The internationalization of SMEs

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The case of French SMEs in the Wine Industry

going to ASEAN countries

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LIST OF ABBREVIATIONS

DBS: Dublin Business School

SMEs: Small-to-Medium Enterprises

MNEs: Multi-National Enterprises

FDI: Foreign Direct Investment

ASEAN: Association of the South East Asian Nations

INVs: International New Ventures

CEO: Chief Executive Officer

ELT: Experiential Learning Theory
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ABSTRACT

Nowadays, the concept of globalization seems reduced to the size of the market and, export is only one aspect of the phenomenon of globalization. In global industries, it is now the most competitive positions and bases of competitiveness which should be established worldwide. Therefore, globalization raises strategies to become more global rather than local. Those strategies consist in expanding and coordinating all activities of the company worldwide.

In a first time, to understand why SMEs internationalize, the researcher will deal with the traditional model of the internationalization of firms (the Uppsala model). And then, more recently, new models of internationalization have been developed. These models, created following an increase of the extent of the phenomenon of the International New Ventures, revolve around the concepts of resources and skills, network and knowledge.

In a more recent context of economic globalization and competition, some SMEs establish real strategies of globalization, particularly by inserting themselves in network (the Network theory).

This is therefore necessary in this research to broaden the issue of the internationalization of SMEs, which is too often reduced to export.

Based on these three theories (the Uppsala model, the Network theory and the International New Ventures theory), this research will bring to SMEs, in particular French SMEs in the Wine industry, a range of different modes of internationalisation. This range will also allow to French SMEs in the Wine industry to make decision and choose more confidently as for the entry mode it will use to go into a South East Asian market.

Key words: internationalization, the Uppsala model, and the network theory, SMEs
CHAPTER 1, INTRODUCTION

The trend toward globalization of markets is likely to become increasingly important in the 21st century. So, in today’s globalized world, the domestic economy is dependent on external markets to grow. This has made firms’ international activities even more important to the economic development of nations. In this context, the issue relating to the development of the best-suited international marketing strategies that allow for successful competition in foreign markets is particularly relevant (Q. Tan & C. M.P. Sousa, 2012). Therefore, to prove to French small to medium size enterprises (SMEs) in the Wine Industry that it is important to internationalize the researcher conducting this research.

Since the last three decades, the interest for the SMEs has become a global phenomenon. This interest is reflected in the recognition of the multi-national enterprises’ (MNE) legitimacy as a research topic itself.

SMEs are no longer considered as miniatures of multinationals and their study is a separate field of the French economy (Laghzaoui, 2009). SMEs are major actors of globalization and their internationalization represents the economic stakes in terms of innovation, employment and international dynamism of a country. That is why it is important for a SME to develop all or part of its activity internationally. Nowadays, two main factors forcing SMEs to internationalize: in one hand, there is the Chinese threat on the French Wine Industry, and on the other hand, there is the explosion of the global consumption and the decrease of the French consumption (France-Monde, “Vinexpo face aux défis de la mondialisation”, 2013). According to a study conducted by Vinexpo (the French Wine Exposition, 2013), the worldwide consumption expected to grow by 5,3% between 2012 and 2016.

However, the French SMEs are struggling to develop all or part of their activity abroad (Bourcieu, 2012). French SMEs have some difficulties in understanding foreign markets because they do not always have the language and intercultural skills for that. Moreover, they might not know all the ways to internationalize their activity.
So, this research will be based on the following overall question, “Which ways of internationalization French SMEs could adopt to expand their activity abroad, particularly in South East Asia (ASEAN)?”

The idea here is to prove to French SMEs that there are several ways of internationalization. Export is the best known and most practiced, but there are several other ways of internationalization. And, it would be interesting for French SMEs to know all these ways. So, the purpose of this research is to find out the best suited strategic choice for French SMEs, in the Wine Industry, that are going to ASEAN countries.

The scope of the research is the French SMEs in the Wine Industry that are going to ASEAN countries. This research will not be extended to China. And, there will have three limitations: time management, the transcriptions of interviews that will be in French, and the access to companies.

This study will be based on the knowledge and experiences that the researcher has acquired during her five years of study. Curiosity and the desire to discover allow to the researcher to conduct this research by adopting an interpretivism and subjectivist philosophy within an inductive approach using qualitative data through interviews (multi-method). The main purpose of this research is to show to French SMEs in the Wine Industry that there exists many ways to develop their activity abroad. The researcher will intend this objective by meeting four French Wine growers.

This dissertation is composed in seven chapters. The first chapter is the introduction. In the second chapter, the researcher will explain different theories of internationalization (the UPPSALA model, the Network theory and the INV theory). These theories appear in a chronological order. In chapter three, all the methodology used for this research will be described and explained. Then, for the chapter four, the researcher will describe and analyse the data. In chapter five, the researcher will link the findings found with the research questions. In chapter six, the researcher will present the conclusions about these theories and ways of internationalization, and will make some recommendations for SMEs in every industry. And finally, in chapter seven, a self-reflection on own learning and performance of the researcher will be made.
This research will be addressed mainly to French SMEs within the Wine Industry, which would like to develop their activity in a foreign market. But, it will also be useful for any SMEs of any industry. Moreover, all managers, whatever the size of their organization, could be interested by this research to have a better understanding of the internationalization process. And, as the dissertation report will be recorded in the Dublin Business School database, future DBS Master’s student might be interested by this research, and also, students from the Liverpool John Moores University, which is the partner university.

Finally, of course, the researcher benefits from this dissertation on both personal and professional points of view. In the one hand, the researcher can use this study as a “plus” during her job interviews; and on the other hand, the researcher learnt lots of things by doing this study as conducting a whole research alone, so it has developed her interpersonal skills.
CHAPTER 2, LITERATURE REVIEW

In this chapter, the researcher will present the theoretical framework that is considered to be relevant for this study. The chapter is based on presenting, in a first time, the context and the unit of analysis, and then, on the theories concerning.

2.1. The French SMEs going to ASEAN countries

2.1.1. The ASEAN countries

An important force in the Pacific is the ASEAN (the Association of South East Asian Nations), which was established in 1967 primarily as a regional instrument of economic, social and cultural cooperation to enhance cohesion, self-reliance and “resilience” (Randolph, 1984).

![Figure 1, the ASEAN countries flag](image)

This association (see the flag above, figure 1) was established on 8th August, 1967 in Bangkok, Thailand with the signing of the ASEAN Declaration by the founding fathers of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. And then, years after years, several countries joined these countries such as Myanmar, Laos, Vietnam, Cambodia, Brunei, Indonesia and Burma as shown in Figure 2.
Here, there is a limitation for the researcher due to the religion of these countries. Indeed, most of them are Muslim. So, the researcher must pay attention to study the right country because of the context of this research, the Wine Industry.

So, it is interesting to know why these countries have interested the researcher, and to understand what characteristics the South East Asian countries have.

The French SMEs bet on the ASEAN countries to revive their growth. Indeed, ASEAN countries are the future Eldorado of Wine producers. Asian conquest is already underway and the competition between different actors seems to be very fierce.

Singapore, which represents a huge part of French exports, acts as a platform for forwarding French Wine in the other ASEAN countries, which enjoy lower tariffs. Singapore is seen as a strategic position in the heart of South East Asia. Indeed, after China and Japan, this city is the third Asian destination for the French products, and especially for the French Wine. In 2011, France exported for €5.1 billion in Singapore. But, despite a downturn (forecast from 1% to 3% for this year), the State-city still import for its own consumption, but also to
redirect towards the ASEAN countries. This is a huge hub: 50% of imported products are
distributed in South East Asia. So, sell to Singapore is like to sell to South East Asian
countries.

Moreover, other countries such as Malaysia, Vietnam, Indonesia and Taiwān have a French
Wine consumption growth, which double every year.

Malaysia is one famous developing country explicitly supporting SMEs to be globally
connected. A multi ethnic and polyglot country, Malaysia has major advantages of being
political stable with first class physical infrastructure. Moreover, Malaysia is competitive in
attracting direct foreign investments, and this is among the world’s top 20 trading nations
(the NST, 2006). So, Malaysia is one of the most stable countries in South East Asia, which
favours many of the investors.

SMEs of the French Wine industry are beginning to show results in this region (P. Monthly,
2012). Indeed, SMEs are considered in South East Asia to be a key driver of economic
growth. Growth has been used as a modest measure of success and performance in business
and Delmar et al (2003) also insinuated that it is an appropriate indicator for surviving SMEs.

So, they are recognised as being one of the main driving forces in economic development.
SMEs are also flexible and can adapt quickly to changing market demand and supply
situations. In due process, those SMEs generate employment, help diversify economic
activity and make a significant contribution to exports and international trade (Ahmad,
2011).

Moreover, ASEAN government and especially, Malaysian government are ready to pay so
much attention to those French SMEs. And, they are ready to help those SMEs in their
development and growth. That is the reason why it is very important for the French SMEs in
the Wine industry to develop their activity in this part of the world.

After Malaysia, French SMEs in the Wine industry steer a course for Vietnam. Indeed,
Vietnam is full of business opportunities. Two factors promote exchanges between France
and Vietnam. In one hand, the local market is saturated. Indeed, the local consumption
declined since 1960, French people drink less Wine and their habits and tastes change.
That is why French SMEs in the Wine industry have an interest in developing their activity abroad, and especially in ASEAN countries.

And on the other hand, there is a strong cultural relation between France and Vietnam due to colonization. So, it is preferable for French SMEs to go in Vietnam rather than another country. Indeed, today is the best time to take an interest in Vietnam; the middle class is under constant development and young people are looking for something new (Brick, 2013). Moreover, Vietnamese seek to reduce their dependence on China, and thus attract investors in logic of transfer of technology in order to manufacture products locally with higher added value (Lecourtier, 2013). And finally, French SMEs, wishing to expand into new local markets, considering Vietnam as an access door to all the ASEAN countries. “Vietnam could be a rear base to target countries like Singapore” (Lamarre, 2013). To sum up, it seems essential to notice that 2013 is the year for France in Vietnam. A spotlight will be given to this country, which is considered as one of the most promising areas in Asia. With an increasing average purchasing power, the opportunities in the Wine industry are significant.

Taiwan is seen as a place to take for business. Indeed, the third Asian economy attracts relatively few French people. In the shadow of its big neighbour China, Taiwan showed 3% growth this year. The SMEs in the French Wine industry has an excellent image to exploit in this country. Another country, that does not do much in France, is Indonesia. However, with 7% growth per year, this is one of the most dynamic economies in this region.

So, ASEAN countries are perceived such as a priority of the French Foreign Trade. Indeed, the French market share reaches at its maximum 1,5% in this region, while the ASEAN countries show growth rate above 5%. This area shows a lot of interests and opportunities for the French SMEs of the Wine industry.

Moreover, this observed phenomenon of the French Wine in the ASEAN countries is the consequence of a phenomenon of Westernization. With the increase of the buying power and the standards of living, Asian youth aspire to Western luxury. The French Wine is very appreciated by South East Asian people because it embodies the tradition, refinement and romanticism. And red Wine is much more appreciates because by its colour it represents luck, fortune and love, which are important symbols in these countries.
2.1.2. The French Wine industry

Wine is an integral part of the French culture, the French heritage and the French economy for centuries. Wine is more than a farm product or a raw material that it sells to or buys from foreign markets. Wine and food could be a good association for a meal. But, it should not always associate Wine with food because Wine represents much more than that. Indeed, Wine has a cultural, historical and a heritage dimension.

France is the first country in the world for Wine production in volumes, for the value of its exports, for the consumption and the product diversity. The balance of the trade balance showed a surplus of €6 billion in 2007. Wine growing is the ambassador of the French farm power. Indeed, it represents an example that all the other countries in the world envy for its tradition, qualities and its authenticity.

Nowadays, the French Wine growing is at a turning point of its history, and with the apparition of the Wine of the “New World” (North America, South Africa, Chile and Australia), consumer taste change and lifestyles evolve. Indeed, the French consumption was halved in 25 years. While the Wine was, in 1980, a daily drink for 50% of French people, today only 20% of them drink Wine regularly (Bastian 2008). So, the French SMEs should adapt themselves to this new context. They must become more competitive while remaining authentic. Indeed, the global context is much better: the global consumption of Wine increases.

For Bastian (2008), the French Wine growing has strengths to challenge the future. There is a huge potential: various regions, a suitable climate, Winemakers and Winegrowers their incomparable know-how and a worldwide known image.

The EU Wine sector is the largest in the world. With an annual production of 175 million of hectolitres, it represents 45% of the Wine-growing areas of the world. France represents 32% of the European production. France is, nowadays, the largest Wine producer in the world. In 2011, the Wine Industry in France had a turnover of 11 billion of Euros (European Commission, 2011).
But, some studies show that the Wine production has declined steadily since 1960 (European Commission, 2011). And, at the same time, the share of the top five new producers (United States, Argentina, Chile, Australia and South Africa) has doubled in six years.

In the article “The Wine is always a major player in the French economy” from the French newspaper Le Parisien, it is explained that the French Wine producers are forced to export. Here, there is a gap for the researcher. In fact, the researcher will find out several other choices for the SMEs, which would like to develop their activity abroad.

So, in a context, which is more and more tough (increased world production, overall consumption down and heavy competition), it will be necessary for the French Wine producers to resort to international marketing. Even if the quality remains essential, it is no longer enough. Indeed, it is over here to sell a product, and the French Wine producers should be able to sell their “know-produce”. So, in this research, many concepts and theories will be highlighted to find out the best strategic choice to sell this “know-produce” in ASEAN countries.

2.2. International Marketing

2.2.1. Definition

The internationalization of marketing began to appear at the end of the 1990s with the shifts of the economical environment in the world. But the question of the international trade was firstly addressed by the French, Jacques Savary through his book “Le parfait Négociant” (“the perfect trader”) in 1679. He presented the conditions for implementing a trade activity abroad.

From here, several authors gave, years after years, their own definition of the international marketing. For Doole and Lowe (2001), there are two levels of international marketing, “At its simplest level, international marketing involves the firm in making one or more marketing mix decisions across national boundaries. At its most complex level, it involves the firm in establishing manufacturing facilities overseas and coordinating marketing strategies across the globe”.

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For Keegan (2002), “the international market goes beyond the export marketer and becomes more involved in the marketing environment in the countries in which it is doing business”. Keegan’s definition is typical one of those that see international marketing as one stage of an internationalization process.

From these definitions, several authors established some theories and models (the eclectic paradigm, the UPPSALA model, the Network theory and the INVs theory) to understand the internationalization of SMEs.

2.2.2. The eclectic paradigm

According to Johanson and Vahlne (1990), one of the most accepted scopes of internationalization based on the theory of foreign direct investments (FDI) is the eclectic paradigm of Dunning (1988). The eclectic paradigm aims to explain international production of the multinational corporation. Studying the international activities of multinational corporations, there is an intersection between macroeconomic international trade theory and microeconomic theory of the firm (Dunning, 1993).

In accordance with Ruzzier et al (2006) and Noel (2009), the eclectic paradigm is also known as the OLI paradigm based on the Ownership, Location and Internationalization advantages of a firm. Determining these advantages, the model answers why, how and where foreign direct investments should be undertaken.

The ownership advantages are why the firm should go abroad. For example, in Vietnam, where the young population is looking for new tastes, new ways of consumption within the Wine industry.

The location concerns where to establish abroad and what advantages certain foreign markets can offer to the firm.

Lastly, the internationalization advantages decide if the firm should conduct international expansion within the firm through FDI or if it should be externalized through for example an agent.
So, the advantages presented in this paradigm allow the firm to decide on the most appropriate way to internationalize. The eclectic paradigm might thus use as a tool of analysis for managers who want to know the best entry mode in a foreign market.

But, the OLI paradigm is also criticized for a limited predictive power due to ignoring the objectives of the firm, the decision maker and the surrounding environment (Mtigwe, 2006).

Moreover, in accordance with Melin (1992), the eclectic paradigm remains static. Indeed, the paradigm explains the presence of MNEs who want to benefit by the OLI advantages, but fails to explain the process by which these firms internationalize.

And, Johanson and Mattsson (1988), mentioned by O’Farrell and al. (1998), highlighted the fact that the paradigm ignores the role of social relationships in internationalization.

Moreover, the eclectic paradigm is mainly focus on MNEs, and has many strong points, which make it very successful. From this review, it is obvious that a gap exists here. From here, the research will be to figure out if this paradigm might be useful for SMEs.

2.3. Internationalization of SMEs

2.3.1. Definition

The internationalization process is a long and demanding process and it takes both resources and management models to succeed. Many small and medium enterprises (SMEs) have started an internationalization process, which has stopped after some time, because they have not committed more resources to their operations. Possible reasons for this could be a lack of resources and knowledge. Moreover, the export activities are often occasional and there is a lack of a holistic view of the relationship between internationalization, cooperation and growth.

The traditional view of internationalization is that it is based on economies of scale and large firms. The internationalization of SMEs is more often combined with threats than with opportunities (Lindmark, 1998). Earlier researches have been concentrated on internationalization in large firms and therefore internationalization of SMEs is a relatively unexamined area (Coviello & Munro, 1997; Holmlund & Kock, 1998). Apparently, there is a need for more research within this area. That is why the researcher conducts this research,
in order to prove that the traditional models of internationalization could be adapted to the French SMEs within the Wine industry that are going to ASEAN countries.

In existing international business literature and theories, mature multinational corporations play a dominant role, whereas SMEs and their internationalization processes have only recently attracted broader interest from researchers. Bradley & O’Reagain (2001) commented that SMEs could some sort internationalize to seek rapid growth.

Moreover, the impact of globalization is more acute on SMEs than on large internationalized corporations. While SMEs were previously considered more as passive victims than as active players of globalization, new evidences exist today suggesting the contrary. In the last few decades, many SMEs have successfully built and coordinated business activities outside their home markets, which is increasingly crucial in order to contribute to future growth.

Despite the increasing important role of SMEs in emerging economies such as Malaysia and Vietnam, research attention for SMEs and internationalization in relation to emerging markets is still limited (Sim & Pandian, 2003). Countries experiencing rapid economic growth with rising income and buying power such as the ASEAN countries characterize emerging economies. Their SMEs play a vital role in driving the global economy, and enhancing their nation’s employment, economic and social development (Bruton et al, 2008).

While in recent years, research interest on the internationalization of SMEs was beginning to focus on the emerging economies (Sim & Pandian, 2003), there are still few empirical evidences on this issue (Bruton et al, 2008). This includes attention for the institutional sources of networking and their roles in facilitating internationalization of SMEs.

During the 20th century, internationalization of SMEs has been of great interest among researchers. Generally, internationalization is considered to be a complex and multidimensional process. There are various approaches of describing internationalization. Here, the researcher will mainly focus on the Uppsala model, the International New Ventures theory and the Network theory.
2.3.2. The Uppsala model

The global economic environment is marked by the growing importance of emerging markets. The characteristics of these markets raise many questions about the research in international management (Ghemawat & Hout, 2008).

The Uppsala model developed in the 1970s and recently revisited by considering the importance of the relational networks (Johanson & Vahlne, 2006, Johanson & Vahlne, 2009), is undeniably one of the most used among the theoretical framework concerning the international management. Indeed, several authors focused on this model to give an explanation of the phenomenon of internationalization (Clark, Pugh & Mallory, 1997; Coviello & Munro, 1997). But, this model was originally designed and tested thanks to the analysis of the internationalization process of Swedish firms, which have chosen to develop their activity in other countries of the Triad (North America, Western Europe and Japan).

The Uppsala model was developed in the middle of the 1970s by several researchers from the Uppsala University (Johanson & Vahlne, 1977; Johanson & Wiedersheim-Paul, 1975). From the analysis of several Swedish firms, they observe that the internationalization of firms is a process that takes place in several stages. Their results suggest that firms begin to internationalize when they are still limited in size and seek to expand gradually their activity in a foreign market.

In their article published in 1975, Johanson & Wiedersheim-Paul proposed a longitudinal study of four Swedish firms. From this study, a hypothesis was developed: firms begin to develop their activity on the local market and then, expand their activity abroad. So, the authors considered that the main obstacle linked to the internationalization was the lack of knowledge about the foreign markets. This difficulty of acquiring knowledge about the foreign markets finds its origin in the concept of a psychic distance. The concept of a psychic distance is defined as “the sum of factors preventing the flow of information from and to the market. Examples are differences in language, education, business practices, culture and industrial development” (Johanson & Vahlne, 1977). With few experiences initially, firms will first go on markets that they can understand more easily, and then, go into countries with a greater psychic distance.
In an article published in 1977, Johanson & Vahlne enriched the incremental approach of the foreign markets, originally proposed by Johanson & Wiedersheim-Paul. And, they developed a dynamic model of internationalization (see Figure 3), which showed that each commitment decision might influence the next stage of the internationalization process. So, they distinguished two aspects concerning the factors of internationalization:

The aspects related to the internationalization process, concerning the commitment on the foreign market, reflecting the mobilization of resources and knowledge of the foreign market.

The aspects related to the internationalization changes, which concern the commitment decisions of resources and the performance of actual activities.

Thus, this proposed model highlights the importance of the experience acquired by the company concerning the choices related to the internationalisation. Johanson & Vahlne (1977) emphasized also the central role played by the experiential knowledge. The internationalization process seems therefore related to the cumulative experiences and thus, to the acquired skills by the managers (Leconte & Forgues, 2000).

The initial model and the revisited model, both stress the incremental aspect of the internationalisation process.
Considering the specificities of the emerging markets, particularly the ASEAN markets, which the opening to the world market is more recent, it seems particularly tempting to question about the relevance of this model for the conquest of these emerging markets in South East Asia characterized by a rapid growth during these last years (Lemaire, 2009).

2.3.3. The International New Ventures theory

Despite its extent, the Uppsala model has been widely criticized in the literature of international management. It appeared inadequate to explain the rapid internationalization of SMEs (Autio, 2004). These critics often appeared with the emergence of researches on exporting companies newly established, the International New Ventures. Characterized mainly by an accelerated internationalization, these firms are called “Born Global” (Rialp et al, 2005) or “International New Ventures” (Oviatt & McDougall, 1997). Indeed, the significant and increasing proportion of firms, which develop their activity from their inception, question the universality of the traditional models of internationalization of SMEs (Johanson & Vahlne, 1977).

McDougall et al (1994) concluded, after several researches, that the Uppsala model failed to provide an appropriate explanation about the fact that these firms operate on the international market rather than the domestic market. Similarly, Cavusgil (1994) concluded after doing a study about export and SMEs that “the incremental process of internationalization no longer exists”. Thus, all firms, even the smaller one, could start to export their activity from their inception (Rasmussen & Madsen, 2002). Moreover, Moen & Servais (2002), after doing a study on Born Global in France, showed that all theories about the incremental process of internationalization are invalidated by the International New Ventures theory.

Recently, researches related to “born global”, or the International New Ventures, have particularly questioned the incremental aspect of the internationalisation process. Indeed, the authors of the “International New Ventures” approach conceived the firm as an economic model, which its extent is worldwide from its inception. They considered firms seek, from their inception, to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries (Zucchella & Scabini, 2007; Knight &
Cavusgil, 2004; Oviatt & McDougall, 1994). Thus, several researches prove the existence and the uniqueness of these small and young firms, which internationalize from their inception.

Therefore, all firms do not internationalize in countries with a psychic distance, and so, do not use the incremental process of internationalization highlighted by the Uppsala model (Pesqueux, 2009). The International New Ventures and the Uppsala model are completely different on three aspects: the first difference is in the interval between the inception of the company and its internationalization; then, the number of targeted countries when the company starts its internationalization process; and finally, the cultural diversity between both companies is different (Schüffel et al, 2006).

Several empirical researches have been made in order to understand this new phenomenon of internationalization, and tried to give a definition of these International New Ventures. Oviatt & McDougall (1995) defined the International New Ventures as companies, which have the ability to internationalize, extremely rapidly from their inception, their activities.

But, several authors such as Madsen & Servais (1997) have criticized the International New Ventures theory. Indeed, they were not convinced that Born Global firms could be considered as young companies because of their limited skills and abilities, which appear before the legal creation of the company.

2.3.4. The Network theory

From a network approach to internationalization, internationalization is viewed as a process of initiating, developing and sustaining international relationships. Through this, the firm is able to establish a position in a foreign market network (Johanson & Mattsson, 1988). This network approach can be seen as “a cumulative process, in which relationships are continually established, maintained, developed, broken and dissolved in order to achieve the firm’s objectives (Johanson & Mattsson, 1993). According to Coviello & McAuley (1999), this perspective holds that “internationalization depends on an organization’s set of network relationships rather than on a firm specific advantage”.

In some of their researches, Johanson & Vahlne (2003, 2006, and 2009) highlighted the impact that the commitment on an abroad market may have on the knowledge and learning of the company. So, they specified that relational networks, which a firm can establish as
part of its internationalization, will allow to companies to create new knowledge and thus, to develop new opportunities on foreign markets.

So, network is an important aspect, which can play an important role in the context of globalization, especially when it comes to SMEs. Considering its limited resources, it is not surprising that, face globalization; the strategies of SMEs are often alliance strategies (Morin & Julien, 1996). Then, it is precisely the consideration of the relational world, which allows assessing accurately the internationalization of SMEs (Grandinetti & Rullani, 1994). Therefore, networks and globalization often appear connected in the context of SMEs.

Moreover, extent literature has discussed the importance of network in supporting and enhancing the internationalization process of small to medium sized enterprises (Wincent, 2005). Networking can be a significant means for gaining knowledge or learning about international opportunities, and thus, can motivate SMEs to enter international markets (Andersen & Buvik, 2002).

Johanson & Mattson (1993) emphasized the goal of interaction within networks as gradual learning and the development of market knowledge. In their four-stages model (see Figure 4), the position of the entrepreneur may be analyzed from both, a micro (firm to firm) or a macro (firm to network) perspective.

![Figure 4, Internationalization and the Network model](source: Johanson & Mattsson, 1988)
The internationalization of a firm is characterized by the desire to minimize the need for knowledge development and for adjustment, and the need to exploit established network positions. For an early starter, it can be problematic to fulfil the above criteria, since the firm is among the first to develop a network. If both the degree of internationalization of the network and the degree of internationalization of the firm are low, the firm can follow the traditional Uppsala model.

The biggest challenge for the lonely international is the co-ordination of the international activities. The firm might also face pressure as far as the adjustment of resources is concerned. The problems faced by the late starter differ from those of the early starter and the lonely international (Ahokangas, 1998).

The firm is, to a large extent, dependent on the other actors that already exist within the network. The other firms might try to hinder the firm’s entrance into the internationalized market. The customers and/or suppliers may also “pull” the firm into the international network.

The international among others operates within an internationalized network, in which differences between countries decrease over time. The utilization of external resources can be considered as the best option for the firm to expand its activity internationally. It is therefore typical that for example mergers, joint ventures and alliances occur, which evidently will have an effect on the existing network.

According to the authors, internationalization of firms means that the company establishes and develops relationships to other companies in a foreign network. The new relationships in new networks are achieved through the following means: international extension (establishment of new relationships in untapped country networks), penetration (development of relationships in those networks), and international integration (connecting networks in different countries).

The network theory researches about the SMEs’ internationalization show that the strategic position and influence of individuals, especially entrepreneurs, is neglected. In SMEs, the entrepreneur has a substantial impact on internationalization through close social relationships with other individuals (Coviello & Munro, 1995).
In addition, Vahlne, Schweizer & Johanson (2010) wrote about the difficulty of international networking, which in many cases means working outside of one’s national or regional comfort zone. They stated that networking internationally with greater physical distance, including cultural differences is often time consuming and takes great effort.

Moreover, Johanson & Mattsson (1993) state the strength of the network approach is that it explains the development process rather than the existence of the international firm. It has received much empirical support (Ford, 2002) but does not stand without limitations. For example, it has been criticized for being too descriptive, and thus, limited in its usefulness in understanding the internationalization pattern of firms (Björkman & Forsgren, 2000). It is also seen as focused on larger and manufacturing firms.

However, the network theory is considered highly applicable when studying SMEs since they can use their network relationships to conquer size related barriers that restrain their growth (Coviello & McAuley, 1999). In addition, Coviello & Munro (1997) and Chetty & Blankenburg Holm (2000) have pointed to the importance of studying the network of firms as an important way to understand how SMEs internationalize. Even if originally developed and used in the context of mature markets, the network theory has been applied more lately in research also on emerging markets (Johanson & Kao, 2010), where networks are shown to be especially useful for SMEs (Meyer & Skak, 2002). By exchanging information through a network, SMEs can spur their internationalization (Chetty & Agndal, 2007).
CHAPTER 3, METHODOLOGY

In this chapter, the researcher will present all the methods used for this study. The researcher will explain which philosophy, approach, strategy, choice are implemented to gather the data.

3.1. Research questions

This research is based on the three main research questions.

1) What are the impacts of globalization on the internationalization of SMEs?
This question is very important and relevant because the internationalization of SMEs highly depends on the changes environment, and so the globalization. As this research will follow the constructivist philosophy, which is highly contextual, it would be very interesting to know the context of the internationalization of SMEs in order to better understand this phenomenon.

2) What is the best strategic choice for the French SMEs in order to make a successful internationalization?
In this study, the researcher will focus on French SMEs, particularly in the Wine industry that would like to internationalize. So, it is very important for French SMEs to know which strategy they could adopt for entering a new market, especially an ASEAN market. Moreover, in addition to this question, it seems interesting to know which entry mode is the most suitable for French SMEs, within the Wine industry. This question is very relevant for this dissertation because many small to medium sizes enterprises want to go abroad. But, they face many barriers such as the changing environment and globalization, but also, a lack of knowledge. So, it is very difficult for them to make the right decision. That is why this research is conducted, to help French SMEs in the Wine industry to adopt the most suitable strategy for entering ASEAN markets.

It is important for them to know which way forward to be the most successful. So, this question is the foundation of this research.
3) Lastly, another relevant question is to know how to make this internationalization of SMEs the most successful as possible?

As these businesses have limited resources, it will be preferable for these SMEs to be successful, and not fail. So, for that, the researcher will do a qualitative study by analysing the different models of internationalization.

Those three research questions are relevant in the mind of the researcher because they follow the logical flow of the researcher’s reasoning.

3.2. Research purpose

The ways in which a researcher answers the research questions can be exploratory, descriptive or explanatory (Saunders et al, 2011).

The research purpose of this study states the need for the research. It means that the research process needs to be justified. Why is this study needed?

So, the main purpose of this research is to find out the best-suited strategic choice for French SMEs, in the Wine industry, which are going to ASEAN countries.

It seems that the last three decades, the interest for SMEs has become a global phenomenon. So, SMEs are no longer considered as thumbnails of large companies, and it will be interesting to study the SMEs in a separate field in the economy (Laghzaoui, 2009). Nowadays, SMEs are major players within globalization.

3.3. Research objectives

This study will be conducted by two objectives.

Firstly, the researcher will carry out a review of the different literature that have been made on the internationalization of SMEs. This first objective could be based on two questions:

1) What is the current state of knowledge on the internationalization of SMEs?

Indeed, this topic attracts a lot of interest of many researchers from all over the world. The internationalization of SMEs is still confused in the mind of lot of researchers. That is why it is really important to carry out a review of all the relevant secondary data about it.
2) Once this empirical research will be made, it will be interesting to ask how it is integrative on SMEs’ internationalization.

For the second objective, the researcher will carry out a conceptual work and propose a model for the internationalization of SMEs. This model will be based on a cycle of the internationalization of firms. As this model will be a process, there will be steps.

This model will allow to SMEs to face the environment and SMEs will take their time to internationalize and make the right decision to be successful.

3.4. Research philosophies

In this part, the researcher outlines each of the main elements of the methodology that will be applied for the research project in regards to the internationalization of SMEs, especially those going to ASEAN countries. For this reason, the researcher will conduct a study by adopting an interpretivist and subjectivist philosophy within an inductive approach using qualitative data through interviews (multi-method). The following paragraphs will explain the reason of each choice by using the research “onion” (Saunders et al, 2011).
3.4.1. Research philosophy

The first layer of the research “onion” is the research philosophy, which “relates to the development of knowledge and the nature of that knowledge [...] the research philosophy you adopt contains important assumptions about the way in which you view the world” (Saunders et al, 2011).

There are two approaches of thinking about the research process. First, there is epistemology, and then, there is ontology. Each one reflects a different way in which the researcher thinks about this process. In regards to epistemology, this really focuses on how researchers can know about things, while ontology is focused on the nature of reality and looks at what people can really know. To be more precise, the way the research philosophy is selected by the researcher highly depends on the way the researcher thinks about knowledge and its development.

Ontology is divided into two aspects, which are subjectivism and objectivism. Eriksson & Kovalainen (2008) described an objective ontology as presuming that a world exists that is external and theory neutral, whereas within a subjective ontological view, no access to the external world, beyond the own observations and interpretations of researchers, is possible.

For this study, the most suitable view is the subjectivist one. Indeed, the internationalization of SMEs is a process build from researchers’ observations. There is not really a reality, this is a concept implemented by the perceptions and actions of social actors.

In regards to epistemology, there exist three key paradigms: positivism, interpretivism/constructivism and realism.

First, the positivism philosophy is derived from that of natural science and is characterized by the testing of hypotheses developed from existing theories through measurement of observable social realities. This paradigm will not suit to this dissertation, as the research will not consist of testing theories.

For the interpretivist/constructivist paradigm, Saunders et al (2007) argued that the focus of the researcher is on understanding the meanings and interpretations of “social actors” and to understand their world from their point of view. This paradigm is highly contextual, and
so the research too. Indeed, the internationalization of SMEs highly depends on globalization and the changes in the domestic market. In the social world, it is argued that individuals and groups make sense of situations based upon their individual experiences, memories and expectations. Meaning therefore, there is constructed and constantly reconstructed through experience resulting in many differing interpretations. And, these multiple interpretations create a social reality in which people act. Under this paradigm, therefore, it is seen as important to discover and understand these meanings and the contextual factors that influence, determine and affect the interpretations reached by different individuals. In addition, Bryman & Bell (2011) argued that the constructivist philosophy “asserts that social phenomenon and their meanings are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision”. So, this philosophy seems to be the most suitable for this research. Indeed, there are a lot of secondary data that exist about the internationalization of SMEs. Many researchers established theories to explain the internationalization of SMEs. But it is difficult to find the right one as this internationalization process evolves constantly with the changing environment and the globalization. So, that’s why it would be interesting to understand this social phenomenon. And thereby, SMEs could adopt the right strategy to make a successful internationalization.

Moreover, this research will also follow the interpretivist approach. Indeed, this philosophy believes in understanding human behaviours rather than explain it. This approach suggests that the researcher should be able to understand the differences between humans as “social actors”. So, the researcher will conduct this study among people, particularly Wine Growers, by doing some interviews. As the aim of this research is to study the internationalization of SMEs, the researcher will understand the different existing theories about the internationalization of firms, and try to build a new model to apply it for the internationalization of SMEs.

Moreover, the researcher will adopt an empathetic stance. It means that the challenge here is to enter the social world of the research subjects and understand their world from their point of view (Saunders et al, 2011). This will be done with the interviews.
Born from a frustration that positivism is over-deterministic and that constructivism is highly contextual, realism takes aspects from both positivist and interpretivist views. It holds that real structures exist independent of human consciousness, but that knowledge is socially created (Saunders et al, 2011). As this philosophy takes aspects from interpretivist view, it seems a little suitable for this research. Indeed, realists take the view that researching from different angles and at multiple levels will all contribute to understanding since reality can exist on multiple levels (Chia, 2002), and hence realism may be seen as inductive or theory building. For this aspect, realism seems to be appropriate for this research.

So, as interpretivism and realism may be both seen as inductive, they suit to this research. Indeed, the researcher will carry out a review of lots of literature about the internationalization of SMEs, and propose a new theory from that.

3.4.2. Research approach

There are two types of research approach that can be taken by the researcher, the inductive and the deductive approaches, as shown in the Figure 6 (Saunders et al, 2011).

<table>
<thead>
<tr>
<th>Deduction emphasises</th>
<th>Induction emphasises</th>
</tr>
</thead>
<tbody>
<tr>
<td>• scientific principles</td>
<td>• gaining an understanding of the meanings humans attach to events</td>
</tr>
<tr>
<td>• moving from theory to data</td>
<td>• a close understanding of the research context</td>
</tr>
<tr>
<td>• the need to explain causal relationships between variables</td>
<td>• the collection of qualitative data</td>
</tr>
<tr>
<td>• the collection of quantitative data</td>
<td>• a more flexible structure to permit changes of research emphasis as the research progresses</td>
</tr>
<tr>
<td>• the application of controls to ensure validity of data</td>
<td>• a realisation that the researcher is part of the research process</td>
</tr>
<tr>
<td>• the operationalisation of concepts to ensure clarity of definition</td>
<td>• less concern with the need to generalise</td>
</tr>
<tr>
<td>• a highly structured approach</td>
<td></td>
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<tr>
<td>• researcher independence of what is being researched</td>
<td></td>
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<tr>
<td>• the necessity to select samples of sufficient size in order to generalise conclusions</td>
<td></td>
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</tbody>
</table>

Figure 6, the differences between Deduction and Induction approaches in research methods (Saunders et al, 2011)
Here, the research will be inductive because the researcher will develop theory from observations and empirical evidence. Indeed, as the researcher will make some interviews among four SMEs in the French Wine industry, some data will be collected and analysed. Thus, the researcher will interpret these data to answer to the research problem, and then, build theory to solve it. The researcher will be particularly interested by the context in which events are taking place, as showing above this research is highly contextual. The researcher will find out why French SMEs, within the Wine industry, are less developed in the ASEAN countries, and what does affect their international activity.

In this inductive approach, the context is very important for the researcher. Indeed, the researcher will build theory by having a close understanding of the research context, e.g the French SMEs within the Wine industry going to ASEAN countries.

Moreover, the researcher should make the right choice of approach because it helps to think about which strategies will work for the research topic (Easterby-Smith et al, 2008), e.g the internationalization of SMEs.

### 3.4.3. Research strategy

The research strategy of a dissertation is the approach of how the researcher will go about answering the research questions. Saunders et al (2011) have indicated that there are several strategies that can be adopted: experiments, surveys, case study, action research, ethnography and archival research. For this dissertation, the researcher will adopt the case study and the archival research as two appropriate research strategies to answer to the three research questions shown above.

The case study is defined as “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson, 2002). Moreover, Yin (2003) highlighted the importance of context and the use of triangulation, which refers to the use of different data collection techniques within one study. Here, the researcher will study the case of the French Wine Growers going to ASEAN countries. For that, the collection of data will be made through interviews among four French Wine Growers, through academic journals for the
context via the website of *Journal of Small Business Management* and *Journal of International Business Studies* for instance, and through archival research.

The archival research “makes use of records and documents as the principal source of data” (Saunders et al, 2011). The archival research strategy allows to the researcher to answer to the research questions by having some literature, mainly academic journals and evidences about it. Here, the researcher got lots of secondary data about the topic, the internationalization of SMEs and lots of primary data about the context, the French SMEs within the Wine industry going to ASEAN countries.

**3.4.4. Research choice**

There are several choices of research method: mono-method, mix-method and multi-method. And for this dissertation, the researcher chooses to adopt a multi-method qualitative study. The rationale of multi-method research is underpinned by the principle of triangulation, which implies that researchers should seek to ensure that they are not over reliant on a single research method and should instead employ more than one measurement procedure when investigating a research problem. Thus, the argument for multi-method research is that it enhances confidence in findings.

So, this qualitative study will use the multi-method through in-depth interviews among four French Wine Growers and secondary data such as academic journals. This method of data collection is appropriate for assisting the researcher to better understand why French Wine Growers are not very developed abroad, especially in ASEAN countries.

**3.4.5. Time horizon**

Regarding the time horizon of the research, there are two types of studies: cross sectional and longitudinal studies.

This research will use the cross-sectional study because it will be a study of a particular phenomenon at a particular time. In fact, the researcher will study the French SMEs within the Wine industry going to ASEAN countries. In addition, as there is a deadline for the dissertation, the researcher won’t be able to make a longitudinal study (time constraints).
Moreover, this cross-sectional study will be based on qualitative methods, in particular with the interviews conducted over a short period of time.

3.4.6. Data collection and analysis

For answering the research questions, four French Wine Growers will be interviewed. So, in-depth interviews will be conducted with participants within the SMEs in order to collect qualitative data. The experience and the opinions of the participants will be very important for the research.

So, “in-depth interviews are a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program or situation. The primary advantage of in-depth interviews is that they provide much more detailed information than what is available through other data collection methods, such as surveys [...]. They also may provide a more relaxed atmosphere in which collect information-people may feel more comfortable having a conversation with you about their program as opposed to filling out a survey” (Boyce & Neal, 2006).

The interview format is a non-standardized interview and mainly a one-to-one interview (either face to face or by phone). There will have predetermined questions (see Appendix 1), but the interviewer will adapt the questions to the atmosphere and to the participants. It means that questions may vary from interview to interview, and the interviews may open to additional questions depending on the answers. Moreover, the intention is to record the interviews. And, for that, there will have a confidentiality agreement between the participants and the interviewer (see Appendix 2).

The purpose of this research could be exploratory, descriptive or explanatory. It is important to choose the right study to well answer to the research questions. Here, the exploratory study will be the more efficient study because this kind of study is particularly useful if the researcher would clarify the understanding of a problem. As this dissertation is based on a qualitative study and the main goal is to understand, here, the internationalization of French SMEs in the Wine industry going to ASEAN countries, the exploratory study will be
conducted through a search of literature about the context (secondary data) and through interviews among five French Wine Growers (primary data).

Moreover, qualitative data result from the collection of non-standardized data that will be categorising in this research. The analysis of these results will rely on interpretations of the information and will be conducted through the use of conceptualisation. So, this analysis is mainly based on meanings and interpretations expressed through words.

3.5. Population and Sampling

In research methodology, population refers to any group of people that are the main subject of the research (Goddard & Melville, 2007). Population does not only refer to people, it may also be firms. For instance, for this study, the researcher will target French SMEs within the Wine industry. So, the population refers to all SMEs, in the Wine industry, registered in France. But, due to limited time, it will not be possible to visit all the French SMEs in the Wine industry. That is why the researcher selected four French SMEs in a selection of two regions of French Wine (Bordeaux, La Bourgogne). These four French SMEs will be the subject of analysis in this dissertation.

According to Saunders et al (2011), there are two techniques for sampling the data: the probability sampling and the non-probability sampling.

This research will use a non-probability sampling technique. Hair et al (2007) stated that non-probability sampling is widely used in exploratory research. As the purpose of this research is exploratory, the research approach is qualitative and the research strategy combined case study and archival research, the non-probability sampling is the right method for this current research.

Moreover, the researcher will use the purposive sampling. It means that, here, the sample will be selected based on the knowledge of the French SMEs, and the purpose of this study. So, the four French Wine Growers, who will be interviewed, fit a specific purpose and are known to the researcher because they will be contacted before the interviews.
3.6. Plan

3.6.1. Practical efforts and Research limitations

By conducting this research, some practical efforts will be required.

First, time management could be a limitation. Indeed, it may be difficult to well manage the time of the research combining with the time of the other activities of the researcher. The researcher should find companies for the interviews, and then, the researcher should find the time to interview these French Wine Growers.

Moreover, there is another limitation that the researcher should take into account, the transcriptions of the interviews. As the dissertation is written in English whereas the interviewees are French and might not speak English, the researcher should transcript the interviews and the results in English.

The last limitation to take into consideration is the access to companies. First, the access to the SMEs might be difficult because French Wine Growers maybe won’t have the time for interviews because they are busy at work. Moreover, the researcher will face to a limited access to companies’ information because as French Wine Growers do not know the researcher, they might be mistrustful and won’t give a lot of information about their company.

And, the four French SMEs that the researcher chooses to interview are located throughout the country. So, the researcher needs time to meet them. Also, as the interview will be mainly face-to-face, the researcher will need to move to them. There are some travel costs.

3.6.2. Personal bias

Personal bias can interfere with the process of interviews. In fact, as the researcher has a tendency to speak a lot, this could influence the interviewees in their responses. This limitation might be dangerous for the researcher. It means that if the researcher will speak a lot during the interviews, a lot of data will be collected and all of these do not be relevant. So, there is a risk to influence the answers of the interviewees and to collect useless data.
3.6.3. Research ethics

Saunders et al (2012) sustained that ethics is “the appropriateness of your behavior in relation to the rights of those who become the subject of or are affected by your work”. There are four stances on ethics: universalism, situation ethics, pervasive ethical transgression and anything goes.

For this dissertation, the researcher will focus on the pervasive ethical transgression because the interviewees do not need to know the thorough research.

“If the researcher is completely honest with people about his activities, they will try to hide actions and attitudes they consider undesirable, and so, will be dishonest. Consequently, the researcher must be dishonest to get honest data” (Gans, 1962).

Moreover, all the information obtained through interviews will be used only for the dissertation purpose. Participants will be informed in detail about the purpose of this research. And, it will be ensured that participants are voluntary and confidentiality will be protected. There will have a clause of confidentiality and anonymity (see Appendix 2).

3.6.4. Time allocation

<table>
<thead>
<tr>
<th>Activity</th>
<th>Start Date</th>
<th>Finish Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reading secondary data</td>
<td>May 12, 2013</td>
<td>May 23, 2013</td>
</tr>
<tr>
<td>Creating data collection instruments</td>
<td>May 24, 2013</td>
<td>June 7, 2013</td>
</tr>
<tr>
<td>Administrating data collection instruments</td>
<td>June 8, 2013</td>
<td>June 15, 2013</td>
</tr>
<tr>
<td>Analyzing primary data</td>
<td>June 16, 2013</td>
<td>June 30, 2013</td>
</tr>
<tr>
<td>Writing the early drafts</td>
<td>July 1, 2013</td>
<td>July 13, 2013</td>
</tr>
<tr>
<td>Analyzing comments on drafts by supervisor</td>
<td>July 14, 2013</td>
<td>July 31, 2013</td>
</tr>
<tr>
<td>Revisions of drafts</td>
<td>August 1, 2013</td>
<td>August 11, 2013</td>
</tr>
<tr>
<td>Printing and binding</td>
<td>August 12, 2013</td>
<td>August 12, 2013</td>
</tr>
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</table>

*Figure 7, Time schedule*

Note that activities may overlap and change depending on the progress of the research.
3.7. Reliability and validity

Cresswel (2007) suggested eight strategies for validity, which have been used by different qualitative researchers. He advised to stick with two of them at least. These strategies are 1) prolonged engagement and persistent observation in the field, 2) triangulation, 3) peer review or debriefing, 4) refining hypotheses as the inquiry advances, 5) clarifying researcher bias from the outset of the study, 6) the researcher solicits participants’ views of the credibility of the findings and interpretations, 7) rich and thick description, and 8) external audits.

In this study, it is obvious that the researcher used the triangulation strategy. Indeed, the researcher used different methods in this research. For instance, she used case study and archival research. And, thanks to the Research “Onion”, several research methods were used.

During this research, qualitative data were collected and presented to give as much information about the results to the reader to allow him/her to evaluate the credibility.

Davies (2007) discussed reliability in qualitative research and stated:

“Because qualitative researchers do not normally employ any formal or precise systems of measurement, the concept of reliability is related to the rigour with which the researcher has approached the tasks of data collection and analysis and the care with which the report describes in detail the methods that have been employed – including, especially, some discussion of how critical decisions were made. Often, the term “reliability” in this sense is equated with methodological “accuracy”.”

In this research, sufficient and compelling evidence was achieved, through undertaking different methods of research, such as for instance, in-depth interviews and analyze of a case study. Rigor was achieved in research as the interviews were scheduled. Moreover, the findings of the interviews were grouped and classified according to the interests of each participant.
### 3.8. Summary of the methodology used

<table>
<thead>
<tr>
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<tr>
<td><strong>Research Philosophy</strong></td>
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<td>Archival researches</td>
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<td><strong>Time Horizon</strong></td>
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<td><strong>Data collection and Analysis</strong></td>
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*Figure 8, summary of the methodology used*
CHAPTER 4, DATA DESCRIPTION AND ANALYSIS

In this chapter, the empirical data that the researcher has gathered will present, and then, the researcher will make an analysis of these data based on the theories framework shown earlier.

4.1 General information

Among the four SMEs within the Wine industry that the researcher has interviewed, two are well internationalized and the two others are just a little internationalized. None of the four internationalized SMEs has an international activity from inception. Indeed, they all decided to internationalize a few years after their creation. Today, they all wish to develop even more their activity abroad for several reasons. They have realized the importance of the internationalization.

The sample SMEs are all from France, but from different regions: three are from Bourgogne and the last one is from Bordeaux). And, all of these four SMEs are family-run business existed from centuries. The CEO of the respective SME answered the questions of the interview, see Figure 9.

<table>
<thead>
<tr>
<th>NAME OF THE COMPANY</th>
<th>NAME OF THE INTERVIEWEE</th>
<th>TITLE OF THE INTERVIEWEE</th>
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<tr>
<td>CHATEAU DE FRANCE</td>
<td>A. THOMASSIN</td>
<td>CEO</td>
</tr>
<tr>
<td>DOMAINE FOURREY</td>
<td>M.J. FOURREY</td>
<td>CEO</td>
</tr>
<tr>
<td>DOMAINE DAMPT EMMANUEL</td>
<td>E. DAMPT</td>
<td>CEO</td>
</tr>
<tr>
<td>DOMAINE THIERRY RICHOUX</td>
<td>T. RICHOUX</td>
<td>CEO</td>
</tr>
</tbody>
</table>

Figure 9, Information about the SMEs’ interviewees

In the following sub-chapters, the researcher will describe each interview in order to have a deeper understanding of each approach used by the four SMEs for their internationalization process. And thus, the researcher could make a relevant analysis of these results.
4.2 Interviews description

4.2.1 Interview N°1, CHATEAU DE FRANCE

CHATEAU DE FRANCE is a family-run business that has existed since the 18th century, in Bordeaux. This SME has a turnover of €1.4 million.

This interview has been made by email because of time and financial constraints. Today implemented in twelve countries all around the world (Belgium, United States, China, Norway...), this SME internationalize itself to first diversify its sales and then, make more profit. These countries were chosen because the SME has had the opportunity to go there thanks to Wine fairs, and in addition, there are countries, which consume Wine.

CHATEAU DE FRANCE entered new foreign markets by sending commissioned agents abroad. As they have no time to manage the domestic and the global markets, they cannot move out abroad. That is why they have chosen to hire commissioned agents. Actually, they wish to develop their activity in South East Asian countries, so they sent an agent there to promote their firm and their products.

4.2.2 Interview N°2, DOMAINE FOURREY

The SME DOMAINE FOURREY existed for generations, but the company is much more recent, indeed it was created in 1992. This company is composed of four employees for whom the quality is a major criterion for success. DOMAINE FOURREY is located in the heart of Chablis, and exploits twenty hectares of vines. Since the creation of the company, the family FOURREY prefer to sell the Wine in bottles rather than in trading. This product enhancement enables them to triple their sales in six years (from 30 000 bottles sold in 2007 to 100 000 bottles sold in 2013).

In 2007, the DOMAINE FOURREY started its process of internationalization by developing in a first time in neighbouring countries such as England, Belgium and Spain. This internationalization has been made thanks to export fairs and emailing campaigns. So, this SME has followed the network theory for its internationalization.

This choice of internationalization has been made for many reasons: on the one hand, for the trade name CHABLIS, which became known worldwide in the 1990s. Indeed, this trade
name guaranteeing quality of Wine, that is why the vineyard Chablisian granted about 70 to 90% of its Wine for export. And, on the other hand, DOMAINE FOURREY internationalizes in order to produce more and thus, sell more.

For this SME, this internationalization was the best solution, and especially the easiest one, in order to develop the selling of bottles.

Nowadays, this SME is implemented in fifteen different countries such as England, United States, Canada, Norway and Russia for instance. So, since its internationalization, DOMAINE FOURREY has emerged on the international scene by winning 75% of market shares abroad.

At the moment of its international development, DOMAINE FOURREY faced financial constraints, but also time constraints, with especially the delivery time that are longer. But, the company has always maintained its philosophy to always preserve quality products, in particular quality of Wine. Indeed, with this internationalization, the product has been enhanced, and especially thanks to the selling of bottles.

Concerning the ASEAN countries, DOMAINE FOURREY is unwilling to develop its activity there for three reasons: 1) prefer to target growth markets, 2) ASEAN markets are too small, and 3) most of these countries are Muslim and this is a big brake for internationalization.

### 4.2.3 Interview N°3, DOMAINE DAMPT EMMANUEL

After having made an appointment with E. DAMPT by phone, the researcher has met him directly to the domain in Chablis, for a face-to-face interview. The meeting went very well and lasted about an hour and a half. The interviewee has been very available towards the researcher. His answers to eighteen questions were very detailed.

This interview has been divided into two parts: first, the interviewee dealt with his activity on the domestic market, and then, he explained to the researcher how he developed his activity abroad.

On a national perspective, DOMAINE DAMPT EMMANUEL is well developed. Indeed, the company exploits about sixty hectares of vines and sell each year about 500 000 bottles of Wine to a diverse clientele.
On an international perspective, _DOMAINE DAMPT EMMANUEL_ was not developed until 1992. This SME decided to internationalize in the 1990s because of the success of the vineyard Chablisian, as the _DOMAINE FOURREY_ presented just above. Since 1992, this SME is implemented in twelve countries such as for instance England and Russia, which are the two main markets, but also, Germany, Holland, Luxembourg, Italia, Spain, United States, Japan and more recently Brazil.

The characteristic of _DOMAINE DAMPT EMMANUEL_ is that this is the foreign countries that have come here to canvass the SME following some Wine fairs or contest for example. The interviewee said that the company has never approach some importers to trade with them. He did not know the theoretical framework that exists to internationalize. Nevertheless, this SME has 40% of market shares abroad.

Since _DOMAINE DAMPT EMMANUEL_ is developed on the international scene, the company faced some constraints, particularly administrative and communicative. But, the main weakness of this SME is the language. As nobody speaks English, it is very difficult for them to develop their relationships with the implemented countries but also with others. This barrier penalizes them a lot.

_DOMAINE DAMPT EMMANUEL_ is a small vineyard that exists since thirty years. This SME has always privileged its own fitting out and domestic development rather than internationalize its activity. However, they really want to internationalize but they face so many barriers.

This Wine Grower is one of the most imposing in the region. Indeed, they have a very broad domain with 110 different vines. This SME has about thirty employees and is fervent of the artisanal work, which is synonym of quality for them.
4.2.4 Interview N°4, DOMAINE THIERRY RICHOUX

The fourth and final interview was conducted by phone with the CEO of the DOMAINE THIERRY RICHOUX. The meeting was going well and lasted forty-five minutes.

DOMAINE THIERRY RICHOUX is the smallest domain interviewed. Indeed, only five people work there. This SME is located in Bourgogne too, as the two other presented above, and sells its Wine to a French loyal clientele. This one continues to increase within the national market.

The DOMAINE THIERRY RICHOUX is a family run business that exist for generations and has always cultivated the vine to produce Wine with a high quality. But, the company was created in 1998, and this young SME of fifteen years is well imposed on the domestic market, producing a Wine with a high quality.

However, with the evolution of the global world, DOMAINE THIERRY RICHOUX faced so many barriers to develop its activity on foreign markets. This SME is just a little internationalize since 2002 (only 2% of market shares abroad). And, this internationalization stops to neighbouring countries such as England and Belgium. DOMAINE THIERRY RICHOUX met its importers on Wine fairs organized in France. Importers have canvassed this SME on this Wine fairs. Without it, the interviewee told to the researcher that he would never go abroad to seek new importers, and promote his company.

Moreover, during the interview, the interviewee said that he faced several barriers when he started to internationalize. First, the SME faced some communicative barriers, in other terms no one in this SME was able to speak English, and so, to trade in English. That was a big issue for DOMAINE THIERRY RICHOUX. Then, the interviewee said that he had not enough time to organize himself for running the business both on the domestic market and on the international one. So, due to these issues, DOMAINE THIERRY RICHOUX lost some foreign clients, because of the language and the lack of time for arranging meetings abroad. So, this SME has a bad experience concerning the internationalization. He is a little reluctant when speaking about his international activity. The interviewee said to the researcher that he really would like to develop even more its activity on foreign markets, and why not going to ASEAN markets. But, he needs more knowledge about internationalization.
4.3 Data analysis

4.3.1 Summary of data

<table>
<thead>
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<th>SME B</th>
<th>SME C</th>
<th>SME D</th>
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</thead>
<tbody>
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<td>DOMAINE DAMPT EMMANUEL</td>
<td>DOMAINE THIERRY RICHOUX</td>
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<tr>
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<tr>
<td>Number of employees</td>
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<td>30</td>
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<td>Bourgogne</td>
<td>Bourgogne</td>
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<tr>
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<td>2007</td>
<td>1992</td>
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<td>75%</td>
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<td>Entry modes</td>
<td>The Network approach</td>
<td>The Network approach</td>
<td>Export</td>
</tr>
</tbody>
</table>

Figure 10, Summary of the interviews

4.3.2 Data analysis

4.3.2.1 The SMEs’ motivations for internationalize

The researcher has interviewed four French SMEs in the Wine industry. These four French SMEs have realized that the global world is constantly evolving. So, they all have started their internationalization process, often after their creation. After interviewing these four SMEs, the researcher found different motivations concerning the choice to internationalize. Indeed, the motivations’ SMEs for their internationalization are various. However, the main motivation, that is the most used by SMEs for starting an internationalization process, is the access to new markets. It is sometimes essential for SMEs to expand their activity abroad in order to escape a domestic market, which is saturated by supply. An expansion of the activity of the firm will allow to it to find new customers and increase its activity.
Moreover, it is important to notice here that the fact to export for SMEs is not necessarily a first step in their internationalization process, but simply a strategic choice. Each of the different types of internationalization will reflect a different strategy adopted by the SMEs.

Then, there may be two different reasons for this attraction of foreign markets. The motivations for internationalization may be “push” or “pull”.

The “push” motivation consists of a need for the firm to move out abroad in order to compensate for a domestic market, which is too limited in size. By being on the foreign markets, the SMEs will have the impulse to seek opportunities by pushing the foreign customers to buy their products

That is the case of the SME **DOMAINE FOURREY** by traveling to China to promote its products and also its company.

Concerning the “pull” motivation, the SMEs will be pulled by a foreign demand. This can include a demand that the foreign market do not respond, thus, the SMEs may catch the opportunity to acquire new clients by responding to this demand.

That is what the SME **DOMAINE DAMPT EMMANUEL** did. Indeed, this SME has had a particular approach for its internationalization. Indeed, these are foreign clients, who directly came to canvass this SME. Thus, this SME will be totally pulled by this foreign demand.

These four SMEs have all in common the desire to maximize their activity within the national market in order to sell as much as possible high quality Wine. They all have a loyal French clientele within the domestic market, which allow them to invest heavily in their own domain.

But nowadays, these investments are no longer relevant and useful, and these four SMEs within the Wine industry realize that. Indeed, the global world constantly evolving, with particularly the emergence of countries of the “New World” such as Australia, South Africa and Chile, in addition with the already strong competition within this industry. Moreover, the domestic market may quick saturate.
So, these four French SMEs are aware that it might be too risky to count only on the domestic market to survive. Thus, they all decided to internationalize. To the question, why did you choose to internationalize?, they all answered to diversify selling and produce more. They need to internationalize in order to make more profit.

4.3.2.2 Entry modes used to go abroad

So, these four French SMEs are more or less internationalized. But, the question here is to know how they developed their activity abroad. It means with which entry mode they went on foreign markets.

After observing the different motivations to internationalize of these four French SMEs in the Wine industry, the researcher has been interested by the different entry modes used by these firms to go in foreign markets. Indeed, these four SMEs operate differently when entering a new foreign market, more or less developed internationally, they present methods and results often well different from each other.

For instance, the researcher observed that the SME DOMAINE FOURREY, which is a micro enterprise of less than five employees and is well developed abroad, presents great results concerning its internationalization (75% of market shares abroad). Indeed, the interviewee M.J FOURREY speaks well English, so it helps her to meet directly her foreign importers and trade with them. So, this SME does not have encountered communicative barriers.

This SME, which used the network approach to enter foreign markets, has known to adopt the right strategic choice for a successful internationalization. Indeed, the DOMAINE FOURREY is participating in almost every Wine fairs in France, and in few abroad. And, she highlighted the fact that she moves out to meet every the foreign importers in face to face.

However, the SME DOMAINE THIERRY RICHOUX, which fears little more the international development of its activity, did not take some risks for its internationalization, and have used the more traditional method, the Uppsala model. Thus, this SME protects itself in a certain way by minimizing the risks and avoiding too high costs of internationalization.

Moreover, the researcher noticed that the SMEs take few risks when they internationalize. Indeed, they always start to sell their products to countries that are not far away from them,
and then, they move away more and more. Thus, the SMEs use the experience that they have forged by selling their products in neighbouring countries. The risk taking is also limited by the experience of the firm. Moreover, during the interviewee, Thierry Richoux said that he never met a foreign client because of time and language constraints.

Another entry mode in a foreign market is to appeal to commissioned agents. The commissioned agent is a local agent, who is not part of the company’s workforce. Indeed, the commissioned agent is linked to the firm by an agency contract, which means that he is delegated in order to prospect for new customers and sell on the company’s behalf.

The SME CHATEAU DE FRANCE has resorted to commissioned agents for each targeted countries. For example, during the interview, the interviewee said that actually there is a commissioned agent in south East Asian markets because the SME would like to develop its activity in this area. So, this SME is only represented by commissioned agents abroad.

And finally, the researcher has been surprised by the particular approach of foreign markets that the SME DOMAINE DAMPT EMMANUEL uses. Indeed, this SME with approximately thirty employees has a very particular approach for entering new foreign markets. Since the 1990s, years when the Wine Chablis was well known and demanded worldwide, DOMAINE DAMPT EMMANUEL involves itself in Wine fairs in France and abroad for benefit the advantages of the success of this Wine. Since that, foreign importers continue to canvass this SME. So, this firm does not use an entry mode for approaching new foreign markets. Its development of its activity highly depends on the canvass of these foreign importers and also on the foreign demand. This approach of foreign markets is highly dangerous and risky for the firm. This SME does not acquire any experience and any knowledge about internationalization. If the foreign markets do not need it anymore, it might be in a situation of failure.

4.3.2.3 Issues encountered when internationalize

The SMEs encounter so many issues in their internationalization process. The main obstacles, which hinder the French SMEs in the Wine industry from doing their internationalization, are mainly linked to the following issues.
First, there are some external issues, which are a complex financial environment. Indeed, the internationalization is a source of special costs such as transaction costs, travel costs and exchange rates costs. The interviewees from the **DOMAINE DAMPT EMMANUEL & DOMAINE FOURREY** said to the researcher that they have to pay label costs since they internationalize. Indeed, some countries want a specific label on their bottles of Wine, so the SMEs must adapt to it.

The financing of this internationalization is the first significant challenge that the SMEs face. The more the SMEs have international activities, the more they suffer from funding issues of this internationalization. “The SMEs, which do not have international activities, consider the lack of capital as a key impediment to the international development of the firm’s activities. Capital is therefore considered as a real obstacle only when the SME starts its internationalization” (Lecerf, 2006). And, in accordance with Desrochers & Yu (1995), “one of the main issues that the SMEs might face in their international growth is the lack of capital to finance their activities”.

Moreover, it seems that more the SME is small, the more it needs an external financing more important. The four French SMEs that have been interviewed for this research mentioned that they all faced some cash flow problems since they internationalize.

The other issues faced by these four French SMEs when internationalize is internal problems linked to a lack of information and knowledge about the foreign markets.

The opening of the international markets provides lots of opportunities for developing its activities abroad. “To become competitive, the SMEs must move out their domestic market and raise themselves up in foreign markets” (Lesca, 2005).

For several SMEs, the internationalization process is seen as a strategic choice for expanding their activity abroad, when the local market is not enough to ensure their development and so, ensure their survival.

In addition, for the SMEs, the ability to implement international strategies highly depends on the ability to mobilize resources. Therefore, the information and knowledge about the environment, the foreign markets are significant for the SMEs in their internationalization process.
4.3.2.4 Is there an activity within the ASEAN countries?

These four French SMEs in the Wine industry are, in a general way, well developed abroad, and particularly in Europe (England, Belgium, Norway, Germany, Italia and Spain) and America (United States and Brazil). But, none of them is developed in South East Asian countries. By doing this study, the researcher want to understand why the ASEAN countries do not interest the French Wine growers, and how to prove the assets of this region. Indeed, this association, created in 1967, includes ten countries whose the characteristics are more and more attractive for the French SMEs:

- A booming population: between 550 and 600 million of inhabitants, who are intended to work and consume
- A cumulative GDP within the region around two trillion of American dollar, which tripled since 2004.
- An average growth rate from 5% to 6% within this area.
- An increasing opening of the markets to outwards. Indeed, five ASEAN countries (Singapore, Malaysia, Thailand, Vietnam and Cambodia) have foreign trade, which represent over 100% of their GDP. And, Indonesia, which is the less internationalized country of this area, has a ratio of foreign trade that exceeds 40% compared to GDP.

During the interviews, only the SME CHATEAU DE FRANCE shows interest for the ASEAN countries, especially for Vietnam and Malaysia. This SME has already sent a commissioned agent there to promote the company and the products, and maybe develop the activities in these two countries. CHATEAU DE FRANCE has chosen this region of the world because of its emerging markets and interesting opportunities of business, as the researcher explained above.

DOMAINE FOURREY is also interested by this region, and particularly by Singapore. The interviewee just came back from there before the interview. This SME gave some samples to the importers, and began the first step of its internationalization, which is the learning about the market; accumulate lots of information about the environment, the trends and the customers. The interviewee said that it must adapt itself to these markets, but for that it needs to understand their needs. They have chosen Singapore because this is the “key country” for an access in Asia.
The two others, *DOMAINE DAMPT EMMANUEL & DOMAINE THIERRY RICHOUX*, prefer to develop their activity in neighbouring countries, such as European countries, and in big markets such United States. They do not want to take lots of risks for their internationalization, as they have little knowledge about it. In addition, the domestic market is enough for them; they can survive only with it. So, internationalization is not a strategic choice but rather a constraint. It means that as the global world evolves and changes constantly, these SMEs are forced to internationalize, but without that fact they would not internationalize.

### 4.3.2.5 Current situation abroad

As a last theme for this analysis of data, the researcher chooses to look at the current situations of these four French SMEs in the Wine industry. The researcher observed that two companies perceived their internationalization as a strategic choice to develop their activity abroad, *CHATEAU DE FRANCE & DOMAINE FOURREY*. They understood quickly that the effects of the globalization might be bad for them, so they decided to internationalize. In the one hand, *CHATEAU DE FRANCE* decided to develop its activity abroad in order to diversify its sales. This SME is internationalized for generations, and it will be continued for years. Its markets shares abroad are between 15% to 20%, and this SME wish to internationalize more and more, especially in Asia because this region of the world will be very attractive for the future economy of the world. There are lots of opportunities there. And, in the other hand, *DOMAINE FOURREY* is the most internationalized SME of the four ones interviewed, as it has 75% of market shares. This SME is the only one that prefer to develop its activity abroad rather than locally.

Another has adopted unconsciously a particular approach of foreign markets, *DOMAINE DAMPT EMMANUEL*. As the researcher showed earlier, foreign importers canvassed this SME. It never has begun an internationalization process by itself. So, its internationalization is only based on the demand of these foreign markets. This approach is very dangerous and risky for this SME. But, nowadays, *DOMAINE DAMPT EMMANUEL* has 40% of market shares abroad. So, the researcher classifies it in a successful internationalization.
These three SMEs belong to a network, which is the one of the Wine fairs that took place every year in different cities. These Wine fairs are very popular and opened to any Wine growers and foreign importers. Lots of relation can be built within these Wine fairs.

With their internationalization, these SMEs encountered advantages and disadvantages. For instance, their development abroad allow them to increase their turnover and meet new clients, and so, it allows them to diversify their clientele. And for the disadvantages, these SMEs have no budget to develop their promotion, so there is no visibility abroad of their products and their company.

And the last one, DOMAINE THIERRY RICHOUX, has a bad experience of its internationalization. This firm has developed its activity abroad without taking into consideration all the impacts. It means that DOMAINE THIERRY RICHOUX has canvassed neighboring countries such as England and Belgium, but it does not take the time to develop its internationalization process there. This small firm has no knowledge about internationalization; and so, the development abroad was a failure.

So, the researcher may conclude that the network approach seems to be the best strategic choice to internationalize. Because this approach brings to the SMEs a sort of security, as they belong to a network, they might find lots of contacts. The network approach is very expensive but very useful too.
CHAPTER 5, RESEARCH FINDINGS

In this chapter, the researcher will present the findings according to each research question.

5.1 What are the impacts of globalization on the internationalization of SMEs?

This research shows that the global environment has an important influence on the internationalization of SMEs. Indeed, these small to mediums sized, which are in general well positioned in the national market, realize how important it is to start a process of internationalization as soon as possible.

Moreover, the researcher found thanks to the interviews that SMEs, which only use to do business domestically, are pulled into the international scene through the foreign markets demand. And, in addition to that fact, the SMEs cannot count anymore on the domestic market, which may quickly saturate.

Another impact of globalization on the internationalization process of SMEs is the size of the firm. Whatever the size of the company, the increasing globalization requires it to make changes in its organization, production and overall structure. Indeed, the market structure changes and requires that SMEs make decision about their internationalization. Nevertheless, a conclusion is inevitable: today’s world is constantly evolving and growing rapidly. And so, companies must change constantly due to an increasing competition and an increased globalization.

In a general way, the researcher has observed, thanks to the results found at the end of each interview, that the micro-enterprise (less than 10 working people, for instance **DOMAINE THIERRY RICHOUX**) is very little internationalized (only 2% of market shares abroad).

Moreover, the researcher found that medium sized enterprises such as **DOMAINE DAMPT EMMANUEL & CHATEAU DE FRANCE** chose to respond to globalization by internationalize their activity.

So, the size difference is however more pronounced when the firm chooses to turn to a modification of its operation and so, to internationalization, which will require important structural changes.

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In addition to that, the internationalization intensity varies between micro-enterprises and medium-size enterprises. This observation is rather interesting and encouraging for micro-enterprises. Indeed, it appears that more the company is medium; the more likely it is to succeed its internationalization. Thus, globalization will have on this type of SMEs important and beneficial consequences. But, the micro-enterprise, which has the opportunity to internationalize, may reach the same level or a superior level of internationalization rather than the medium-size enterprise. This is the case of **DOMAINE FOURREY**, which has a lot of market shares abroad (75%) whereas **CHATEAU DE FRANCE** for instance has 15% to 20%. For **DOMAINE FOURREY**, the internationalization is very important for the success of the SME. Indeed, this SME decided to invest a lot on the foreign markets rather than the domestic one. Thus, the micro-enterprise does not only undergo the increasing competition caused by globalization, but it may also take advantage from this phenomenon.

5.2 What is the best strategic choice for the French SMEs to make a successful internationalization?

This question is the foundation of this research. Even before internationalize, SMEs must be well informed about the different entry modes of foreign markets that exist. Following the interviews made for this study, the researcher observes that, due to SMEs’ small size and often-limited resources, they prefer an entry mode that is easy and do not demand a lot of resources. SMEs can therefore be seen as very limited in their foreign market entry mode selection. Due to the fact that SMEs have limited resources, they are more or less forced to choose the cheapest and easiest entry mode. For two SMEs interviewed, the best way to internationalize is export whereas for the two others, this is the network approach.

The most important factors the researcher found in this study and that influences the SMEs in their foreign market entry mode selection, is the drive to minimize the costs, and reduce risks. Another important factor is to develop and keep up the relationships with SMEs’ agents, as **CHATEAU DE FRANCE** does. Indeed, the interviewee said that there is one agent in every entered foreign market. This develops the company international commitment.

Moreover, due to the SMEs small size and limited resources, they do not have the possibility to establish their own production abroad and are more or less forced to choose export as their entry mode.
This study showed that firms, before to internationalize, have always evaluate the different alternatives entry modes in a foreign market. They are informed about all the entry modes in order to select the best one, which will be the most suitable for them.

Finally, to conclude, it seems interesting to notice that SMEs, due to their small size and limited resources, do not have much choice as entry mode in a foreign market. So, the Uppsala model is often the easiest solution, and this is the most used by firms. But, the network approach remains the most reliable and secured. And, as the researcher did not interview firms that are international from their inception, it seems difficult to analyze the relevance of the International New Ventures theory.

5.3 How to know if the internationalization of SMEs is successful, or not?

To answer to this question, the researcher will analyze the current situation of the four French SMEs interviewed. The researcher found that three SMEs succeeded their internationalization while one is in a failure situation.

Thanks to these four interviews made among the four French SMEs of the Wine industry, the researcher observed that two criteria are important to take into consideration for a successful internationalization: knowledge and time.

For instance, the SME DOMAINE FOURREY is the one, which attaches the most importance to the development of its activity abroad. Indeed, with 75% of market shares abroad and selling that have tripled in five years (30 000 bottles sold in 2007 against 100 000 bottles sold in 2013), the internationalization process can only be a success. To succeed its internationalization in the foreign markets, the interviewee said that it takes a lot of time and organization to make a successful development. It means that, before entering a new foreign market, the SME invests a lot to gain the most information as possible about this market, the environment and the competition, up to go directly in this market in order to meet people, who maybe help the SME in its internationalization. And, this research of knowledge goes hand in hand with the time criterion. Indeed, to acquire much knowledge, it takes time, time to do the research but also time to move out in the foreign markets.
Moreover, to ensure the development of its activity abroad, the SME must also ensure to not accelerate its internationalization process, it means without real preparation and awareness of issues about this process. Indeed, the SMEs, that internationalize, are facing new funding requirements, which tend to be larger than on the domestic market by extending the operating cycle and the appearance of new costs.

To succeed their internationalization, the French SMEs within the Wine industry might follow the four following steps.

- **To identify areas with a high development**

It is obvious that most of the French SMEs, especially in the Wine industry, were not sufficiently aware to the necessity to be internationalized. Today, they suffer from this accumulated delay: the wish is there, but they do not know how to do. That is the case of the SME *DOMAINE THIERRY RICHOUX*, which completely leaves down by the effects of globalization.

To catch up this delay, the French SMEs must interest themselves to areas with high development potential such as Indonesia, Malaysia and Vietnam.

- **Be accompanied by experts**

On destinations such as the ASEAN countries, the difficulty lies in the good knowledge of the culture of the country concerned and the need to have a great structured approach. Often, the French SMEs do not have the knowledge to develop themselves in these countries: they do not know well the structure and need to be accompanied. So, the preparation is essential.

This is the case of *CHATEAU DE FRANCE* that wishes to acquire the South East Asian markets. The interviewee confessed to have no knowledge about these markets. Suddenly, to compensate this lack of knowledge, *CHATEAU DE FRANCE* has one agent for each targeted foreign market, who will find out the market with the best high development potential.
To find a point of sustained support

Once the targeted area is defined, the first step is to identify and understand the needs. As DOMAINE FOURREY said during the interview, “this is a miscalculation than simply respond to the market opportunities without study before the specificities of that market”.

Here, the researcher found that two points of sustained support emerge from the four interviews. One French SMEs uses the traditional model (the Uppsala model) as an entry mode sustainable whereas two others use the network approach as a sustainable support for their internationalization.

For export, DOMAINE DAMPT EMMANUEL did very well out despite a dangerous and risky approach of the foreign markets. On the opposite, DOMAINE THIERRY RICHOUX, which followed the steps, has not experienced a successful internationalization. This SME has well started its internationalization, but it has later totally neglected its development of its activity abroad. That is why; today this SME is in a failure situation. It did not take the time to well prepare its internationalization.

Concerning the network approach, CHATEAU DE FRANCE & DOMAINE FOURREY have both succeed in their internationalization, but in a different way.

As seen earlier, CHATEAU DE FRANCE has invested a lot for its international development: it has one agent in every acquired market. While for DOMAINE FOURREY, this is the CEO, who follows each step presented above and who moves out abroad in order to maintain and develop the network.

Two different approaches of the foreign markets that allow them to have respectively 15% to 20% and 75% of market shares abroad.

So, the researcher concludes that for a successful internationalization, the entrepreneur must engage the most or all-necessary steps alone in a first time, and then with trusted people.
• Funding of this internationalization

In terms of funding, export and network do not require the same costs. On the one hand, export requires travel costs, contacts costs, prospecting costs and costs for the presence during international Wine fairs.

For instance, DOMAINE DAMPT EMMANUEL foresees its presence for the international Wine fairs, which will take place in Shanghai in 2014.

This investment is less expensive than the one for the network approach. Indeed, the network approach is a very expensive approach.

Better the SMEs know the local context, the needs and issues of these new markets, the greater the chance to bring an adapted response, and thus, to make a successful internationalization.
CHAPTER 6, CONCLUSION

This chapter will draw a general conclusion of the study. Here, the researcher will make a link between theories and results, thanks to a new cyclic model.

6.1. Conclusion

Looking back at the theories, it seems relevant to say that the Uppsala model and the Network theory are the most often used models for the internationalization of SMEs. Indeed, relationships can be the source of opportunities that the entrepreneur will take advantage of and carefully commit his available resources to achieve growth. The research showed that the main reasons for SMEs to internationalize are the access to new markets, to diversify their sales and their clientele, and so make profit and achieve growth.

Moreover, the research findings suggested that firms consider domestic markets position to be important. In fact, some SMEs still prefer to internationalize beginning with the countries of low psychic distance.

So, from this study, the researcher has realized SMEs that are already internationalized and the ones that are less or not internationalized, have so many things in common. First, the reasons to go international are the access to new markets, the diversity of the sales, the expansion of the activity, and also the gain of competitiveness. And then, the domestic position seems to be really important for all SMEs. They often preferred to go abroad to countries where they find similar culture and environment.

6.2. The role of theories and how they describe the internationalization process of SMEs?

The researcher has observed through this study that SMEs in the Wine industry have different methods and strategies to carry on their local and international business. Age and size of the firms are not that important, especially when it comes to INVs, which are international firms from inception.
However, the theories play an important role in describing the process that the SMEs undertake while going abroad. It can be said that there is no right theory to use but the combination of them will make the process easier. Theories and models provide tools to plan the internationalization process of firms. There are many variables that influence the internationalization process of SMEs, and they all come from the three theories discussed in this research. From the Uppsala model, psychic distance and market knowledge are still able to explain some behaviors expressed by the process of internationalization of SMEs, while some SMEs tend to base their foreign efforts on networking for gathering market knowledge and information. So, some SMEs rely heavily on network relationships.

Overall, in describing the internationalization process of SMEs, it seems preferable to apply a combination of at least two or all the three theories. None of them are able to explain the process alone. And in most cases, the Uppsala model is used, despite a lot of criticisms, at the very beginning of the process.

**6.3. The most useful aspects of the theories**

From this research, it is obvious that some aspects of the Uppsala model are very useful to the SMEs in their internationalization process. Although none of the interviewed SMEs has followed all the suggested steps prescribed by the Uppsala model. The most important aspect is the psychic distance. Except the INVs, almost all the SMEs consider it to be important and they tend to choose countries with low psychic distance, as they target international markets during the early stages of internationalization. Market knowledge is also considered as an important aspect for the internationalization of SMEs. Indeed, as for the network theory, it seems to be at the heart of the internationalization of firms. Firms rely heavily on their networks for many activities during the internationalization process, especially when it comes to gathering market knowledge. Network is also seen as a source of opportunity.

Another important aspect that is very useful for the internationalization of SMEs is the experience. Most of the SMEs interviewed for this research agree to say that the experience is very important. Indeed, it makes the internationalization process easier. For instance, firms do not make the same mistakes twice.
6.4. The cyclic model of the internationalization of SMEs

The suggested model by the researcher is based on the two following approaches: the stages model (the Uppsala model) and the network theory. This model might be recommended for further researches about the internationalization of SMEs.

Time is introduced by the existence of three phases of process, which are punctuated by decision-making. Indeed, the internationalization is perceived as a process by stage. Here, the researcher highlights the fact that knowledge and network are two key elements for all successful internationalization. They play an essential role at each stage of the process.

- **The pre-entry phase**

The internationalization process is divided into three phases: the pre-entry phase, the novice phase and the mature phase.

The pre-entry phase corresponds to the time during which the company allocates resources to acquire the necessary knowledge, the decision-making and the preparation of the first steps of the development abroad. This phase focuses on two main criteria: entrepreneurial knowledge and market knowledge. As M.J FOURREY from DOMAINE FOURREY said “time and knowledge are key factors for a successful internationalization”. Indeed, it must necessary to take time to choose the right market, and then, to study it in order to better adapt to it.

The first element in this phase is the perception by the entrepreneur of opportunities for the development abroad of the firm’s activity. It must know to seize the right opportunities at the right time. The opportunity is “a situation in which a person can create a new means-ends framework for recombining resources that the entrepreneur believes will yield a profit” (Mejri & Umemoto, 2010).

The recognition of opportunities requires an international experience of the CEO or an employee of the SME. The importance of this international experience has to be taken into consideration seriously. It seems, indeed, justified to consider that today each SMEs, which would like to develop its activity abroad must have this international experience.
This one seems indispensable for trading, in particular to speak English in order to trade in English. It would be better to facilitate the exchanges between countries.

Moreover, the international experience plays an important role when accumulating knowledge related to the foreign market. This accumulation aims to be as a foundation for the decision-making and the choice of the strategy to adopt, especially during the novice phase.

And finally, the network is also important in this phase. The company must start to constitute a contacts network within the foreign market during this phase of pre-entry. This network allows to the firm to make it know by others, helps it to start its business abroad and brings it the first clients and importers. This step is very essential for the internationalization of the firm. Otherwise, the network might be an external source of knowledge. The scope and the value of the network highly depend on the international experience that the entrepreneur might have. In a first time, the entrepreneur contacts relations that he/she already has, people that he/she already knows and with who there are some trusting relationships. But, it is also necessary to work in exploration logic by seeking clients with who the company might develop interdependence relations (Prashantham, 2008).

It seems important to notice that already in this phase the firm undertakes a certain amount of resources. There are often sunk costs, which however avoid more important losses linked, for instance, to a bad decision-making or a bad preparation of the process of internationalization. Indeed, knowledge on a market allows to companies to decrease the uncertainty, and so the risk of failure.

The pre-entry phase ends with the decision-making to enter or abandon, and the choice of the strategy to adopt. It seems obvious that the concept of the psychic distance, illustrated with the Uppsala model, is relevant for the market research, and so for the choice of the right foreign market. Indeed, the SME chooses the country in terms of opportunities there are on this market. The decision is made by the entrepreneur on the basis of the calculation performed, which includes on the one hand, the market’s potential, and so, the anticipated profits; and on the other hand, the costs related to the entry on the foreign market. This calculation includes also the risk of failure, it means when the firm engages on the foreign
market when the risk is acceptable, i.e. when the expected profits outweigh the costs. Thus, the company settles objectives that must be feasible and defined in time.

- **The novice phase**

The second phase is the novice phase, when the SME starts its business on a foreign market. This is the most delicate and difficult step in the internationalization process. This process is divided into three steps: first, the work of the company in its field of activity; then, the way to develop the network of the company. Indeed, the network of the company is a key driver during this phase. It has two main roles: 1) it facilitates the implementation of the firm into the foreign market and it brings new contacts, new relations; and 2) in a more important manner, the network must bring the customers in the company. If the SME has no network, it must try to integrate an existing network or create its own network. This is the most important criterion that the SME must have (Prashantham & Dhanaraj, 2010). And thirdly, the firm follows the learning process. By developing its activity, the company accumulates more knowledge: the objective knowledge (about market, customers and competitors) and the tacit knowledge, which allows companies to work in a more efficient way.

The complexity of this process at this stage manifests itself in several ways. First, this is a phase of investments and commitment of resources, which is a delicate moment for a company, in particular for SMEs. These costs correspond to the firm’s activity, but also to the network maintenance. Secondly, the firm builds its reputation among clients and network. So, the network maintenance is primary. And finally, the time criterion is very important in this internationalization process. The company has a certain time to reach its objectives. If this time is not respected, the firm might be in a failure situation.

As for the pre-entry phase, this novice phase ends with the decision to continue or abandon the internationalization process. The SME could decide to stop the process when the difficulties it faces are too big. This could be external difficulties (such as environment and competition) and internal difficulties (such as a bad organization). Indeed, the abandon represents losses for the company, but it may also be seen as a kind of experience that the firm could use for other possible internationalization. However, if the firm decides to follow its internationalization process, so it enters in the mature phase of the process.
• The mature phase

This phase of the mature internationalization does not necessarily correspond to the increase of the resources engaged by the company. Indeed, during the novice phase, the firm has emerged on the foreign markets. If this market is mature and well segmented, the firm could decide to maintain its position on that market. However, if the market is young and dynamic, the firm may want to win more market shares. This requires additional investments.

In this phase, the network is well developed and the firm is the heart of this network. So, here the company must maintain its network, its relations with its contacts the most valuable and useful. In parallel, the company can seek new contacts in order to develop its network. At this stage of the internationalization process, the SME is a recognized member, and so, the work on the network does not necessitate important investments.

During the mature phase, the company still continues to acquire knowledge. Indeed, it works henceforth in the environment that it knows better. And thanks to this acquired knowledge, the firm could work now in a better efficient way.

The length of this phase of internationalization is not predetermined as it depends on the firm, the evolution of the market and the environment. At the end of this phase, the SME has three choices: first, it may abandon the market on which it is; secondly, the firm may on the contrary choose to intensify its development on this market, and invest much more on it; and thirdly, the firm may decide to expand its activity on other foreign markets. Indeed, the internationalization process opens the SMEs to other opportunities and enriches it with international experiences.

To conclude, this cyclic model aims to present a model of the internationalization process of SMEs. It is based on the stages model (the Uppsala model) and the network approach. Indeed, the development of SMEs abroad is considered as a process based on two activities: the acquisition and use of knowledge, and the development, maintenance and use of the network. Those two aspects allow the SME to face the environment.

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Within this model, the time criterion is also to take into consideration. Indeed, the SME sets goals over a specified period. If this period is not respected, the SME may face a failure situation. The SME must know to take time for its internationalization process.

Moreover, through this model, the researcher insists on the fact that a successful internationalization necessitates different types of knowledge (objective knowledge and tacit knowledge), and the network. These two factors are very expensive and often neglected, especially by the SMEs that have few experiences and few resources.
CHAPTER 7, SELF-ASSESSMENT ON OWN LEARNING

This chapter allows to the researcher to make a self-analysis about her and about what she learnt by doing this dissertation. The researcher will, in a first time, introduce her and explain the choice for this topic. Then, the researcher will explain the concept of learning. And, finally, she will identify the different skills that she has developed by conducting this study.

7.1. Introduction

The researcher conducted this study for several reasons.

With an educational point of view, the researcher has studied, since five years, international relations across the globe. And, in 2011, she went to Seoul, in South Korea, to study international relations in the South East Asian countries, for one semester.

With a personal point of view, the researcher has always traveled all around the world (Europe, North America, India, South Korea, and so on). So, she developed a strong passion for travels. Indeed, she really appreciates to discover new countries with different culture than her, and meet new people.

With a professional point of view, the researcher has had the chance to work in SMEs and in MNEs. And, with these different experiences, the researcher can definitely affirm that she prefers to work within a SME, because of the atmosphere, and the fact that there are few employees, so this is a more enjoyable work environment, according to her.

For all these reasons, the researcher has chosen this topic, and has conducted this thesis with a real interest.

7.2. Reflection on learning

7.2.1. Definition

David KOLB (1984) is well known for his development of the Kolb cycle, or the cycle of experiential learning (see Figure 11 below).

The cycle revolves with new learning undergoing active experimentation and “recycled” through new experiencing. Thus, Kolb considered reflection as a mental activity that has a role in learning from experience. In the Kolb’s cycle, reflection features as a development of
the process of observations, and apparently, it occurs before a person has learnt. So, Kolb explores the role of reflection in learning.

According to Dale (2001), learning is something vital in the human process, “essential” for survival and “fundamental” for evolution. So, learning is very important for human being. Indeed, this notion of learning is a significant process, as all human being need to expand their knowledge in order to improve their skills for evolution.

7.2.2. Relationships between reflection and learning

One set of ideas that seems to be significant to unraveling the relationships between reflection and learning within the process of learning seem to be the research on approaches to learning (Marton, Hounsell and Entwistle, 1997).

This research suggests that there is a fundamental difference in success in learning between adopting a “surface” approach and a “deep” approach to a learning task. A “surface” approach to learning is where the learner is concerned to memorize the material for what it is, not trying to understand it in relation to previous ideas or other areas of understanding. And, in contrast, a “deep” approach is where the intention of the learner is to understand the meaning of the material.

The conception of a continuum of approaches to learning allows to these three authors to hypothesize a hierarchy of stages of learning along the continuum that characterize surface, and then progressively deeper approaches to learning. Moreover, it is important to note that people cannot see actually that learning has occurred, they only can see the results of learning, which can be termed as “the representation of learning”. And, through the description of this representation of learning, they identify five stages of learning:

- **Noticing**: the least detailed form of learning. People cannot learn something if they do not notice it. Here, as soon as the representation is memorized, it is immediately forgotten, that is why it is important to notice it.
- **Making sense**: getting to know the material as coherent, but only in relation to itself. The representation of learning, in this case, is a coherent reproduction, but it is not related to other ideas, and so not processed.
• Making meaning represent the beginnings of the deep approach. There is a sense of meaningfulness, but there is not much evidence of going beyond the given. Here, the representation of learning is of ideas that are integrated and well linked.

• Working with meaning: a sense of now of going beyond the given, and linking it into other ideas. There is a creation of relationships of new material with other ideas. The representation of learning is reflective, well structured.

• Transformative learning: there is evidence that the new learning has transformed current understandings in reflective processes. The representation demonstrates strong restructuring of ideas and ability to evaluate the processes of reaching that learning.

In accordance with these five stages, there are at least three ways, in which reflection might be seen as relating to learning:

1) Reflection has a role in the deeper approaches to learning

2) People learn from representing learning. For instance, when people write an essay, they represent it to themselves and learn from the re-processing (Eisner, 1991). This is a reflective process.

3) People “upgrade” learning. For example, people can go back to ideas learnt only to the stage of “making sense” and can reprocess those ideas through reflection, by integrating them with current understandings.

To conclude, it is interesting to note that the whole notion of learning is enhanced through experimentation.

**7.2.3. The Experiential Learning Theory (ELT)**

The Experiential Learning Theory (ELT) has been widely used in management learning research. Building on the foundational works of Lewin, Dewey and Piaget, the experiential learning theory offers a dynamic theory based on a learning cycle implemented by Kolb. This theory is called “Experiential Learning” to emphasize the central role that experience plays in the learning process.
The ELT defines learning as “the process whereby knowledge is created through the transformation of experience. Knowledge results from the combination of grasping and transforming experience” (Kolb, 1984).

The ELT model portrays two dialectically related modes of grasping experience, Concrete Experience and Abstract Conceptualization; and two dialectically related modes of transforming experience, Reflective Observation and Active Experimentation. Experiential learning is a process of constructing knowledge that involves a creative tension among the four learning modes that is responsive to contextual demands.

This process is portrayed as an idealized learning cycle, that becomes a spiral (Cowan, 1998), where the learner “touches all the bases” that are experiencing, reflecting, thinking and acting. Theses bases are responsive to the learning situation and what is being learnt.

Immediate or concrete experiences are the basis for observations and reflections. These reflections are assimilated and distilled into abstract concepts from which new implications for actions can be drawn. These implications can be actively tested and serve as guides in creating new experiences (see Figure 11).

![Figure 11, The Experiential Learning cycle](image)

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7.3. Skills development

The following paragraph aims pointing out the difference skills that the researcher improved while working on her dissertation. The researcher will explain what she has learnt from this experience and the study of this topic. Moreover, the researcher will explain the impact on her personal evolution and development.

7.3.1. Research capabilities and analytical skills

First and foremost, the researcher discovered the Anglo-Saxon educational system, which is totally different from the French one. Indeed, the Anglo-Saxon system adopts a more scientific and rational approach. This system allows to the researcher to support her opinions and thoughts through theories. For instance, for this dissertation, the researcher has learnt to support her opinions and thoughts with theories and academic materials. The work of doing researches is very important; it represents a huge part of the work of this study. And, for all the assignments did during this year, the researcher learnt how to gather data from academic databases and so, developed ability to synthetize. So, the researcher developed synthetize and analyze skills to provide concise and relevant information.

Moreover, at the Dublin Business School, the researcher learnt also how to reference her work, according to the Harvard referencing system. This system was totally unknown for the researcher before this year.

Finally, this Anglo-Saxon system highlights the importance to have a critical thinking. So, the researcher learnt how to develop a critical thinking by always criticizing and confronting opinions of different authors.

To sum up, the researcher developed good analytical and research capabilities skills thanks to this thesis, and all the assignments done during the year.

7.3.2. Communication and language skills

This academic year at the Dublin Business School allows to the researcher to improve her English competences. By doing a Master of Business Studies, the researcher was asking to follow the different courses totally in English, and to make assignments and this dissertation totally in English. For instance, the researcher has had to make oral presentation alone and
with teammates. Indeed, the researcher should work with other students to present projects. As all the members of the team are not from the same country, it was preferable to communicate in English. So, meetings and emails were changed in English.

In addition to that, the Dublin Business School asks to its students to know to produce a good analysis of academic documents or other, and for that, students must read lots of documents in English. This dissertation process has been the most important point of learning for the researcher. Indeed, the Dublin Business School expects from its students a dissertation of 20,000 words, +/- 10% and all in English. Moreover, as the context of this thesis is the French Wine growers and the research is qualitative, the researcher made interviews in French. But, she translated all the answers in English, to include them in this dissertation.

Moreover, the fact that the researcher lived almost one year in an Anglo-Saxon country is very useful to improve the language skills.

To sum up, the researcher developed communicative and language skills by writing emails in English, translating French interviews into English information, and read and analyze lots of academic documents.

7.3.3. Academic knowledge

By studying the Master of Business Studies, the researcher has followed this year different courses such as Innovation Management, Strategy & Management, Information Management, and so on. Competent lecturers, who based their lectures on books and theories of different known authors, delivered these courses. These lectures, in another country than France and so with different educational methods, allow to the researcher to enrich her existing knowledge in these areas.

As the class within the researcher was, was composed of only five students, it allows to the researcher to learn more, it means as there are few students, lecturers can deliver more information about the learnt topics, and so, the relationships between students and lecturers were very strong.
Something completely new for the researcher was the lecture of Personal Development. Indeed, in France, it never happened to ask to students to question about themselves in order to build a self-assessment about their skills development and improvement. So, the researcher discovered a very interesting area, which helped her in her dissertation writing and other things, like oral presentations. This is very constructive.

The last thing to notice is the fact that the researcher is, today, able to write a whole thesis alone on a topic that interests her. In France, most of works are doing by two people. So, the researcher leant to work alone, and to put in common all the things she learnt during the year.

To sum up, all the academic areas that the researcher has learnt have been very useful for the writing of this dissertation, but also for the intellectual aspect of the researcher. It enriches her actual knowledge.

7.3.4. Team working skills and working methodology

During this academic year at the Dublin Business School, several assignments were group based. But, as the researcher was in a class of no more than five people, the team was only composed of two or three students. This did not stop the researcher to improve and develop her team working skills. Working with other people allows to the researcher to learn to deal with people with different interpersonal skills. Indeed, people do not interact in the same way within a team. So, the researcher learnt to deal with team tensions and misunderstandings into the team. It has contributed to open more the mind of the researcher.

For the improvement of the working methodology skills of the researcher, the course Research Methods has been very useful. Indeed, as the researcher has not developed methodology methods until this year, this course was very helpful for her. In addition, as every lecturer has his/her own methods, the researcher developed her own working methodology by combining all the methods she learnt with her lecturers during the year. For example, during the course Innovation Management, she learnt to manage her time with useful software, the GANTT chart.
To sum up, the researcher developed her team working skills and improved her working methodology skills by using useful software and working with people with different culture and personal backgrounds. Moreover, each presenting project in front of the class, which has been passed by the researcher, gives her even more confidence in her interpersonal skills.

### 7.3.5. Time management skills

This kind of skills has really helped the researcher in the writing of her dissertation. Indeed, these time management skills require a very good self-organization in order to succeed.

Useful materials such as the GANTT chart, as said before, have been very important and helpful to point out the different tasks and stages of the thesis in detailed by fixing deadlines.

These time management skills allow to the researcher to well balance her personal life with her educational work. And, it has enabled her to avoid stress.

To sum up, these skills enable to the researcher to acquire rigor and diligence in her work.

### 7.4. Future directions

Doing her Master’s thesis at the Dublin Business School is the most rewarding accomplishment for the researcher. Indeed, this experience has been very useful and beneficial for her in three ways.

First, with a professional point of view, the researcher showed a real interest for this study, and during the interviews made; it might be a “plus” to find a job, this is a strong key for her profile. Indeed, the researcher hopes to find a job thanks to this research in part. Moreover, thanks to this year at the Dublin Business School, but also all the year before, the researcher has acquired sufficient knowledge in order to apply for a job that interests herself, in France or abroad.

Then, with these new acquired skills, the researcher will now be able to better balance her personal life with her professional life. She can manage it in an efficient manner. And, with all these skills, the researcher gains in being more confident.
Lastly, the researcher has developed a critical thinking and ability to synthetize that helps her to have a better way of thinking. These two key skills are very important in the professional life.
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Appendices

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Appendix A, The interviews’ questions

1. What is your name? Position? Title? In the company
2. Present your company
3. Growth rate / turnover of your company?
4. Why and when did you internationalize?
5. In how many different countries are you implanted?
6. Why these countries?
7. Do you think that the internationalization of Wine might be harmful for the quality of the product?
8. Have you recently enter a new market in a new country?
9. What are your major markets?
10. Growth rate in exports?
11. Have you think about another entry mode? Why?
12. What are strengthens and weaknesses you faced when you have entered a new market?
13. When you have entered a new market, which model or entry mode have you followed?
14. Changes/issues due to internationalization?

15. If no activities in ASEAN, have you thought to develop your activities over there?
16. If activities in ASEAN, where & why?
17. What do you think about the strong coming of the Chinese in the Wine industry in France?
18. Which resources have been necessary to you for internationalization?
**Confidentiality Agreement**

This Confidentiality Agreement (the “Agreement”) is entered into by and between [NAME OF COMPANY WITH ITS PRINCIPAL OFFICES] (“Disclosing Party”) and [NAME OF COMPANY] (“Receiving Party”) for the purpose of preventing the unauthorized disclosure of Confidential Information as defined below. The parties agree to enter into a confidential relationship with respect to the disclosure of certain proprietary and confidential information ("Confidential Information").

1. Definition of Confidential Information. For purposes of this Agreement, "Confidential Information" shall include all information or material that has or could have commercial value or other utility in the business in which Disclosing Party is engaged. If Confidential Information is in written form, the Disclosing Party shall label or stamp the materials with the word "Confidential" or some similar warning. If Confidential Information is transmitted orally, the Disclosing Party shall promptly provide a writing indicating that such oral communication constituted Confidential Information.

2. Exclusions from Confidential Information. Receiving Party's obligations under this Agreement do not extend to information that is: (a) publicly known at the time of disclosure or subsequently becomes publicly known through no fault of the Receiving Party; (b) discovered or created by the Receiving Party before disclosure by Disclosing Party; (c) learned by the Receiving Party through legitimate means other than from the Disclosing Party or the Disclosing Party's representatives; or (d) is disclosed by Receiving Party with Disclosing Party's prior written approval.

3. Obligations of Receiving Party. Receiving Party shall hold and maintain the Confidential Information in strictest confidence for the sole and exclusive benefit of the Disclosing Party. Receiving Party shall carefully restrict access to Confidential Information to employees, contractors, and third parties as is reasonably required and shall require those persons to sign confidentiality restrictions at least as protective as those in this Agreement. Receiving Party shall not, without prior written approval of Disclosing Party, use for Receiving Party's own benefit, publish, copy, or otherwise disclose to others, or permit the use by others for their benefit or to the detriment of Disclosing Party, any Confidential Information. Receiving Party shall return to Disclosing Party any and all records, notes, and other written, printed, or tangible materials in its possession pertaining to Confidential Information immediately if Disclosing Party requests it in writing.

4. Time Periods. The confidentiality provisions of this Agreement shall survive the termination of this Agreement and Receiving Party's duty to hold Confidential Information in confidence shall remain in effect until the Confidential Information no longer qualifies as a trade secret or until Receiving Party sends Receiving Party written notice releasing Receiving Party from this Agreement, whichever occurs first.

5. Relationships. Nothing contained in this Agreement shall be deemed to constitute either party a partner, joint venturer or employee of the other party for any purpose.

6. Severability. If a court finds any provision of this Agreement invalid or unenforceable, the remainder of this Agreement shall be interpreted so as best to effect the intent of the parties.

7. Integration. This Agreement expresses the complete understanding of the parties with respect to the subject matter and supersedes all prior proposals, agreements, representations, and understandings. This Agreement may not be amended except in a writing signed by both parties.

8. Waiver. The failure to exercise any right provided in this Agreement shall not be a waiver of prior or subsequent rights.

This Agreement and each party's obligations shall be binding on the representatives, assigns, and successors of such party. Each party has signed this Agreement through its authorized representative.

<table>
<thead>
<tr>
<th>Disclosing Party</th>
<th>Receiving Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>By: [Signature]</td>
<td>By: [Signature]</td>
</tr>
<tr>
<td>Printed Name: [Name]</td>
<td>Printed Name: [Name]</td>
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<tr>
<td>Title: [Title]</td>
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<td>Dated: [Date]</td>
<td>Dated: [Date]</td>
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</tbody>
</table>
Appendix C, The informed consent form

INFORMED CONSENT FORM

Thank you for agreeing to participate in this study, which will take place from ___ to ___.
This form details the purpose of this study, a description of the involvement required and your rights
as a participant.

The purpose of this study is: to find out the best suited strategic choice
for French firms in the Wine Industry

The benefits of the research will be:
- to have an in depth analysis of the different ways of
  internationalisation.
- to have a better understanding of the needs of the winemakers.

The methods that will be used to meet this purpose include:
- an interpretive and qualitative approach using qualitative data through in-depth interviews.

You are encouraged to ask questions or raise concerns at any time about the nature of the study
or the methods I am using. Please contact me at anytime at the e-mail address:

Our discussion will be audio taped to help me accurately capture your insights in your own words.
The tapes will only be heard by me for the purpose of this study. If you feel uncomfortable with the
recorder, you may ask that it be turned off at any time. You also have the right to withdraw from the
study at anytime, in the event you choose to withdraw from the study all information you provide
(including tapes) will be destroyed and omitted from the final dissertation.

Insights gathered by you and other participants will be used in writing my Masters dissertation,
which will be read by my supervisor and other examiners. Though direct quotes from you may be
used in the paper, your name and other identifying information will be kept anonymous.

By signing this consent form I certify that I

(Print full name here)

agree to

the terms of this agreement.

(Signature)  2013
(Date)