International Business Management 11 (6): 1157-1168, 2017
ISSN: 1993-5250
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The Internationalization Journey of a Multiplex Cinema Company under the Lens of Different Behavioral Theories

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Abstract: This study goes through the relevant organizational behavioral theories regarding the internationalization of companies, taking a Mexican multiplex cinema company as a case study. The main objective of this research was to analyze and compare different theories with a real life situation in order to determine the usefulness of each theory and to what degree they have an impact under different circumstances of a company's internationalization process. The theories used in the analysis were the uppsala model, international entrepreneurship, effectuation theory and network approach. The analysis led to the conclusion that there is no single theory that sustains throughout all of the internationalization process of a company but that rather, all theories are complementary to each other.

Key words: Internationalization, organizational theories, behavioral theories, case study, Brazil

INTRODUCTION

The expansion into Foreign markets is an option to many companies now a days and internationalization has been deeply studied for decades now. Starting with Johanson and Wiedershei (1975), behavioral theories have become an important tool to analyze the internationalization process. At the same time, new relevant internationalization theories have been developed.

The main objective of this research was to analyze and compare the different behavioral theories-uppsala model, international entrepreneurship, effectuation theory and network approach-with a real life situation in order to determine the usefulness of each theory and to what degree they have an impact under different circumstances of a company's internationalization process.

The study was based on the case of company X, a Mexican cineplex company going through an internationalization process in order to become a fully-fledged multinational firm.

Comany X is a relatively new multinational company which was previously a market leader in its original country after over 30 years of successful operations. The analysis preformed goes through all the stages of growth experienced by the firm and it includes the perspectives from the people who were key players when the company was both growing and adapting into new countries and international strategies. The results give insights into some of the variables relevant for the specific industry of the cinema exhibitors which can be useful as reference for researchers interested in this industry. This study also reinforces some of the theories studied but calls for attention as not to fall into generalizations when following a school of thought but to keep a broad view of how theories complement each other.

Literature review: The uppsala internationalization model, developed during the 1970's, deferred from the classical economic theories as it included organizational behavior variables during the internationalization process of a company. Johanson and Wiedershei (1975) developed two concepts: establishment chain and psychic distance. The first refers to the sequence in which companies invest resources in Foreign markets in a gradual way this chain is dependent on the firm's knowledge about these Foreign markets. The second concept, refers to the set of variables such as education, culture, education, language, business dynamics and legal practice (O'Grady and Lane, 1996) which may prevent or disturb the flow of information between the market and the company.

To Johanson and Vahlne (1977), due to the uncertainty involved in doing business in Foreign markets as well as a lack of knowledge by the companies, internationalization would naturally start with a low

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commitment form and then adopt a gradual process to eventually escalate to a higher market commitment. According to Hemais and Hilal (2002), acquired knowledge can be classified into two ways: objective knowledge which can be taught and experiential knowledge which can only be acquired through personal experience and cannot be transferred. In addition, knowledge can then be classified into general and specific. General knowledge involves marketing methods, consumer characteristics and productive processes and may be acquired as objective knowledge (transferred between countries). While specific knowledge refers to key characteristics in a market such as business climate, cultural facts or market system structure and can just be acquired by experience.

According to Johanson and Vahlne (1977), the dynamics of an internationalizing firm is as follows: the more the company invests in a Foreign market the more knowledge it gets and with more knowledge there is a higher perception of opportunities and a better “feeling” when to invest. The better the “feeling” to do these investments leads to the company to invest more in that market which leads to the firm to acquire more knowledge and the chain goes on.

Network approach: The network approach came as a complement to the uppsala model and it is recognized as one of the most established theoretical foundations in the international entrepreneurship field (Galkina and Chetty, 2015). According to this theory the internationalization of a company does not occur through a process in which a company enters into an unknown Foreign market by itself but through the use of a business network the firm has or acquires, supplying its needs for Foreign resources, partnership and trust building in a Foreign market. The model considers the different markets as interconnected networks which means the internationalization process of a firm is related to the acquisition and development of relationships in Foreign business networks (Johanson and Mattson, 1988).

A network can be defined as a net of interconnections among the organizations that play either a direct or indirect role in a market such as clients, suppliers, distributors, among others. Johanson and Mattson (1988) created a matrix in which they classified a firm according to its internationalization degree as well as the market internationalization degree and how networks would play a key role in this process. The four different kinds of internationalizing firms they proposed are the following: the early starter; low degree of internationalization, limited international network relationships, little knowledge in Foreign markets, use agents instead of subsidiaries the late starter: low degree of internationalization in a market with a high degree of internationalization, use of Foreign and domestic networks, need of a high degree of coordination with their Foreign market representatives, use of subsidiaries the lonely international: high degree of internationalization in a market with low degree of internationalization, responsible for promoting the internationalization of the whole market network, competitive advantage considering the knowledge of Foreign markets the international among others: high degree of internationalization for both the company and the market, connection to several international networks that grant it access to Foreign markets, strong competition, investment in strategic niches of the global production in order to restrain the other competing firms.

According to Chetty and Holm (2000), business networks are both facilitators and inducers for internationalization. For small companies, the decisions to export and to increase commitment in a specific Foreign market are done taking into account the collective experience of the business network they belong to (Bonaccorsi, 1992).

International entrepreneurship: Oviatt and McDougall (1994) were pioneers and set the conceptual framework for a new approach that became to be known as international entrepreneurship. They took into account companies that would look for obtaining a significant competitive advantage by using resources from Foreign markets, as well as from direct participation in them, right from the beginning. This theory questions the risk aversion concept as it states that usually, new international entrepreneurial ventures are possible due to the entrepreneurs possessing a specific set of competencies and the will to take strategic decisions while accepting certain degree of risk, related to an aggressive international expansion (Autio, 2005).

Oviatt and McDougall (1994) proposed four basic elements needed for the existence of international entrepreneurship which are: internalization of some transactions; the expansion of firms into Foreign markets is done with the purpose of reducing the transaction costs and it implies the investment in assets in Foreign countries alternative governance structures; the use of other means of international control such as licensing and franchising foreign location advantage; transfer of some movable resources from their own country such as knowledge, raw material or intermediary products, to mix them with immovable resources in a Foreign country such as market or raw materials (Dunning, 1988). Unique resources; determine the competitive advantage a firm has

in a Foreign market. Later, Oviatt and McDougall (2005) reformulated the definition of international entrepreneurship and described it as the discovery, enactment, evaluation and exploitation of opportunities, across national borders to create future goods and services (Oviatt and McDougall, 2005). The new proposed model describes four forces that influence the speed of internationalization of a firm: enabling, motivating, mediating and moderating.

Enabling consists of factors that make accelerated internationalization feasible (Oviatt and McDougall, 1999), mainly consisting of technology, transportation, communication, infrastructure and digital technology. Motivating is the competition that a firm is facing. Many entrepreneurs have been motivated to take preemptive advantage of technological opportunities in Foreign countries in order to avoid the risk of a competitor doing it first and prevent them to go into that market later on (Oviatt and McDougall, 2005). Mediating refers to the entrepreneur or group of persons that discover and enact the opportunities, taking into account characteristics such as their expertise, knowledge, years of international experience and risk taking aversion or propensity. Finally, moderating is divided into two types the knowledge intensity of the opportunity and the international network. The first one refers to both market knowledge and the intensity of the knowledge in the product or service offering, being that knowledge moderates the speed of internationalization. The second type, networks, refers to how they help entrepreneurs identify international opportunities, establish credibility and often lead to strategic alliances and other cooperative strategies.

The revisited Uppsala Model: Johanson and Vahlne (2009) revisited the uppsala model in 2009, taking into account the criticism made by several authors throughout the years (Chetty and Holm, 2000; Forsgren, 2002; Petersen *et al*., 2003; Arenius, 2005; Oviatt and McDougall, 1994; Madsen and Servais, 1997; Sarasvathy, 2001) as well as changes in the companie's behavior. They adapted the old model to the current trends in international business, taking into account the importance of networks and switching "psychic distance" for "outsidership from a relevant network" as the key factor of uncertainty for a company while internationalizing for the first time into a new Foreign market. They state that insidership in relevant networks is needed for successful internationalization. This way they can avoid the liability of outsidership and foreignness which is an obstacle to become an insider and thus difficulties the process of internationalizing successfully into an unknown Foreign market.

As part of the new revisited model, Johanson and Vahlne (2009) decided to include some new variables and replace some of the old ones. First, they replace the "market knowledge" state for "knowledge opportunities", in which they include and give special importance to "recognition of opportunities" as part of the knowledge concept indicating this is the most important element in the body of knowledge that drives the process. The second change they made was substituting the "market commitment" state for "network position". Network position makes reference to the specific level of knowledge, trust and commitment in which a firm is involved. The third change in the revisited model was "current activities" being replaced by "learning, creating, trust-building", specially adding emphasis to the network factor of "trust-building". This new emphasis in trust-building incorporates the importance of the network position for an internationalizing company in a new Foreign market. Finally, they substituted "commitment decisions" with "relationship commitment decisions", referring to the commitment to a relationship or a network of relationships in a market. When, the level of commitment to a network is higher the company will tend to choose a more active participation in that market.

Overall, the new model includes business networks as a relevant variable for internationalization. Some of the important key points of this new model that Johanson and Vahlne (2009) mention are trust within the network relations and its importance to become an "insider" during the internationalization process, the establishment of these network relationships as a mean of risk management in an unknown market and the fact that network outsider ship is the root of uncertainty.

Effectuation theory: Effectuation is one of the latest theories, developed by Sarasvathy (2001) where she proposed a new approach as compared to the causation approach that had been previously set as a standard for the study of decision making.

"Causation processes take a particular effect as given and focus on selecting between means to create that effect. Effectuation processes take a set of means as given and focus on selecting between possible effects that can be created with that set of means" (Sarasvathy, 2001).

As defined before, effectuation focuses on the means in order to achieve a goal, instead than on the goal in order to define the means that will be used. Sarasvathy (2001) states that firms will initially have three categories of "means" which are: who they are what they know and whom they know. Meaning their own essence as company including strengths and weaknesses the knowledge they possess about the market and the

Table 1: Contrasting causation and effectuation (Sarasvathy, 2001)

Categories of differentiation	Causation process	Effectuation process
Givens	Effect is given	Only some means or tools are given
Decision-making selection criteria	Help choose between means to achieve the given effect	Help choose between possible effects that can be created with given means
	Selection criteria based on expected return	Selection criteria based on affordable loss or acceptable risk
	Effect dependent: Choice of means is driven by characteristics of the effect the decision maker wants to create and his or her knowledge of possible means	Actor dependent: Given specific means, choice of effect is driven by characteristics of the actor and his or her ability to discover and use contingencies
Competencies employed	Excellent at exploiting knowledge	Excellent at exploiting contingencies
Context of relevance	More ubiquitous in nature	More ubiquitous in human action
Nature of unknowns	Focus on the predictable aspects of an uncertain future	Focus on the controllable aspects of an unpredictable future
Underlying logic	To the extent we can predict future, we can control it	To the extent we can control future, we do not need to predict it
Outcomes	Market share in existent markets through competitive strategies	New markets created through alliances and other cooperative strategies

industry so far and the network or networks they have access to. And based on this they take decisions of where they are going in the future.

In Table 1, the main characteristics of causation and effectuation, according to Sarasvathy (2001) are contrasted. After comparing effectuation with causation, Sarasvathy (2001) outlines four principles that sum up the theory of effectuation which are: affordable loss rather than expected returns, strategic alliances rather than competitive analyses, exploitation of contingencies rather than exploitation of preexisting knowledge, controlling an unpredictable future rather than predicting an uncertain one.

Overall, effectuation is not positioned as a better logic of reasoning but as a more applicable one in situations of uncertainty and dealing with spheres of human action such as networks (Galkina and Chetty, 2015).

MATERIALS AND METHODS

The selected method for this research was qualitative and the chosen strategy was the single case-study (Yin, 2003). Company X was chosen as the company to be studied in this research due to: being a company under current international expansion; representing a successful case of a Mexican market leader that decided to become international having presence in 12 countries (11 when the research first started); being a Mexican company with presence in Brazil made it easier for the researcher to gain access to the company.

Company X is a Mexican leader company that owns and operates movie theaters in 12 different countries it is the 4th largest movie exhibitor in the world (in number of screens) and the largest one in Latin America. They started in Mexico in 1971 with a local cinema theater and became the market leader in the country after years of expansion. The company began its internationalization process in 2002 and has now presence in the following countries (number of screens): Mexico (2,921), USA (87), Guatemala (46), Costa Rica (34), El Salvador (24), Honduras (10), Panama (32), Colombia (43), Peru (36), Brazil (302), Chile (143), India (181).

The main data collection method was through in-depth interviews. The interviews lasted an average of 1 h. The respondents were told the interview was focused on the internationalization process of the company and were asked to go through a summarized history of how it developed throughout the years. Although, the researcher had a script and a guideline, the interviews were conducted in an informal semi-structured way in order to allow the respondents to express with more freedom and go into further detail in topics they may have considered relevant and could have been previously bypassed by the researcher. All of the interviews were made by the researcher, recorded and later transcribed for further analysis.

Apart from the interviews, certain information was collected through internet research including articles, news and interviews related to the company's history and internationalization process.

After gathering all the information the interview transcripts were divided into subtopics where responses from the different interviewees were gathered. This information was later compared to the literature and after defining critical patterns and stages of development, a critical analysis was made.

The selection of the respondents was done according to their role in the internationalization process. All of the interviewees were key players throughout the whole process of expansion of the company and five of them belonged to the investment committee (composed by seven people) that has the final word when making an expansion decision.

Eight interviews were performed: I1 global finance director, I2 global construction director, I3 global design subdirector, I4 global comptrollership subdirector, I5 global operations manager, I6 company X Brazil CEO, I7 company X Brazil COO, I8 global strategic planning director.

RESULTS AND DISCUSSION

Company X was created in 1971, opening its first movie theater in Mexico City and since, then, it has expanded in Mexico to become the market leader now holding 66% of the market share considering revenue from box office sales, only competing with another national company which holds 31% of the market.

In the early 2000's, the company began expanding throughout Mexico at a higher rate than ever. By the year 2000, the company reached its screen number 1000 after almost 30 years of existence and by year 2006, it doubled its size to 2000 screens. However, this rapid growth later began to create a market saturation of cinema theaters.

Considering the fact that the national market, although still with growing potential was starting to get saturated the stockholders had to take a decision in which they could either diversify the business or diversify the region in order to keep growing. Consequently, the company decided that the core business was strong enough as it was and a geographic international expansion was something that the company should consider.

Three main stages were identified in the internationalization process of company X and they were divided by time frames in which vision, objectives and strategies changed regarding the internationalization of company X. They are described as "First stage: beginnings in central america", "Second stage: organic expansion" and "Third stage: Inorganic expansion". The analysis was developed considering the following theories: uppsala model, network approach, international entrepreneurship the revisited international entrepreneurship theory the revisited uppsala model and the effectuation theory. Table 2 exposed at the end of this section, presents a summary of the results.

First stage; beginnings in central America (2004-2008): The first countries in which company X began international operations after Mexico were guatemala and costa rica in 2004. Company X was invited to operate movie theaters by a local shopping mall developer who knew about the success of the company in their domestic market. Company X became a relevant shareholder of the company created for this purpose, so these were joint-ventures in which company X mainly operated the movie theaters and the entry investment was low.

After successfully moving into these new countries, company X started a new management contract in which they were just movie theater operators in Panama but didn't have any shares of the company as in the previous joint-venture cases. This kind of operation was similar to franchising as they received a fee for operating, plus a cash bonus over a percentage out of the total sales. The next step for company X was to expand to other central American countries including El Salvador and Honduras with the joint-venture entry mode and just leaving out Belize and Nicaragua, partly due to a matter

Table 2: Summary of analysis results

Theory	First stage	Second stage	Third stage
Uppsala	Psychic distance played an important role knowledge (experiential) led to a higher level of commitment	Psychic distance daulity (Colombia/Peru vs India/USA/Brazil) relevance of experiential knowledge, increased commitment in entry mode	Psychic distance lost relevance, market knowledge acquisition changed it wasn't an initial concren anymore
Network approach	Company X got to the first countries through a local partner relationship	Daulity (India vs Colombia/Peru/USA/Brazil)	Embedded in theacquisition strategy, defined use of international suppliers
International enterpreneurship	Alternative govemance through joint ventures and management contract. Use of unique resources (know-how)	Internalization begane to being noticed, uniqueresources were key to success	Internalization became a priority, alternative govermance structure govermance structure remained, entry Mode changed foreign location advantage (Region cluters)
Rev Int enterpreneurship	Enabling through the creation of a small HQ in Costa Rica, moderating played a key role through networking	Enabling not relevant (central adminstration) moderating played a huge role (interpreneurs)	Enabled through restructure of functions (shared services), mediating (creation of a central investment specialized division)
Revisited Uppsala model	Didn't show much during this stage	Market knowledge and networks strated having more importance, networks built through gaining local's trust (Brazil case)	Knowledge opportunities, network position, learning, creating and trust-building, relationship commitment decisions, (skipping steps by acquisition)
Effectuation	Strategic aliances rather than competitive analaysis, control an unpredictable future rather than prediciting an uncertain one	Company X had a casuistic approach in this stage	Casuistic as they had a defined goal of enterint through acquisition, effectual as they don't have a narrow scope of target countries but rather are open for market opportunities

of GDP per capita indicators but mostly for the lack of a partner that offered an attractive project for investment.

Second stage; organic expansion (2008-2012): Once company X passed through its first stage of international expansion, several things changed. During this second stage, apart from targeting the acquisition of 100% of the operations they had in central America, company X started operations in Colombia, Peru, India, United States of America and Brazil in that order. Different from its beginning in central America, company X decided to enter into these new markets through organic growth with greenfield investment.

Third stage; inorganic expansion (2012-current): During this stage, company X decided that for all the new international ventures, acquisition of a local company would be adopted as an entry mode. It decided to keep organic growth in the countries in which it had presence already but to expand through inorganic growth for new ones.

When entering a country through acquisition, the company had two main objectives: to grow at a faster pace and to acquire the local network connections in an easy way. Thus, they looked for market leaders in each country where existed an opportunity for acquisition and if the numbers were right they go into that country.

Company X acquired the market leader in chile in early 2015, starting operations in the country by a new entry mode. Apart from that, the company acquired several other cinema companies in some of the countries they already had presence in and modified its infrastructure in order to fit its international expansion goals and become a sustainable multinational organization. This stage was relatively new and some of its results are yet to be seen as it is something that the company is still developing now a days. Nevertheless, it should be considered that there is sensitive confidential strategic information that could not be disclosed at the moment the interviews took place.

Uppsala Model-psychic distance: During the first stage, company X chose Central America because of its resemblance to México in many ways such as language, culture and similar business dynamics and this was acknowledged by the interviewees.

Colombia was the first country chosen after expansion into central America. Psychic distance continued as an important variable in that decision. "It was in 2007 when we started looking towards new territories and the first one was Colombia because we saw many similarities with Mexico, both in good ways and bad ways" (Hemais and Hilal, 2002).

Peru was chosen next. Besides psychic distance, another variable that influenced that decision was the geographical closeness to Colombia. In this sense, some of the operational and administrative needs could be covered by the headquarters already established in the region.

Through the second stage of growth, psychic distance lost relevance and company X started using other parameters as guidelines. The way in which India, USA and Brazil were chosen will be further addressed while explaining the influence of network approach and effectuation in the decision making process.

In the third phase of expansion, psychic distance lost its relevance. Although, still considered by the investment committee, high psychic distance stopped being a reason not to go to a new market. Company X new focus, rather than being on countries and markets was on specific companies to be acquired and although they still analyzed variables regarding each country the decision of where to expand to is mainly based on: possibility of acquiring a company and profitability of that operation.

Uppsala Model-knowledge vs. commitment: In the first stage, company X was experimenting with different entry-modes in order to diminish the acquired risk of entering into a new market. Company X started the internationalization by both adopting a management contract and by joint-venturing. The entry modes company X used in its first stage are consistent with the flow proposed by the uppsala model where a company will usually start with a low commitment into a market and gradually increase it as its knowledge of the market becomes more relevant.

The second stage, represented a higher level of commitment in the central American markets. After some years of experience in the different local markets and acquiring knowledge about them, company X decided to enter as a sole-investor for these countries. They considered this was a more profitable choice and the way to make the company grow faster.

For some of the countries there were long-term contracts with local partners. Nevertheless, company X bought the whole operations in the countries where it was possible.

Similar to what happened with psychic distance, market knowledge stopped having a relevant role in company X' decisions regarding commitment into a new market. When, the strategy of acquisition was defined as the entry mode the advantages of buying an already working and successful movie theater chain became the relevant factors. This way they would acquire all the market knowledge through the experience of the human capital of the acquired company.

"Due to company policies, we have some key positions in every country that have to be filled in by people from the Mexican headquarters such as the comptroller and the finance director among others. Nevertheless, in this new stage of inorganic growth, we try to keep relevant people who can provide us with knowledge of the local market and networking" (O'Grady and Lane, 1996).

Overall, company X used the advantages of acquiring a fully operational company in order to shorten the learning curve they have into each new territory.

Uppsala Model-objective knowledge vs. experiential knowledge: In the first stage, objective knowledge was something that company X had. They had already been operating cinemas for over 30 years in Mexico and they possessed all the industry related knowledge, i.e., how to design, build and operate a movie theater. On the other hand they didn't possess the experiential knowledge, related to the central American market in terms of consumer behavior and specificities of the selected market.

Nevertheless, as specified in the interviews by several executives the market and business dynamics in central America is very similar to Mexico's and thus the company didn't require a high amount of effort to acquire this knowledge.

After going through the first stage of internationalization, company X had already mastered the operational and market knowledge in central America, so they gained confidence and decided to explore different markets.

Experiential knowledge was something they had to learn in each new country. In the second stage, this became a challenge as they decided to start operations with Greenfield investment.

In the case of Colombia, although quite similar to Mexico there were some differences that were not expected in the beginning. One of them was the fact that shopping mall developers in the country sold the spaces instead of renting them as it happens in most of the world. In the case of India, company X stumbled across several unexpected differences both culturally and business-wise. Culturally, the main difference was the way the movie theater itself had to be designed and built in order to be attractive to the Indian market. In India the design used by company X in all the other countries was perceived as a low-end cinema theater. The Indian market looked for exclusive fancy designs in every cinema. "Indians like the bathrooms and cinemas to be luxurious, similar to las vegas, flashy with lights, mirrors, precious stones, chandeliers, etc." (Gupta *et al.*, 2014).

Business and operationally wise, India represented a challenge as well. As mentioned by the respondents, India's market had high levels of bureaucracy, corruption and contract un-fulfillment. These characteristics made it difficult and inefficient to build and operate cinemas in that country.

In the United States the main differences were in the consumer preferences, so adaptations had to be made around that. "Over there (USA), all of the cinemas are VIP (...) they are called Company X Luxury Cinemas. Lobbies are different they are really attractive, with big windows, mega screens, a bar, illumination, lots of furniture, lots of artwork its similar to a restaurant... cozy" (Johanson and Vahlne, 2009).

In the USA, company X also had to learn that acquiring a film location and permit was a complex and time consuming activity as there are laws and geographic territories that need to be followed.

In Brazil, the last country in which company X entered during the second stage the acquired knowledge and adaptations to be done were mainly related to governmental policies and business dynamics. One important factor that made a difference in the Brazilian market is the complicated and expensive fiscal system. It demands a lot of time and effort to be learned and understood. This was quite a challenge for company X as it was something that was not as demanding in the other countries.

Labor force is another variable that company X had to consider as a singularity of this country. Part-time is something that the company uses in other countries but not in Brazil. It is more complicated and expensive than in other countries. Another, factor the interviewees mentioned was that lawsuits from workers and syndicates are more common in Brazil.

There was also a degree of informality before signing a contract that didn't happen in Mexico when agreeing on developing a project with a shopping mall developer and this was something that the executives learned in their first year of operations in Brazil.

These results corroborate with Gupta *et al.* (2014) who highlighted the complex regulatory system and the extensive bureaucracy of emerging economies countries such as Brazil and India as a challenge for the growth and development of new ventures. These findings must be considered and analyzed by foreign entrepreneurs willing to enter in those countries.

Network approach: In the first stage, company X was invited by a Guatemalan shopping mall developer within the firm's network. Company X had no interest in starting operations in a new country by itself but seized the opportunity when the business plan was offered by their prospective partner.

Company X' decisions at that moment go according to the network approach in which they used local partners in order to get the necessary market knowledge and connections with local providers and suppliers.

Although, the network approach concept was the main motor for the first international expansions, this changed dramatically through the second and third stages. Company X didn't have a network in Colombia, Peru, USA and Brazil. This implied difficulties, as they had to build their own network from scratch. The case of India was different as there was influence of a local network when entering the market as will be detailed further on.

During the second stage, company X studied the different potential markets in order to choose new countries to expand to. There was an investment committee that decided the next target markets based on the analysis of different indicators such as: market maturity, market potential, GDP per capita growth.

Although, Brazil wasn't chosen as a new country by networks the country manager decided to hire a Brazilian expert who had previously been the CEO of a smaller chain of cinema theaters. This opened the doors to several suppliers and business partners who would have been difficult to connect without this Brazilian executive. Through this human capital acquisition, company X shortened the time they would have needed to create a network.

The Indian case was the result of networking done by one of the executives of the company. "The India project was born from an MBA done by our COO in Stanford, where he and two Indian classmates developed a business plan for cinemas in India" (Hemais and Hilal, 2002).

In this case, the Indian classmates got relevant positions in company X India and became key players in the network construction of the newly born company. It can be noticed that company X was both lured into India and received its benefits as stated in the network approach.

Similar to what happened with the uppsala model, although the network approach doesn't apparently fit within the third stage of growth for the company. As company X started growing internationally by the acquisition local companies it placed less attention to create a network for each country. Nevertheless as company X targeted the acquisition of leader firms in each country it received both the network and the scale benefits right from the beginning.

International entrepreneurship: As described in the literature review section, international entrepreneurship theory considers four main factors that play a crucial role in the speed of internationalization of a company: internalization, alternative governance structure, foreign location advantage and unique resources.

In the first stage, company X didn't have a defined strategy for internalization and they also didn't pay much attention to Foreign countrie's operations as compared to the Mexican market one. In terms of alternative governance structure in this stage, company X used both joint-venture and management contract entry modes. Though, contrary to the theory which states that this is done due to lack of resources by the expanding company it was mainly done as an opportunistic approach by the company.

Internalization and alternative governance structure strategy was to be later modified in the second and third stages. During the second stage of international expansion the need of further internalization began to be noticed. As expressed by the executives the foreign operations were independent from the operations in Mexico with the purpose of giving them more flexibility and autonomy to adapt but mainly not to consume time from the headquarters in Mexico which were occupied with the rapid growth of cinema theaters in Mexico.

This brought two main issues to the company: inefficiency when having to deal with different systems in every country and the lack of know-how of some countries (while not using company X acquired knowledge).

The unique resource company X had was know-how and brand name which according to the theory are two of the most common and easiest to transfer, along with other kinds of knowledge and information. In this sense, we can observe that at first, company X didn't take complete advantage of the knowledge they already possessed and of infrastructure of the company.

By the second phase, company X decided to have full participation in the new markets. But it was not until the third stage when company X finally decided to put focus on creating an internal infrastructure.

After doing an analysis and hiring a consulting firm to help them become a fully-fledged multinational the company decided to divide the company in three main parts which would be the global headquarters where all decisions would be made, some shared-service departments that would work for every country company X had presence in regarding specific areas and finally the countries that would execute the strategies and policies dictated by the headquarters and receive support from the shared-service departments.

"It was two or three years ago when we decided to really formalize our international expansion and we had the idea of creating shared-service departments and to be

more cautious about the standardization of back office processes as well (...). The headquarters is the one that should dictate all the policies, strategies and processes while the other two implement them" (Johanson and Mattson, 1988).

At this point of their international expansion, company X changed its entry mode: acquisition. Nevertheless, organic growth was still a matter of importance for countries in which company X was already in and there is still a lot of capital and human resources with this task.

Some of the regions were consolidated such as the Andean region with three countries and the central American region with five countries. Nevertheless, some countries, due to the size of their operation, required their own regional headquarters such as the case with Brazil, USA and India.

In addition, similar to the other two stages company X had operative knowledge as their prime unique resource and competitive advantage, possessing the know-how in cinema theater operation and management was what differentiated them from the rest. Another, factor they had in their advantage was the size of the company and the scale benefits they received in every new country they enter.

In this sense, considering that company X had the economic resources and the knowledge to operate in any country its practice was in accordance with the international entrepreneurship theory, regarding this factor.

Revisited international entrepreneurship: In its first internationalization stage company X didn't pay much attention to the enabling, motivating, mediating and moderating forces.

The company created a small headquarter in Costa Rica for all the countries in central America, thus making processes more efficient as well as saving some money for the firm. Besides the small headquarters in costa rica the firm did not invest in any other form of technological, infrastructure or communication tools. This lasted for some time during the first stage of growth but it later changed as described previously.

Company X didn't show much concern for the motivating force in the first stage either. A couple of factors influenced this position. One of them was that internationalization was not a main goal for the company at the moment. The focus was set on growth inside of Mexico. The other one was the fact that competing companies in the industry were mainly domestic competitors without operations in any other country besides Mexico. The only company that could compare with company X operation-wise was an American company with global presence.

Entrepreneurial actors within company X were inexistent at the first stage neither a lot of human resources nor time was destined to further develop the Foreign markets.

"When we started international operations, México was still the priority, so to be honest the main efforts where done in the national market and not in the new Foreign countries. Although, we sent good people to operate in central America, company X still kept the best employees for the Mexican market and didn't invest a lot of resources into the new markets" (O'Grady and Lane, 1996).

The moderating force as mentioned in literature review section is divided into two different concepts: knowledge and network. As analyzed in the uppsala model and in the network approach, company X made use of business networks in order to facilitate their expansion into central America. They were conscious of possessing service/product knowledge but lacked market knowledge and an optimal quantity of alliances with suppliers that a local partner could bring. During this first stage this was the force that drove most part of the internationalization process of company X as they relied heavily in local partners and the market knowledge they brought with them.

Company X started the second stage by not taking enabling factor into account. During this stage the need for a global infrastructure in terms of IT, communications, processes was spotted and the company was aware of its importance in order to keep growing in a sustainable way.

By the end of stage two the company hired a consulting firm in order to determine which functions should be autonomous in each country and for which ones it would be better to create a "shared-services" department in the Mexican headquarters in order to attend all the regions in specific matters.

Nevertheless, during this stage, company X decided to invest in IT tools in order to facilitate communication and make it more efficient among different territories. They obtained a system for videoconferences and internal chat which made a difference versus the communication via. e-Mail. "We were reviewing some accounts to pay by e-Mail and the people from Costa Rica were saying an account was already "canceled", so we kept saying that if it was cancelled it was not relevant at all for us but they kept saying it was. Turns out "cancelled" in Costa Rica means that the account had already been paid for. This was a discussion of around 15 min via. e-Mail that could have lasted just one minute if it had been a call or a videoconference" (Johanson and Vahlne, 1977).

Regarding motivation force, as mentioned previously, company X didn't really have a direct global competitor but rather had local competitors in each country it went

to. Taking this into account, the motivating force was something that company X was not too concerned about. Company X did take into account the participants in a specific market before going in; as they looked forward to becoming the market leaders in every market they went to. And contrary to the first stage, where no significant entrepreneurial actors had a role in the internationalization process in company X' second stage of expansion these players had a big part in developing the company in the new territories.

The company carefully chose some of its best executives to develop the new markets. These employees were highly qualified people with experience in the company and the drive to develop a new business geographical region.

Similar to the Brazilian case it worked the same way in the USA and India. Although in India there were some local players that facilitated the acquisition of a network in that country, every process had to start from scratch by initiative of the executives in charge.

Enabling was a relevant factor for the company in the third stage and it became of prime relevance as executives decided to create the before mentioned shared-service centers and also identifying clusters of countries that could be easily attended from a regional headquarter.

The company made great efforts to institutionalize most of its processes and create a central infrastructure that could give service to every country from now on this way helping keep control over every operation and getting the advantage from economies of scale.

Therefore, the company was in the process of becoming a fully-fledged multinational with its respective structure changes, regarding organizational infrastructure as well as physical infrastructure that helped enhance the countries in a better way.

In the third stage of growth as it was during the second one, mediating was still a relevant force in the company X internationalization process. However, different from choosing executives to open up a market from scratch, company X created a new department at the central headquarters that would be in charge of identifying and presenting new business opportunities in new markets. An expert with a high level of seniority was hired from the market as responsible for this new task and he would be in charge of a team that would be 100% focused on looking for potential acquisitions for Company X.

This new strategy for company X involved a global investments office, commanded by a CIO (Chief Investment Officer). Meanwhile it still maintained an expansion director in every country who would both keep an eye open for acquisition and for the identification of organic growth opportunities. The expansion director reported to the country manager who presented the opportunities to the investment committee in Mexico. The CIO was a member of the investment committee which was chaired by the CEO.

Revisited Uppsala Model: As described previously, company X started in central America through partnerships with local firms. This gave the company an immediate insidership without the need to build it by themselves from scratch.

After acquiring a better network position, some years later, company X decided to change their participation mode this goes according to the theory as it represents a higher level of commitment, derived from a relationship commitment decision.

In the second stage of expansion, executives in company X gave a lot of importance to recognition of opportunities in different markets around the world. In this stage, company X started considering a wider range of knowledge such as market knowledge, strategies, capabilities and networks.

Another, important factor that played a huge part during this stage was the network position company X acquired in its different markets. It was different for each country and it was determined by the learning and trust-building in each specific network. In the case of Brazil, for example, making partnerships with important players in the shopping mall development sector played a key part in improving the network position for the company in the Brazilian market.

In Colombia, company X didn't have big market participation as it faced rough local competition. Meanwhile, in the US the strategy was different as they chose a niche (Premium) in order to avoid entrance barriers and direct competition by established companies. During the third and current stage of development, company X ideology was in accordance with the revisited uppsala model in some aspects but didn't patch perfectly in some others.

Considering the recognition of opportunities, company X looked for successful companies to acquire worldwide. Executives acknowledged the need for the company to start expanding at a faster pace and knew acquisition was the way to go. They created a new department that would be in charge of identifying these opportunities.

Regarding the network position, company X was looking to acquire this position from the beginning in the new territories they ventured to by acquiring a market leader that provided them with network connections, advantageous locations and knowledge.

In terms of learning, creating and trust-building, company X was fast-forwarding with their strategy of entering new countries via. acquisition. Through this method, they intended to reduce the market learning curve. Also by acquiring an already successful company and keeping key human capital elements to run it they helped fasten the pace of trust-building from the market and suppliers towards the company X brand.

Relating to relationship commitment decisions, company X was skipping all of the steps and acquiring a big commitment in the new markets it went into by targeting market leaders in the different countries. It ensured an active participation in the new markets and considerable initial investments warranted the company's full attention and priority towards these new countries.

Overall, although company X' new strategy involved the four processes mentioned by the uppsala mode it didn't follow the same flow the theory proposes as they either skipped or fast-forwarded some of the steps necessary for a full relationship commitment with a market.

CONCLUSION

During the analysis of the case study three main stages of expansion were clearly identified and analyzed. Contrary to what was expected the company switched vision and strategy from stage to stage and didn't follow a single theoretical approach when making key decisions regarding international expansion. In the end, all theories, at different points in time, were partly identified in the international expansion of company X but as a whole the process was quite dynamic, according to the company strategic goals, specificities of each market and company international knowledge acquisition as a whole, clearly implying that all theories are complementary.

Each theory, individually, would sometimes find more support in a stage of development and/or country than in another one, depending on the situation of the company for each specific case. It can be concluded that the company's evolution is quite dynamic and doesn't follow one single theory completely but rather fits sporadically into them, depending on the stage of expansion and country in which the company found itself. During the first stage the case study follows the uppsala model, network approach and effectuation theories to a high degree then during the second stage it distances a bit from the uppsala model and the effectuation theory, turning the focus primarily to network approach and finally in the third stage it is more similar to the ideas exposed by the revisited uppsala model and international entrepreneurship theories while still embedding some ideas from the other theories.

Over the whole process the company's logic and strategy sometimes followed the theorie's proposed flow of commitment into a market, like for instance, switching from the joint-venture and management contract entry modes into greenfield investment for the second stage. On the other hand the company then went into the acquisition entry mode which while still regarded by the theory as higher in commitment than joint-venturing or management contract entry modes is considered to have a lower level of commitment than greenfield investment. All this depended on different variables such as size and structure of the local target market, knowledge, scale, vision and most of all return on investment time.

Company X conducted its entry modes and overall strategies according to both the situation they were experimenting and the knowledge they acquired through the process. Although, the company had clear growth and profit goals which in time, led naturally to Foreign markets, regarding internationalization the executives shared a flexible vision of adaptation through learning and continuous re-evaluations and depending on each specific situation they would change their strategy to achieve their goals. While there appears to be a discontinuity in strategies and thus its mismatch and match with the theories under different circumstances there is actually a complementation of the different theories in every stage of growth the company experienced.

Thus, it can be concluded based on this specific case-study that internationalization behavioral theories are complementary and all of them are relevant to some degree, depending on different variables and situations of both the company and the target market for expansion.

RECOMMENDATIONS

A strong recommendation for practitioners is to keep an open mind and a flexible focus when facing an internationalization process, always considering that no theory is always completely applicable to a situation and that there is no single recipe for success when a company has the goal of becoming a fully-fledged multinational.

It all depends on size of the target market, availability of economic and human resources, knowledge, scale, objectives, corporate governance and expected return on investment. In the company X case, the executives were aware of the trade-offs implied when choosing to switch from one strategy to another. For instance when deciding to adopt acquisition as the preferred entry mode they received a better ROI as well as immediate network connections and market relevance but had to be more flexible regarding the company X' standards and movie theater design and image as it is difficult to adapt acquired cinemas to match the greenfield built ones.

The practitioner has to be aware of the trade-offs derived from the different strategies they may adopt and be able to define a plan of action according to the already mentioned variables, always taking into account the right timing to do so, depending on the company's specific growth and profitability goals, quality standards, domestic and Foreign market situation, among others.

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