View metadata, citation and similar papers at core.ac.uk

brought to you by CORE

provided by Revistas académicas Universidad EAFIT

2011
Vol. 4 Nº 1

Revista de Negocios Internacionales

DEPARTAMENTO DE NEGOCIOS INTERNACIONALES

Argáez Hernández Sabina & Zwerg-Villegas Anne Marie

Applicability of firm internationalization theories to Colombian Multinational Enterprises

Revista de Negocios Internacionales. Vol. 4 Nº 1 - Julio - Diciembre 2011 - Pp. 57 - 71

Applicability of firm internationalization theories to Colombian Multinational Enterprises

Sabina ARGÁEZ HERNÁNDEZ &
Anne Marie ZWERG-VILLEGAS

Recibido: Febrero 7 2011
Aceptado: Junio 3 2011

Abstract

An effect of the globalization process is the increase of the international participation of developing countries firms (DCFs). Most of the extant literature focuses on the internationalization process of the multinational enterprises (MNEs) from developed countries, but has paid less attention to the internationalization of DCFs; so it is unclear if the DCFs apply the internationalization theories to their processes of expanding abroad.

This article focuses on the Colombian MNEs and, with existing data from Colombian cases, will study the applicability of those theories to their internationalization processes.

Therefore, it has three intentions: 1. To provide a general overview of the firm internationalization theories; 2. To show Colombian firm adherence these theories to their internationalization processes; and 3. To provide new directions for the internationalization for the Colombian companies.

Resumen

Un efecto del proceso de globalización es el aumento de la participación internacional de las empresas de países en vía de desarrollo. La mayoría de la literatura existente se enfoca en la internacionalización de las empresas multinacionales de países desarrollados, pero ha puesto poca atención en la internacionalización de las empresas de países en vías de desarrollo; por lo tanto, no se sabe con certeza si estas últimas aplican las teorías de internacionalización en sus procesos de expansión al exterior.

Este artículo se enfoca en las multinacionales colombianas y, con información existente de casos colombianos, estudiará la aplicabilidad de estas teorías a su proceso de internacionalización.

Por lo tanto, tiene tres propósitos: 1. Hacer una revisión de las principales teorías de internacionalización de las empresas; 2. Mostrar si las multinacionales

colombianas aplican estas teorías en sus procesos de internacionalización; y 3. Proporcionar nuevas directrices al proceso de internacionalización de las empresas colombianas.

Keywords

Colombian multinational enterprises, developing countries, foreign direct investment, internationalization, multinational enterprises.

Introduction

Literature on why and how companies decide to internationalize was researched and published only in the second half of the twentieth century, in spite of the fact that internationalization of companies had existed for centuries Buckley & Casson, 2003. The development of firm internationalization theories became popular only after the post-war increase in Foreign Direct Investment –FDI– among industrialized countries and the following augment in the amount of international production (Johnson & Turner, 2003).

The existing literature of the firm internationalization theories dates back forty years and focuses mainly in the internationalization processes of big companies from developed countries, which were the principal actors at that time in the international economy (Buckley, 1976). Few studies (Meyer, 2004, Ghemawat, 2003, Hoskisson *et al*., 2000) have been published about the internationalization of firms from developing countries. Nowadays, we are in a changing world where developing countries are becoming protagonists in the international arena; they are opening their economies to foreign countries, and also they are competing and investing internationally.

These new progresses call for a second look at the internationalization models to determine their validity and applications to companies from developing countries seeking a presence abroad.

This article focuses on the internationalization processes of some Colombian MNEs in order to determine if these companies behave the way traditional theories suggest in their internationalization process. The remainder of this paper is as follows: First, we review the existing literature about the main theories about multinational firms' internationalization. Based on that information, we will discuss their applicability to the internationalization process of Colombian MNEs and will try to discover which of the revised theories explain more accurately the behavior of developing countries firms. At the end, we will provide or recommend new directions to the internationalization processes of Colombian firms.

Internationalization theories of the firm

This section will present a variety of models that have contributed to the understanding of firm internationalization. Those models or theories try to explain how, where, and why companies engage in activities abroad. Although many theories exist that explain the internationalization of firms, we will focus only on four of them, which, according to the revised literature, are the leaders and most dominant in the business environment. In order to appreciate the research efforts in this area, the following section will review various approaches for describing internationalization of companies.

The Market Power Theory

The credit for providing the first comprehensive analysis of the MNE and of foreign direct investment goes to the Canadian economist Stephen Hymer, who in his doctoral thesis (1960) focused on the company and on international production instead of international trade and investment theory.

Hymer (1960) noticed that domestic companies have fundamental advantages over foreign enterprises because of their better understanding of the culture, local market and legislation. Moreover, the domestic companies also have advantages in terms of privileged access to natural resources. He also stated that companies are continually seeking market opportunities, and therefore their decision to produce abroad is the result of a strategy to take advantage of certain abilities not shared by competitors in foreign countries (Hymer, 1960, Johnson & Turner, 2003).

In other words, companies invest abroad because they want to grow and earn a higher return (Hymer, 1960, Forsgren, 2008). To do so, companies must develop strong specific advantages of their own –have market power– to neutralize the advantages of the local enterprises. As analyzed by Fuerst (2010), the firm's specific advantages, or as a Charles P. Kindleberger (1969) calls them, "monopolistic advantages", such as knowledge and cost advantages, scale economies, and product differentiation, among others, are created through the market imperfections[1] in the home market and exploited in the home country with the purpose of generating maximum economic profitability. So, the monopolistic advantages of the firm are the platform that a national company uses to invest abroad.

Internalization Theory

Peter Buckley and Mark Casson, two proponents of this theory in 1976, explained why a MNE exerts proprietary control over an intangible, knowledge-based, firm

1 The market imperfections offer some firms the ability to exploit an asset in a more profitable way than others companies (as cited in Forsgren, 2008).

specific advantage (Buckley & Casson, 1976, Rugman, 2010) and exploit it within the same company or firm's subsidiaries rather than within independent firms or within the market.

To answer that question, those authors stated that when a firm possesses intangible advantages such as production and managerial skills, marketing abilities, and know-how, among others, these are difficult to be copied and costly to be transferred. For that reason, they prefer to transfer its advantages to an own foreign subsidiary. So, the internalization of markets across national boundaries generates MNEs (Buckley & Casson, 1976, Heinz, 2003).

Internalization is attractive to firms because of the control it offers over their competitive advantages; this is very important when their advantages arise from knowledge and technology. MNEs can exploit advantages via franchising and licensing, for example, but internalization allow them to maintain direct control of this asset and avoid dilution of their property rights.

Eclectic Paradigm

This model represents the view of John Dunning (1979), who tried to integrate the existing theories in a general model in order to explain the pattern of international production. The author predicts that an enterprise will decide to exploit its competitive advantages through FDI, becoming a multinational, when three characteristics are met: that the company possess firm-specific advantages to be able to invest abroad –ownership–; that the foreign location be better than the one at home –location–; and that internalization is the best mode for the maximization of such advantages –internalization– (Svetlicic, 2004).

This paradigm is also called the OLI Framework (ownership, location and internationalisation); and it explains the why, where, and how of the internationalization of the firm. If these advantages exist, it is beneficial for the company to exploit its assets through foreign production rather than through exports or other forms, such as joint ventures, licensing, or franchising.

The major contribution of the Eclectic Theory is to create awareness among the companies about the need to develop and maintain sustainable competitive advantages in order to succeed in their expansion to overseas markets.

Uppsala Model

In 1977, Swedish scholars from Uppsala University, Jan Johanson and J. E. Vahlne developed their internationalization process model, which proposed a sequential step-by-step learning process for internationalization, based on studies of four Swedish firms.

This model is known as the Uppsala Internationalization Process Model. The Uppsala Model describes four sequential or incremental steps which were followed by those firms. First, the enterprise begins its process with irregular export activities to neighboring countries or countries that are known to or have similar business practices in order to avoid uncertainty –they do not invest yet, because there is not enough information about the market–. Second, the company starts selling in the receptor country via independent representatives –the firm creates an information channel–. Third, the company establishes an overseas subsidiary –it creates its own information channel, obtaining more control–. And last, it builds foreign production/manufacturing units that give it sales and production control (Morgan & Katsikeas, 1997). These steps are not mandatory; a company can jump from one step to another in the chain; but to do so, it is necessary that the firm gain experience through an interactive process with the foreign market.

In terms of the expansion of the international operations, the sponsors of this model recurred to the concept of *psychic distance*,[2] whereby companies enter a foreign market where they can see opportunities and the degree of uncertainty is low. From there, it will gradually extend its activities into other new markets increasingly distant from a psychological standpoint (Hansson, Sundell & Öhman, 2004).

This model suggests that the lack of knowledge (market knowledge) about foreign market is the main barrier to an increased commitment (market commitment) towards internationalization, and that such obstacle can only be overcome through experiential learning.

Network Approach

The Network Approach, defined by Jan Johansson and L. G. Mattson (1988), uses the Social Network Theory to explain how companies internationalize themselves through networks. These authors consider that business networks are those that businesses maintain with their customers, distributors, competitors, and governments. They argue that as firms become international, the number of actors that must interact through the network increases and the relations with those narrow.

When internationalizing, firms create and develop business relationships with their counterparts abroad. This process evolves in different ways: first, through the establishment of relationships with partners in countries that are new to the internationalized companies –international extension–; second, through the

2 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).

development and increase in the commitment of the networks already established –penetration–; and finally, through the connection of existing networks in different markets (Hansson *et al*, 2004). In any way the network is made, the internationalization implies the exploitation of the advantage that the networks constitute (Trujillo *et al*, 2006).

From the above we can infer that the activities in the network allow the company to maintain relationships that will help it access to resources and markets. In other words, the network, in which the firm is active, is the main driving force of the internationalization rather than the firm´s specific advantage or the psychic distance of the target market (Hansson *et al,* 2004).

The contribution of this theory is to recognize that the internationalization process of a company is not a single-handed effort done by one firm, but rather it is the result of the relations between many companies.

Applicability of the theories to the internationalization of colombian companies

According to the UNCTAD report of 2006, in 2005 the role of developing economies as sources of FDI is increasing. This demonstrates the high involvement of these countries in the international arena, which also can be proven with their high participation in international agreements.

It is true that the internationalization processes from developing countries have received less attention from the academic researchers when contrasted with the huge volume of literature of internationalization from developed markets. Literature about internationalization of DCFs is still in its infancy, and is mainly based on the observation of this phenomenon. Therefore, this section will try to show the applicability or not of the traditional internationalization theories to the internationalization process of Colombian MNEs.

For the analysis, we chose 19 Colombian multinational companies, according to the Emerging Market Global Players –EMPG– methodology.[3] Regarding the

3 The EMGP Project focuses on outward foreign direct investment from emerging markets. This project establishes four eligibility requirements to include a company in the ranking. They are:

1. “It is a multinational enterprise.

2. It is based in an emerging market.

3. It is neither a financial services company nor is its outward investment purely financial in nature.

4. It is not owned or controlled by a) a company based in another country; or b) a company in the same country that files a publicly accessible consolidated financial statement with a government agency” (Govitrikar, 2010).

applicability of those theories to the internationalization process of Colombian companies, we will only talk about those companies with available secondary data[4] in order to explain the applications of the theories. These companies facilitated the analysis with access to company literature and interviews and then authorized publication of research findings. The number of firms granting this authorization is disappointingly low and creates research difficulties for scholars of Colombian multinational firms. The situation is likely similar in many emerging economies and will continue to provide research limitations in the future.

It is important to mention that only in 1991 the economic opening in Colombia officially began through the New Constitution. This opening hit the Colombian companies' strategies; most of them had to rethink them in order to ensure sustainability in the long term. Many of them saw internationalization as a tool for survive.

Referring to the Colombian topic, we will see that the different theories reviewed will be mingled in the internationalization process of the firms; we will find different variables of those theories in one firm's internationalization process.

Interconexión Eléctrica S. A. –ISA–

ISA is a state-controlled Colombian company, with more than 40 years of experience in the administration, operation and transportation of electricity.

Its first step towards internationalization was to adopt an export strategy; this way, the company could transfer its competitive advantages to external markets while maintaining centralized the research and the development functions in the country of origin, so as not to lose control of its key advantage

It is important to mention that ISA's competitive advantages are the efficiency in, and the quality of, the provision of electricity transmission services; and these advantages were acquired thanks to the opportunities that generate an imperfect market: in this case, a state monopoly (Trujillo *et al*, 2006).

ISA decided to go abroad because it had a competitive advantages; it wanted to use its installed capacity, and needed to diversify its revenues and mitigate the risks associated to the energy transport in Colombia, owed to terrorist actions. As the market power theory states, ISA chose to invest abroad because it saw an opportunity: the company had the capability to invest abroad and wanted to grow and gain more profits.

ISA followed a gradual process to internationalize its activities, as the Uppsala Model proposes. This way, ISA increased the resource in the foreign markets

4 The first-hand information of the companies could not be recollected, owed to the confidentiality that they want to keep.

gradually in proportion as it acquired more international experience. In this case, we can also apply the *psychic concept* proposed by the Uppsala Model to explain the foreign market selection of the company. The first explored markets by ISA were Venezuela, Peru and Ecuador, with economic and socio-cultural conditions similar to Colombia at that time.

In the same proportions, as ISA was gaining international experience, it focused its interest on other bigger markets such as Argentina, Brazil and Chile in Latin America, and Mexico in North America.

With regard to the entry mode, ISA used joint ventures with local companies, as a strategy to reduce the local pressures, increase the knowledge of the market, and reduce the risk; all these strategies follow the guidelines of the network approach.

Casa Luker

Casa Luker is a company with more of 100 years of existence, which produces and commercializes chocolates, coffee, and canned food, among others. The strength of the company is its distribution and commercial power (Revista *Dinero*, 2006).

In 1928, the company started its expansion at a national level, buying other factories and opening new offices across the country.

Its first expansion abroad was in 1997, when the company opened a business office in Venezuela and also made an alliance in that country for distributing the products of Arcor. This international strategy was based on the specific advantage of the company: the distribution (Beltrán, Candela & Gutiérrez, 2010). Later, the company took advantage of this strength and established new alliances with important companies such as Kellogg's and Kraft Foods, in 2001, and General Mills, in 2008, to work as a logistic operator and marketer of their products.

In 2001, Luker founded a production plant in Ecuador to buy cacao as another point in its international strategy: sale of raw materials. A last point of its international strategy was the diversification of its products portfolio, and for that reason, it bought a food factory in Panama in order to develop new products and acquire know-how (Beltrán *et al*, 2010).

During all these years, the company has been dedicated to the expansion and diversification of its portfolio of products through the acquisition of several brands in the country, the launching new brands, and the renewing of existing ones. Today, it exports to 15 countries, has commercial subsidiaries in Venezuela and Ecuador, and productive subsidiaries in Panama. Also, it has participated in many international fairs in the United States, Europe and Mexico.

In this case, we can see the application of the Uppsala Model in a partial way. First, although Luker did not start with an export of a "physic" product, the company

provided a service abroad: the distribution of Arco's products. Luker skipped the step of distribution through independent agents, even though, and as the model states, it is not necessary to follow all the steps –if the company has enough experience–. Therefore, Luker started later with the establishment of commercial subsidiaries in Ecuador; and finally, it founded its own production plant in Panama. It is important to note that the countries where Luker operates abroad, and the first country to which it ventured, are highly related with the *psychic concept*; so, as Luker demonstrated it, it chose to go abroad in the markets that are similar or familiar to its home country.

Moreover, it is important to notice that the theory that most applies to Luker's case is the Network Approach, because, from the beginning, the company has perceived the use and exploitation of the business relationships as an advantage to facilitate its internationalization process (Beltrán *et al,* 2010). We can observe the use of networks with the establishment of alliances with Arcor, the establishment of commercial subsidiaries abroad to foment national alliances with national companies in the host country, and the participation in international fairs.

Colombina

Colombina, created in 1927, sells and commercializes candies, oils, sauces, coffee, tuna, crackers, chocolates, and ice cream. It is a leading company in its sector, and its main advantage is its powerful distribution chain.

The company started its internationalization process in 1965 with exports to the United States, becoming the first South American company competing with European factories in the world's largest candy market (Colombina, 2010). During the eighties, the company expanded internationally through new associations with two firms in the United States and one in Japan.

Years later, Colombina continued its expansion at the national and international level. In 2001 it bought 50% of a factory in Guatemala, in association with investors of that country (Colombina, 2010), with the purposes of having a distribution center for Central America and reducing transport costs and risks.

Thanks to the export experience gained in the United States, Colombina started to export to Europe. Nowadays it exports to more than 30 countries, has five plants in Colombia and one in Guatemala, offices in Venezuela and Guatemala, subsidiaries in Ecuador, Chile, Peru and Puerto Rico, and several alliances with foreign companies in order to distribute their products in Colombia and abroad.

From the internationalization process of the firm, we can say that Colombina combines all the theories exposed above. To be a leader company in the home

country and to have a strong distribution chain, allowed it to invest in Guatemala, a place that the company saw as a profitable and strategic one, meeting the market power theory statements. Also, it decided to invest abroad because such decision met the three characteristics exposed in the Eclectic Paradigm: First, it is the leader in the sector and has strong distribution networks –which are its specific advantages–; second, Guatemala is a good location, because it allows the company to reduce transport and distribution costs; and finally, the internalization of its distribution activities is the best way to be profitable, because the company is good in what it does.

Furthermore, the company followed a sequential internationalization process, as the Uppsala Model suggests. First, it started with exports; later, with agreement with independent distributors to sell its products abroad; and finally, it established its own factory overseas. Besides, Colombina also established several alliances with companies at global level from the beginning of its expansion abroad, which allowed it to acquired foreign experience (networks).

Quala

Quala started in 1980 and today is a Colombian multinational company that produces and commercializes mass consumer products such as condiments, culinary products, ice creams, candies, toothpastes, among others (Quala, 2010). Its first experience abroad was in Dominican Republic, where it started to export its products. After strengthening its presence there, Quala decided to create its first production plant abroad, and established several offices in that country. The final idea was to convert this location in a distribution center for Central America and the Caribbean.

In 2000 Quala started to export its products to Venezuela, so it established an alliance with the Venezuelan company Mavesa, with the purpose of using its distribution channels (Quala, 2010). After years of experience gained in that market, Quala ended the alliance and founded its own production plant in that country. Today it also has a distribution center and corporate offices in Venezuela.

In 2003 Quala started to sell its products in Ecuador and, because of its success there, decided to create a new plant in 2005 and established several offices in different cities of the country.

Later, with the previous international experiences acquired, Quala decided to make presence in Mexico, and through a franchise it introduced its ice cream products in order to know the behavior and acceptance of Mexican consumers. Soon after, in 2004, it founded its own company there.

The success factors of Quala are the innovation ability, the trade marketing and the distribution power; these advantages have been fundamental in its expansion strategies abroad (Beltrán *et al,* 2010).

In its internationalization process, Quala was aware that the markets it chose abroad met the three conditions exposed by Dunning. The company already had specific advantages: innovation capacity, marketing and distribution ability –ownership–. It decided to invest abroad –location– in Ecuador, Venezuela, Dominican Republic and Mexico, because it saw opportunities for the acceptance of its products, for gaining revenues in those markets, and finally, as distribution centers to supply other countries. As a last step, the company internalized its advantages, producing, marketing and distributing on its own, in order to maximize its profits.

From the above, we can also say that Quala applied the Market Power Theory, because it had specific advantages that wanted to exploit in order to maximize its profits; and applied the Internalization Theory, because it preferred to carry out its activities within the companies´ firms instead of using particular providers and independent marketers.

In addition, after the company made its expansion in the local market, it followed the stages proposed by the Uppsala Model. First, Quala started with exports to the markets chosen, sometimes using independent representatives (Venezuela). Later, it founded small commercial offices, with few personnel, with the purpose of gaining market position; and finally, once it acquired more experience, Quala established its own factories, in order to manage its own production, marketing and distribution activities.

Quala used the outsourcing tools before starting to produce and establish itself in overseas countries. When it started to export, the company made agreements with foreign distributors with the purpose of distributing its products in the foreign markets (Beltrán *et al,* 2010). This decision shows that Quala used the mechanisms explained in the Network Approach as first step to install itself abroad in the different markets chosen. This was a useful strategy, because the company did not have to risk a lot of capital before knowing the acceptance and success in those markets.

Conclusion

As we could see, the firms' internationalization and operation strategies have been an area of wide research and interest in international business for many years.

As a result of the overview of the theories, we can assure that they apply to the internationalization process of developing countries companies, specifically Colombian companies.

Yet, there are various common aspects of the internationalization process of Colombian MNEs. First, no single theory made these companies successful: we demonstrated that the combination of the theories was the main factor that allowed the companies to be successful abroad. Second, Colombian companies decided to go abroad with the objectives of finding new markets and exploiting their specific advantages. They did this in a sequential way: first, by exporting; and later, by investing in the markets they were familiar with –usually neighboring countries–, starting with the establishment of alliances with other firms abroad, in order to reduce risks.

It is necessary to have in mind that DCFs have a different structure and entrepreneur culture, lack of expertise, and limited access to human, financial and material resources than companies from developed countries. Therefore, the internationalization process of DCFs is characterized more by the collaborative arrangements with foreign investors, and suppliers. It is through their relationships with overseas clients and providers that these companies gain their market knowledge and experience (Amighini *et al,* 2009).

According to the patterns mentioned above, we dare to set up a new model of internationalization called Sequential Process by Association, that tries to gather together all the theories followed by the Colombian MNEs. This model states that when a company has a specific advantage and sees an economic incentive to exploit abroad, it will take the following process: first, exporting to the foreign country, in order to know the market; second, increasing the commitment in that market by establishing agreements with companies abroad (through alliances, licensing, or franchising, among others); and finally, buying or founding a firm, alone or in association with others, in order to produce, market and distribute its products in an independent way.

This model is a step-by step learning process through associations with other companies, in order to share risks, although these steps are no mandatory: a company can skip any whenever it has the experience necessary and the knowledge to do so.

Although valid as a model, it needs to be tested; it is initially a draft that describes the internationalization process of a DCF. For that reason, it is important to extend an invitation to the researchers to deepen more into this subject, and to develop new theories that could explain in a more accurate way the behavior of the DCFs in its internationalization processes.

REFERENCES

Amighini, A., Sanfilippo, M. & Rabellotti R. 2009. The rise of multinationals from emerging countries: A review of the literature. http://www.docstoc.com/docs/6339644/The-rise-of-multinationals-from-emerging-countries-A-review-of-the-literature/ . Accessed April 20, 2010.

Beltrán, H., Candela, J. D. & Gutiérrez, A. 2010. Internacionalización de las empresas colombianas. Casos exitosos: Colombina S. A., Quala S. A., Casa Luker S. A. Trabajo de grado, Facultad de Administración, Universidad del Rosario, Bogotá, Colombia.

Buckley, P.J. and Casson, M. 1976 The Future of the Multinational Enterprise, Macmillan: London.

Buckley, P.J. and Casson, M. 2003 The future of the multinational enterprise in retrospect and prospect. *Journal of International Business Studies* 34: 219-222.

Colombina. 2010. Nuestra compañía. http://www.colombina.com/contenido.php#S1&seccionId=75&. Accessed November 10, 2010.

Forsgren, M. 2008. *Theories of the multinational firm: A multidimensional creature in the global economy*. Cheltenham, UK: Edward Elgar.

Fuerst, S. 2010. The development of international business theory: implications for international business teaching and research in Colombia. *Cuadernos de Administración,* 34: 39-55.

Ghemawat, P. 2003. Semiglobalization and international business strategy. Journal of International Business Studies, 35: 138-152.

Govitrikar, V. 2010. The Emerging Market Global Players: A common Methodology (Data File).

Hansson G., Sundell H. & Öhman M. 2004. *The new modified Uppsala Model – Based on an anomalistic case study at Maleberg Water AB.* Bachelor dissertation, Department of Business, Kristianstad University, Sweden.

Heinz, J. W. 2003. The power of the Buckley and Casson Thesis: The ability to manage institutional idiosyncrasies. *Journal of International Business Studies,* 34: 173-184.

Hoskisson, R., Eden, L., Lau, C. and Wright, M. 2000. Strategy in emerging economies. *Academy of Management Journal* 43: 249-267.

Hymer, S. 1960. *The international operations of national firms: A study of direct foreign investment.* Ph.D. dissertation, MIT, Cambridge, MA, MIT Press, 1976.

International Monetary Fund, IMF. 2010. *Glossary of selected financial terms*. http://www.imf.org/external/np/exr/glossary/showTerm.asp#89. Accessed November 1, 2010.

Johanson J. & Vahlne, J. E. 1977. The internationalization process of the firm: A model of knowledge development and increasing market commitments. *Journal of International Business Studies*, 8(1): 23-32.

Johanson, J. & Mattsson, L. G. 1988. Internationalization in industrial systems: A network approach. In
Hood N., & Vahlne, J.-E. (Eds.), *Strategies in global competition:* 468–486. London: Croom Helm.

Johnson, D. & Turner, C. 2003. Multinationals: conduits of globalization. In Johnson, D. & Turner, C. (Eds.), *International business: themes and issues in the modern global economy:* 101-125. London: Routledge.

Kindleberger, C. P. 1969. *American Business Abroad*. New Haven: Yale University Press.

Meyer, C. E. 2004. Perspectives on multinational enterprises in emerging economies. *Journal of International Business Studies*. 35 (4): 259-276.

Morgan R. & Katsikeas C. 1997. Theories of international trade, foreign direct investment and firm internationalization: a critique. *Management Decision*, 35 (1): 68–78.

Quala. 2010. Nuestra empresa. http://www.quala.com.co/contenido/contenido.aspx?catID=25&conID=103 . Accessed October 28, 2010.

Revista *Dinero*. 2006. Luker se destapa. http://www.dinero.com/negocios/luker-destapa_24964.aspx . Accessed November 11, 2010.

Rugman, A. M. 2010. Reconciling Internalization Theory and the Eclectic Paradigm. *Multinational Business Review*, 18 (2): 1-12.

Svetlicic, M. 2004. Transition Economies' Multinationals - Are They Different from Third World Multinationals?. (Data File).

Trujillo, M., Rodríguez, O., Guzmán A. & Becerra, G. 2006. Perspectivas Teóricas sobre la Internacionalización de Empresas. *Documento de Investigación,* 30: 1-72.

United Nations Conference on Trade and Development, UNCTAD. 2006. World Investment Report 2006. FDI from Developing and Transition Economies: Implications for Development. New York & Geneva.