method employed was the single case study and data was collected by means of a semi-structured research script applied to company executives. The results showed that the internationalization process is characterized by the dynamic learning model (Uppsala Model), according to which an organization develops its activities abroad gradually, as it acquires experience and expertise in the market. The company is attempting to overcome cultural

barriers and psychic distance in a slow internationalization process, aligned with the differentiation strategy and focus that it uses in the Brazilian market. This strategy comprises a sequence of planned and deliberate steps, with low investment exposure and risk. It was found that the firm adopts a strategy of exporting through distributors, this being a critical success factor, but that the distributor approval and development process lacks robust and formalized structuring. There are opportunities for improvement in the process of competitive intelligence in order to systematize the search and interpretation of information about the markets in which the company wants to operate.

Key-words: Internationalization of companies. Uppsala Model. Strategy. Competitive intelligence.

O PROCESSO DE INTERNACIONALIZAÇÃO DAS OPERAÇÕES DE VENDA DE PRODUTOS DE UMA INDÚSTRIA DE LOUÇAS SANITÁRIAS

RESUMO

A internacionalização consiste no movimento das operações de uma organização para o exterior, envolvendo decisões baseadas em critérios objetivos e na avaliação de estratégias de entrada no mercado estrangeiro. O problema abordado neste estudo está relacionado com as dificuldades enfrentadas por uma empresa brasileira para desenvolver operações no exterior. Assim, o objetivo desse trabalho foi o de identificar o processo de internacionalização de uma indústria do ramo de louças sanitárias no desenvolvimento das operações em outro país. O método de pesquisa foi o estudo de caso único e a coleta dos dados foi realizada por meio de um roteiro de pesquisa semi-estruturado com os executivos da empresa. Como resultado, identificou-se que o processo de internacionalização é caracterizado pelo modelo dinâmico de aprendizagem (Modelo de *Uppsala*), em que a organização desenvolve suas atividades no exterior de forma

gradual, à medida que adquire experiência e expertise no mercado. A empresa está procurando vencer barreiras culturais e a distância psíquica rumo a um processo de internacionalização lento, alinhado com sua estratégia e foco de diferenciação aplicado ao mercado brasileiro. Essa estratégia é composta por uma sequência de passos planejados e deliberados, com baixa exposição e risco de investimento. Constatou-se que ela adota a estratégia de exportação por meio de distribuidores, sendo este um fator crítico de sucesso, porém esse processo de homologação e desenvolvimento de distribuidores carece de estruturação mais robusta e formalizada. Há oportunidades de melhorias no processo de Inteligência Competitiva com o intuito de sistematizar a busca e interpretação das informações do mercado em que a empresa deseja atuar.

Palavras-chave: Internacionalização de empresas. Modelo uppsala. Estratégia. inteligência competitiva.

1 INTRODUCTION

With a globalized and more competitive market, business in this new century is becoming increasingly complex and has gained surprising proportions and speed. Within this extremely competitive spectrum, companies are trying to expand their distinguishing features (economies of scale, intellectual capital, product differentiation, niche markets and other elements) that make them stronger in their dispute with the main market players, adding value to the business and for its stakeholders in this way. Thus, their strategic leaders try to predict the outcome of their decisions before implementing them, especially when it comes to expanding business into foreign markets (Hitt et al., 2008).

According to Vasconcellos (2008), the success of internationalization depends on the correct use of strategies and organizational models. He draws attention to the following question: do Brazilian companies have the corporate maturity, management models, strategic plans and even management to conduct internationalization successfully? He states that Brazil lacks structured and mature internationalization expertise and that there is a strong demand for management and strategic planning models suitable for Brazilian companies that want to become international.

According to Lacerda (2006), in Brazil, there are several additional reasons for firms to internationalize, namely: a) to circumvent tariff and non-tariff barriers to exports through local production; b) to generate revenue in dollars, thereby obtaining a competitive advantage, given the cost of hedging operations (instrument aimed at protecting financial transactions against the risk of large price variations of certain assets); c) to minimize demand fluctuations in the domestic market; and d) to guarantee competitiveness in the global market and to become, effectively, a player in this market.

To this end, designing a strategic plan that can ultimately serve as a roadmap that helps the company to define the actions required to operate in the market or to enter a new foreign market is currently a fundamental requirement of organizations. Fischmann and Almeida (1991) illustrate the need to establish a strategic planning process and the problems that may arise when organizations fail to engage in strategic management. Drucker (1981, p.47-49), on the other

hand, suggests that the strategic process be used to define a set of organizational activities related to strategy, or the way activities are carried out for the formulation and implementation of strategies in companies.

Thus, a problem arises when the organization wants to expand and operate internationally but lacks a roadmap to guide its staff in prospecting for new business abroad. This problem is compounded in the sanitary ware segment, in which innovation is one of the main means of safeguarding profit and is therefore where its investments must be suitably allocated.

Additionally, any initiative to move production outside Brazil is costly and extremely risky within this particular segment. The objective of this study, therefore, was to identify the process of internationalization of an industry in the sanitary ware sector in the development of its sales operations in other countries.

2 THE INTERNATIONALIZATION OF COMPANIES

According to Andersen (1997), internationalization can be conceptualized as the movement of an organization's operations abroad, involving decisions based on objective criteria and on an assessment of strategies of entry in the foreign market. Analyzing internationalization from two theoretical aspects, the **motivational** and the **strategic** ones, which are interconnected, Katsikeas and Piercy (1993) state that, initially, certain stimuli that are internal and external to the company drive it towards the international market.

By means of a decision process, planned or otherwise, it formulates and chooses the strategies for entering and developing operations in the foreign market. Honorio and Rodrigues (2006) say that from the viewpoint of international motivation, two fields of research can be debated: **export incentives** and **international entrepreneurship**.

- a) **Export incentives** are the factors that influence the organization's decision to start, develop and maintain export operations. In their broadest form, they supply the driving force required to impel the organization toward internationalization. The export motivation is affected by factors arising from three main sources:

1. Individual characteristics, connected with the perceptions of the decision-maker as to international market opportunities;
2. Organizational characteristics, in which corporate objectives, resource availability, the nature of the products and the organization's differential advantages are the ones that stand out;
3. Environmental characteristics, such as the location of the country, the availability of production inputs, dominant economic conditions, infrastructure facilities and government support policies for internationalization.

b) **International entrepreneurship** is another prominent aspect and is related to each way of entering a foreign market. It is centered specifically on the role of the entrepreneur in international operations.

International entrepreneurship is defined in literature as an extensive organizational process that is part of the corporate culture and that aims to generate value for the organization by exploiting opportunities in the international market (Dimitratos and Plakoyannaki, 2003).

These authors state that human entrepreneurial capital is one of the key strengths of the organization for taking advantage of the opportunities abroad. Therefore, perceptions, beliefs and entrepreneurial management practices may stimulate an organization's entry to and development in a foreign market.

The international strategic formation process starts with selecting one out of the different ways of entering a foreign market. These vary depending on the level of resources commitment and the complexity inherent to international operations.

Exporting is the simplest entry strategy. It involves lower levels of resources commitment and is less complex. More advanced entry strategies (via direct investment, in the form of an acquisition, joint venture or greenfield project) imply a greater commitment of resources and greater complexity associated with international operations. These advanced strategies are viable when an organization intends to maximize access to the resources (physical or human) required to step up its international competitiveness.

According to Loureiro and Santos (1991), the development of activities in other countries by the export route and, more recently, by direct investment, offers the company numerous possibilities for accessing new markets, new technology, new sources of supply or, more simply, new ideas. This development, however, makes certain company tasks more complex in an international environment that is rich in opportunities.

Thus, motivational and strategic behavior geared towards engaging in international business must be examined in association with certain characteristics of the organization that appear to be vital for the development of operations in foreign markets. Size, international experience and volume of sales abroad are among the characteristics most often addressed by the literature on internationalization, i.e., its critical success factors (Honório & Rodrigues 2006).

2.1 THE INTERNATIONALIZATION PROCESS OF COMPANIES

When Stal, Almeida and Avrichir (2008) described the study on Sabó, they carried out a broad discussion of the internationalization process of a company from two perspectives: 1) the behavioral one, using the Nordic theories of internationalization; and 2) the economic one, especially from the viewpoint of the paradigm of international production.

Thus, in examining the aforementioned case, the authors raise two theories: (a) the Dynamic Model of Learning, also known as the Uppsala Model, which states that the internationalization process occurs by means of a gradual movement of the company's commitment to the foreign market and from the learning acquired via the experience and knowledge (Johanson; Vahlne, 1977); this line of thinking evolved into the Nordic School of International Business; and (b) the Eclectic Theory of the Internationalization of Firms, later redefined as the Eclectic Paradigm of International Production or OLI (Ownership, Location and Internationalization).

Concerning the Uppsala Model, Stal, Almeida and Avrichir (2008) cite the research of Johanson and Wiedersheim-Paul, dated 1975, on the similarity of behavior of Swedish export companies. From this study, two new concepts arose: the establishment chain and psychic distance. The concept of the establishment chain specifies that the company invests more resources as it

advances in knowledge about the international market. Knowledge is gradually acquired and investments are made incrementally, as the organization reduces its perception of risk with regard to these markets.

The second behavior that the authors observed, psychic distance, is the perceived differences between the values, management practices, education and culture of the two countries. Thus, markets in countries that are geographically close are easier to use as a stepping-stone to the global market. This model shows the process whereby a domestic company becomes an international enterprise. The model, among other claims, suggests that an inability or difficulty obtaining knowledge about foreign markets is an obstacle to the development of international operations.

This being the case, the theory argues that a company's internationalization process is the result of a series of incremental decisions. This model emphasizes companies' decision-making process and how they might use what they learnt in terms of market knowledge. The company would then advance in its internationalization process as it gained experience, which is a single process, relating to the experience obtained in each market.

Carlson, after Hilal and Hemais (2003), indicates that one of the underlying assumptions of the Uppsala Model is that company internationalization, whether through exports or direct investment, is a consequence of its growth. When the domestic market is saturated and, consequently, the number of profitable opportunities decreases to the point of hindering company growth, the enterprise must look elsewhere to expand.

As the new alternatives seem to be generally more uncertain than the old familiar formulas, it is assumed that expansion will be directed towards locations that are similar to those where existing operations are already established. If vertical expansion is discarded as too uncertain or unprofitable, the way forward is normally based on geographic expansion.

Within this perspective, therefore, the authors conclude that the internationalization process is not seen as a sequence of planned and deliberate steps, based on rational analysis, but as a sequence of incremental steps, which aim to benefit successive learning by means of increasing steps of commitment to foreign markets.

The second theory explained by Dunning (1980; 1988), the Eclectic Theory of the Internationalization of Firms, or the Eclectic Paradigm of International Production or OLI (Ownership, Location and Internationalization), presents a general theory of foreign investment that identifies the factors that influence the decisions of multinationals to produce abroad. The author states that companies interested in direct foreign investment engage in it because they perceive three types of advantage: ownership, location and internationalization.

Stal, Almeida and Avrichir (2008) cite the works of Dunning, in which he argues that for a company to compete internationally, it should have some form of competitive advantage (ownership) relative to its competitors. The greater this advantage, the more likely it is that it will manage to establish itself and become successful. This advantage may be related to patents, economies of scale, control or privileged access to some asset, technological or management capability, the ability to differentiate products, and diversification. This competitive advantage may well become either leadership in costs or differentiation (Porter, 1996).

Starting from the ownership advantage, the organization must analyze the attractiveness of the country (location), such as the size of its consumer market and growth prospects, transport costs, production costs, presence and level of its competitors, and government investment aid, such as tax exemptions or rebates.

Based on the preceding advantages, the organization should consider the possibility of producing abroad (internationalization) or assigning the use of its competitive ownership advantage through contracts or licenses. To do so, it must make the following calculation: if the installation and production organization costs are lower than the transaction costs associated with the transfer of these capabilities to a local producer, it should invest in production in this market.

Using the same line of argument, Macadar (2008) cites the work of Dunning, who tries to explain why a company decides to produce abroad. This proposal considers that certain market failings, such as information and transaction costs, the opportunism of agents and asset specificities may lead a company to opt for direct investment abroad rather than serving a particular market by means of exports or licensing.

Finally, the option to use the Uppsala Model or the OLI model must be preceded by an environmental analysis that enables formulating the most suitable strategy for the organization, taking into account the organization's experience and maturity relative to foreign trade.

2.2 THE ORGANIZATION'S INTERNATIONALIZATION STRATEGY

Hitt et al. (2008, p. 211), in exploring the context of internationalization in the strategy of an organization, say that "an international strategy is one whereby the company sells its products or services outside the sphere of its local market."

They complements this by saying that one of the main reasons why an organization looks to an internationalization strategy is the generation of the new opportunities that such markets can offer. This becomes true as from the time when the organization develops relationships with suppliers, customers and partners, and then learns from these partnerings. As was stated elsewhere, companies currently compete in global markets, so this interaction generates strategic competitiveness and higher returns.

According to Terpstra and Sarathy (1997), the decision to become a player in the international market is one of the most critical, because it involves a major decision that must be planned and that should reflect the company's strategy. Ansoff (1991, p.24-29) calls these decisions "strategic decisions" because they are characterized by forcing change on the direction of the organization and, principally, because of their impact on the results and the fact that they make reversing such a decision difficult, once it has been made.

In the view of Assis (2007), over and above the competence to produce something that is in line with the expectations of the target market's consumer and to match the supply and demand capacity of the markets in which the firm wants to operate, it is necessary to evaluate the structural and situational conditions of the country or economic bloc into which the country wants to expand. According to Bañegil Palacios and Souza, after Assis (2007), the following items must be examined: 1) the country's foreign debt (indebtedness); 2) political instability (risk of change); 3) exchange rate difficulty (devaluation risk and the spread of parallel markets); 4) regulations that hinder the entry of foreign companies (legal aspects); 5) rights and non-tariff barriers (fees and the

like and barriers to the entry of goods); 6) corruption (bribes, “tolls”); 7) technological piracy; 8) cost of products (competitiveness); and 9) communication policies (possible and existing affinities).

2.2.1 Using Competitive Intelligence for Internationalization

To achieve greater success in the internationalization process, the company may resort to tools such as competitive intelligence. According to Kahaner (1996), the process of Competitive Intelligence (CI) originated in the methods of government intelligence agencies, which aimed basically to identify and assess information related to national defense. These tools were adapted to the business reality, where the enemy becomes the competitor. Marcial (2004) states that CI, whether for state or business ends, seeks protection against movements in the environment, so that its leaders are not caught by surprise. It also enhances the possibility of their acting proactively, by holding or increasing their position in the environment.

The author emphasizes that the main function of CI is to analyze the characteristics and activities of a competitor in the market, besides enabling the forecast of market changes, discovering new and potential competitors and keeping abreast of new technologies, products, processes and policy, legislative and regulatory changes that might affect the organization's business.

Thus, the expected product of competitive intelligence activities is strategic knowledge gained from systematic analysis that allows for improvements in the decision-making processes and the corporate development of the organization. According to Angeloni et al (2001), using governmental and non-governmental entities responsible for defining strategies, policies, the management of activities relating to foreign trade and trade promotion can be an initial source of information about potential markets, competitors, regulatory restrictions, and logistical and customs issues. This can enable one to determine the initial approaches for exporting companies, once their entry strategy into new countries has been determined. Along these lines, Assis (2007) cites the Ministry of Development, Industry and Foreign Trade (MDIC, APEX-BRASIL), the Chamber of Foreign Trade (CAMEX) and the Foreign Trade Bureau (Secsex), all of which have important information for organizations that want to start exporting and doing business abroad.

Assis (2007) mentions other relevant sources of information on foreign markets, such as the Ministry of Foreign Affairs (MRE), which provides the Information and Trade Intelligence System (Brazil Trade Net), as a guide to offers, product information, market research, investments, projects and public tenders, and the Trade Promotion Organization (TPO), which provides services that make access to the international community easier, such as market research, trade information services, direct promotion (help with export procedures, logistics, financing, marketing, costs, legal aspects, etc.) and representation abroad. Many authors regard the latter as essential to the development of the organization's activities abroad.

3 RESEARCH METHODS AND TECHNIQUES

This study tried to find answers to a specific research problem, namely, the development of the sales operation of Deca sanitary ware abroad, using the methodological procedures of scientific research. According to Gil (2007), research is a rational and systematic process that aims to provide answers to proposed problems.

Gil (1999, p. 43) classifies the types of research into exploratory, descriptive and explanatory, and says that exploratory studies are used "to develop, clarify and modify concepts and ideas, bearing in mind the formulation of more accurate problems or hypotheses that can be researched via further studies." In light of this, the authors felt that exploratory research by means of a case study was the most suitable method for addressing the issue proposed in this study.

According to Yin (2005), the case study is the correct strategy when questions are asked such as "how" and "why", or when there is little control over events and the focus centers on contemporary events and their real context. Therefore, the line of research adopted for data collection for this study was the case study, since the authors seek to answer the following question: "How can a sanitary ware industry develop product sales operations in other countries?" Having established the exploratory nature of the study, it was then necessary to determine the research outline for data collection and the analysis of the information about the study's context, in order "to analyze the facts from the empirical point of view and compare the theoretical view with the real data" (Gil, 2007).

For Kerlinger (1980), research design can be defined as the plan and structure of the investigation, which must be conceived in such a way as to get answers to the research questions. To solve the problem and research questions of this study, the methodology chosen also resorts to secondary data collection from bibliographic and documentary research, besides the primary data taken from a semi-structured questionnaire, using the concepts of exploratory qualitative research.

The primary data collection tool for this research was a semi-structured questionnaire, individually answered by the Deca executives who had been directly involved with developing and executing the internationalization strategy of the sanitary ware product line and who were also knowledgeable about the issues at hand and able to answer the questions and provide information on the internationalization and operations in the current markets.

To validate the structure of the collection of research data, both primary and secondary, the proposal adopted presented a construct in which the relation between the specific objectives and the results of the research tools is explored. The construct model is summarized below.

| RESEARCH OBJECTIVES | VARIABLES | ITEMS FROM THE DATA COLLECTION INSTRUMENT |
|--|---|---|
| To identify Deca's internationalization process. | - The country's macroeconomic indicators - The internationalization process of companies | - Bibliographic and documentary research - Questionnaire |
| To analyze Deca's internationalization strategies. | - Environmental analysis - Strategy formulation - Internationalization strategy | - Bibliographic and documentary research - Questionnaire |
| To analyze Deca's use of competitive intelligence. | - Competitive intelligence | - Bibliographic and documentary research - Questionnaire |

Table 2: Validity of the construct relative to the instrument for the collection of data with research-specific objectives

Source: adapted from Maccari (2008).

For data analysis, the precepts put forth by Miles and Huberman were used. They propose that the analysis process be carried out by grouping the information into clusters in order to simplify it. Therefore, the responses obtained from the research with Deca executives and taken from the qualitative questionnaires were grouped as follows:

Table 1: Construct of the research analysis

| RESEARCH OBJECTIVE | CLUSTER | VARIABLES | ITEMS OF THE DATA COLLECTION INSTRUMENT |
|---|---|--|--|
| To identify DECA's internationalization process | Positioning | Internal and external stimuli Markets won Market definition process New markets | 1 2 3 4 |
| | Internationalization movement | Type of internationalization Competitive advantage What internationalization attractions exist | 5 6 7 |
| | Growth and alliances | Production abroad | 8 |
| To analyze DECA's strategies for internationalization | Strategic planning | Strategy formulation Strategy alignment Board direction SWOT analysis Strategic direction | 9 (1) 10 (1a) 11 (1b) 12 (1c) 13 (2) |
| | Strategic improvements | Export feedback Optimization of opportunities Product development cycle Export points for improvement | 14 (3) 15 (3a) 16 (3b) 17 (3c) |
| | Learning and acquired know-how | Acquired knowledge Use of trends for new products Export contributions Opportunities that go beyond products | 18 (4) 19 (5) 20 (5a) 21 (5b) |
| To analyze DECA's use of competitive intelligence | Obtaining information Its use and creating a roadmap | Analyses of market information Process for obtaining information Access to and use of research tools Elements crucial to export | 22 (1) 23 (2) 24 (3) 25 (4) |
| To suggest the use of a roadmap for opening up roadmap for opening up new markets | (All clusters) | (All variables) | Research results |

Source: the authors

4 ANALYSIS AND INTERPRETATION OF THE RESULTS

The analysis of the responses was divided into eight distinct clusters. The first stage allows the interviewees' understanding of Deca's positioning within the internationalization process to be checked. The second stage makes it possible to discover the company's internationalization movement. The third deals with its growth and alliances. The fourth, analyzing Deca's internationalization, illustrates its strategic planning, an extremely important for the company's solid growth. The fifth stage focuses on strategic improvements. The sixth looks at the learning and expertise acquired. The seventh analyzes competitive intelligence, obtaining information and using it. Finally, the eighth stage presents the roadmap for the internationalization of Deca.

An analysis of each of the clusters is presented below, fulfilling the research objectives, in accordance with the responses and information obtained and with the several authors covered in the theoretical frame of reference.

4.1 DECA'S INTERNATIONALIZATION PROCESS

Based on the questionnaire presented to Deca's executives, the improvement in internal processes on the road to internationalization needs to be aligned with company strategy and must be conducted carefully because it may involve a greater than expected commitment of resources, given that the sanitary ware sector uses little labor and demand for this type of product is high in Brazil. Therefore, the risk of the company in internationalizing is high.

Based on these thoughts, Deca opted for the Uppsala internationalization model, as the company invests resources as its knowledge of the international market progresses. Therefore, Deca is implementing its internationalization process by means of a series of incremental decisions. This behavior is in line with what several authors suggest (Johanson; Vahlne, 1977; Stal, Almeida And Avrichir, 2008; And Carlson 2008, after Hilal and Hemais, 2003).

4.2 INTERNATIONALIZATION MOVEMENT

Deca's positive results over the years and the absorption of new knowledge, particularly concerning services, show that the company is on track, its executives say. Therefore, the company prefers to stick with the option of exporting its products, slowly consolidating its brand abroad.

This movement, aligned with up-to-date technology, careful design and top quality, means the company has prestige among its international distributors abroad. According to its executives, Deca has the same quality as the best global brands, with the advantage of having better production management and an excellent design at a lower production cost than its competitors. This leads to great competitive advantage in export terms.

In the literature, the authors state that the decision to become a player in the international market is one of the most critical, because it involves a major decision that must be planned and must reflect the corporate strategy. This

decision is strategic because it is characterized by a change that imposes new directions on the organization. It seems that there is total agreement between what the authors discuss and what Deca is doing, as the cost of making a wrong decision may be irreversible.

In addition, companies that internationalized later (late-movers), particularly those from large emerging economies, tend to face challenges related to the institutional context of their own countries and their own domestic markets, which have different characteristics from those of developed countries. It therefore becomes much more difficult to compete with enterprises that are already established and fully conversant with the market's challenges.

4.3 GROWTH AND ALLIANCES

Concerning the cluster that dealt with Growth and Alliances, according to the executives, progress toward internationalization through a possible acquisition or joint venture is not part of Deca's plans at present, but may be considered in the future, if it meets the proviso of maintaining control over production operations. Obviously, Deca has embraced the option of internationalization by means of a gradual movement of corporate commitment to the foreign market and by learning from experience and knowledge acquired, in accordance with the Dynamic Learning Model, also known as the Uppsala Model. It is evident that Deca has been working on this concept well, with a focus on the future and growing gradually, in order to ally itself eventually with another major enterprise in the future.

4.4 STRATEGIC IMPROVEMENTS

According to the managers interviewed, a Deca committee carefully evaluates opportunities to launch new products based on the learnings derived from its presence in a particular country. Improvements are observed as interactions occur and there is an ongoing exchange of information between the executives and the company's directors, in addition to a greater understanding of the foreign market in question.

Concerning this particular aspect, Dunning (1980, 1988) and Stal, Almeida and Avrichir (2008) state that when strategies are successful, organizations start to take advantage of these opportunities, either through an increase in market size, a greater return on investment, economies of scale and learning, or location advantages. Constant learning, when present in the market, is something that is essential and that brings many benefits to the organization.

The authors of this study believe that the procedure adopted by Deca, in which new inputs are carefully evaluated in order to optimize future improvements, is widely supported by theoretical concepts. Another learning aspect along these lines and one that was obvious during the interviews was the firm conviction of Deca's executives that choosing a good distributor helped the company to reach a better strategic position, which has an influence on the diversification of markets through exports, thereby reducing the risk of crises, such as sudden pricing cuts, consumption drops, and changes in habits and government policy.

4.5 LEARNING AND ACQUIRED KNOW-HOW

As for the learning and expertise acquired from operating in foreign markets, it is noted that the geographical location of the distributor enables the company to have a great advantage, in addition to serving as a learning opportunity about bordering markets.

According to the executives surveyed, only the exporting of goods to a particular country provides Deca with a better understanding of its competitors and of the products that are most attractive to these consumers. The dilution of fixed costs (manufacturing capacity), improvement in human and technological resources, expansion and recognition of the Deca brand internationally and foreign exchange earnings in hard currency in the country are relevant factors in this context.

With successful strategies and a greater understanding of the market, new opportunities are generated and exploited, whether as financial return on investments, market expansion or greater complicity vis-a-vis customers, stated one of the interviewees. In this sense, the learning and expertise acquired become fundamental.

It is noticeable that the executives in general are very cohesive, not only where company directives are concerned, as already discussed, but also regarding the possibility of growth and learning that is latent in other countries. It seems that the convergence of strategy on this topic, and the benefits that can be absorbed, mainly from the mistakes and difficulties faced in other markets, are relevant dimensions.

4.6 DECA'S USE OF COMPETITIVE INTELLIGENCE

It is noticeable from the executives' responses that Deca makes use of the surveys that are available in markets, but it appears that it is necessary to compile all the information in order to structure it to make future consultation possible. In other words, the information from several sources needs to be ordered properly in order to segment the markets.

Besides government sources of information, another important source is the distributor itself, given that it was chosen to represent the company's products. This process occurs as it makes commercial plans operational in its local environment and collects customer perceptions. A roadmap can be prepared from this information for marketing products abroad and this could be extremely useful, say the executives.

The importance of using competitive intelligence in the internationalization process as an information management tool involves the creation of a methodology to use the collected data, through the creation of a database and periodic meetings to analyze how value can be added to what is currently being done. This attitude enables Deca to act proactively to the new market's threats and opportunities.

5 FINAL THOUGHTS

The result of this study shows that a significant part of Deca's good results is due to the excellent quality of its products, which results from its operating structure. This competitive advantage has been built over the years in a very stable and consistent manner.

By positioning itself in the differentiation market, exploiting attributes such as product quality, distinctive design, suitable customer service and brand presence and, as a result, capturing this value from the market through premium prices and competent management, Deca has put itself in a favorable position for continuing in the market, being one of the most profitable firms in its sector.

Foreign trade has become an important aspect of company strategy, beginning with the training of people and becoming technologically competent. The aim has been to adapt the company to explore foreign markets through the development of those operating and administrative processes that are inherent to exporting.

Consequently, foreign trade provides significant financial results because it fulfills customer needs and consolidates the link between the brand and the notion of superior quality products. In addition, it has enabled the company to the benefits of its interaction with customers and distributors, absorbing a wide range of knowledge of the cultural and sector issues that affect its business.

As for the aim of this study, which was to identify the internationalization process of an industry in the sanitary ware sector as it develops its sales operations in other countries, we note that the internationalization process of a company results from the choice of different modes of entry into foreign markets.

In this sense, Deca fits the Dynamic Learning Model (Uppsala). Exporting is the simplest entry strategy; it involves lower levels of resources commitment and is less complex. This model allows for the development of activities in other countries and offers the company several possibilities for accessing new markets, new technology, new sources of supplies or, more simply, new ideas. In addition to benefiting from the results of such international exposure, Deca seeks to associate them with maintaining the production capacity of its plants in Brazil and with the development of its human entrepreneurial capital.

Deca's exports knowledge has been gradually acquired and investments have been made incrementally, as the organization reduced its perception of foreign market risks. However, Deca remains conservative when it comes to opening its horizons to encompass other, bolder ways of entering foreign markets. This would involve true entrepreneurship, such as an association with local companies or building plants abroad, the Eclectic Paradigm of International Production, or OLI (Ownership, Location and Internationalization).

Deca is still working on overcoming cultural barriers and psychic distance as it moves toward a gradual process of internationalization, in line with its strategy and the focus of its operations on the Brazilian market. It is doing this in a sequence of planned and deliberate steps, with low exposure and little investment risk.

Choice of the distributor appears to be a critical factor for the success of marketing Deca products abroad. The approval process of this distributor lacks properly structured, formal tools. In this respect, evaluating and monitoring this process can improve selection and the construction of a commercial relationship that is solid, lasting and positive for both parties.

Strategy formulation follows a traditional format and much of the strategy implementation success depends on factors other than the performance of the export area, which could systematically provide structured input for the strategic levels, by exploring the needs of international clients that benefit from the service provided by global and technologically advanced competitors.

It was identified that a SWOT analysis could be used to support such an analysis, which could be improved by establishing scenarios and the ensuing actions required to deal with the situations identified, in order to prepare the company for the future in a dynamic and highly competitive market.

The company has a highly qualified team that seeks information from the international market for its products. This team is able to interpret customer needs and offer them suitable products and services. However, this characteristic, which at first sight could be considered positive, involves other factors, such as the professional profile of those involved. At the same time, it requires that the professional have an analytical profile and a holistic vision coupled with a commercial profile, geared to fulfilling customer needs; and the two are rarely found in one person. In this sense, Deca's Competitive Intelligence sector needs to be better structured.

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