

International Entrepreneurial Orientation: the Case of Wineries Participating in the Wines of Brazil Project

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Abstract

The objective of this study was to analyze the international entrepreneurial orientation (IEO) of wine companies that participated in the Wines of Brazil project. This is an exploratory and descriptive study with a qualitative methodology. The design is a multiple-case study of 10 wineries affiliated with the Wines of Brazil project. Data were collected through the analysis of documents and fieldwork collected via semi-structured interviews. Data were analyzed using content analysis conducted with the aid of Atlas.ti software. The results revealed that the dimensions of IEO were present, and certain elements stood out: those of categories from the dimensions International Innovativeness and International Proactiveness. Certain disparities were observed in the International Risk-taking dimension, since some elements were present with greater frequency than others. The findings of this study suggest that new elements should be added to the analytical categories: global products, participation in clusters and industry-wide projects. These elements allow financial risk to be attenuated and allow marketing to achieve internationalization.

Keywords:

International Entrepreneurial Orientation, Internationalization, Wineries, Wine Tourism, Tourism.

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Introduction

The international business environment presents Brazilian companies with a series of challenges, including the need to be proactive in identifying tendencies and opportunities in aggressively competitive international markets. It has been suggested that companies can implement strategies, create value, differentiate themselves, and compete in this environment by taking an entrepreneurial approach to the formulation of competitive strategies (Martens, 2009).

Knight and Kim (2009) observe that when firms create strategies with a strong entrepreneurial orientation (EO) in international markets, they tend to have distinctive competencies, such as an aggressively competitive posture, proactiveness, risk-taking, or a tendency to actively take advantage of new business opportunities abroad. Slevin and Terjense (2011) and Covin and Miller (2014) have suggested that the dimensions of the theory of entrepreneurial orientation, innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy should be extended to studies with an “emphasis on international context”, thereby relating studies that demonstrate the relationship between EO to organizational internationalization. These authors observed there is space for new studies that could explain and corroborate the emergence of the concept International Entrepreneurial Orientation (IEO).

Slevin and Terjense (2011), Basile (2012), Sundqvist, Kyläheiko, Kuivalainen and Cadogan (2012), and Covin and Miller (2014) have suggested that future research could use the metrics of the dimensions proposed by Miller (1983), Covin and Slevin (1989) and/or Lumpkin and Dess (1996) to determine the relationships between EO and internationalization processes in different firm contexts and international sectors. They also proposed future studies should modify the wording of indicators to assess these measures within the process of internationalization, suggesting that researchers could adopt some type of measure that reflects IEO, both justifying and supporting the objectives of this study.

This study was proposed in response to the relevance of IEO studies in the context of organizational management in international markets. Floriani and Fleury (2012) observed that both local and international researchers have attempted to understand the challenges faced by Brazilian companies and the strategies they employ to sustain competitiveness in international markets. When analyzing the context of this extremely competitive environment, the researchers mentioned the need to understand which factors have driven Brazilian companies to enter international markets and which competencies are developed by organizations doing business abroad.

Observing these suggestions for future research direction and considering the limited focus on the subject of IEO in Brazilian literature, the aim of this study is to answer the following research question: Which of the categories and elements of the dimensions of International Entrepreneurial Orientation are present in internationalized wine businesses in the South of the country that participate in the Wines of Brazil project?

The objective is to analyze the international entrepreneurial orientation of firms that are affiliated with the Wines of Brazil project. The intention was to analyze entrepreneurial

orientation in the international context as an element of firms' strategic orientation. This paper's theoretical and empirical contribution is to investigate how organizations develop strategies to address the uncertainties created by international markets, presenting the elements and categories that characterize the dimensions of IEO in the firms studied.

International Entrepreneurial Orientation

Considering this study's objective, which aims to analyze the IEO of wineries in the South of Brazil, this section discusses studies that refer to IEO and analyzes their identifiable dimensions and elements.

To achieve this aim, it is necessary to understand the concepts attributed to International Entrepreneurial Orientation. Knight, (1997), Knight (2001), and Knight and Cavusgil (2004) agree that IEO reflects a firm's proactiveness and overall aggressiveness in its search for international markets, which is associated with management vision, innovation capacity, and a proactive competitive posture abroad. Zahra and Garvis (2000) suggest that IEO and innovations in products and processes in organizations that do business in international markets represent the ideal combination of strategic choices to achieve excellent performance and competitiveness.

These authors define international entrepreneurial behavior as the sum of a firm's efforts that tend toward innovation, proactiveness, and risk-taking attitudes in international markets. Combining these efforts is an important means of improving their performance. Zahra and Garvis (2000) are among a group of researchers who study IEO as a subcategory of EO. They use a model proposed by Miller (1983) and Covin and Slevin (1989) to analyze entrepreneurial behavior, adding the differentiating term "international". To accomplish this, they define the concept of IEO by identifying elements of innovativeness, risk-taking, and proactiveness in firms. These authors also observed that these activities normally increase the firm's capacity for innovation, adaptation, and agile strategic response to changes in the external environment.

Knight (2001) observes that IEO is one of the most important factors in firms' successful performance in international markets. He describes IEO as the firm's overall proactiveness and aggressiveness in pursuit of international markets. However, he notes that because of the specific strategies associated with this construct, very little is known about the effect of having an IEO on the organizations' foreign performance. Knight treats IEO as a phenomenon to be explored in the international context, in contrast to studies by Zahra and Garvis (2000). Knight (2001) proposes a conceptual model that reveals IEO to be a key antecedent of organizations' international performance. His studies also present international preparation and technology acquisition as additional principal strategies that contribute to improving the efficacy of IEO in firms' external activities in international markets and identifies them as complementary strategies that increase a firm's strategic competence.

In a more recent study, Knight and Cavusgil (2004) analyzed the internationalization processes of small and medium enterprises that achieved superior performance in international markets by investigating 12 items. They suggested a conceptual structure of constructs with links between the elements. The results of their fieldwork showed that

IEO and international marketing orientation were antecedents of these organizations' performance in international markets. According to Knight and Cavusgil (2004), it can be observed that having an IEO implies developing competencies and perspectives in international markets that, in combination with other resources and capabilities such as marketing capability, technological capacities, market orientation, and others, allow for opportunities in foreign markets to be exploited.

Knight and Cavusgil (2004) observed that IEO is also particularly relevant to strategies based on specific innovations that, in turn, drive superior international performance. They conclude that IEO reflects the firm's overall innovativeness and proactiveness in pursuit of international markets. They studied IEO as a subcategory of EO. Drawing on the seminal studies mentioned, authors such as Oviatt and McDougall (2005), Kuivalainen, Sundqvist and Servais (2007), Freeman and Cavusgil (2007), Knight and Kim (2009), Tayauova (2011), Sundqvist et al. (2012), Slevin and Terjesen (2011), Basile (2012), and Covin and Miller (2014) expanded research into the subject, proposing analyses of the international entrepreneurial orientation perspective.

Oviatt and McDougall (2005) state that researchers have analyzed the role of other firm variables, such as international entrepreneurial orientation and market knowledge, in order to conceptualize the process of firm internationalization and of new entries, also defined as new markets, and to observe how internationalization is influenced by different phenomena.

Kuivalainen, Sundqvist, and Servais (2007) support the position taken by Knight and Cavusgil (2004), suggesting that IEO can also be seen as a variable that precedes and explains a firm's internationalization strategy, analyzing it as a subcategory of EO. Kuivalainen, Sundqvist, and Servais (2007) analyzed firms' degree of internationalization and export performance using the EO scale proposed by Miller (1983), and emphasize the differences between different types of organizations, stating that several elements of EO can be seen as contingent factors and gain more importance than others at different stages of the firm's lifecycle.

Tayauova (2011) analyzed the impact of IEO on organizations' strategic adaptation using the dimensions proposed by Miller (1983): innovation, risk-taking, and proactiveness. The proposal was to analyze whether IEO influences the strategic adaptation of firms that operate in international markets. The results of that study showed that all of the dimensions analyzed were positively correlated with organizational strategic adaptation. However, it was possible to observe that organizations characterized by prospector behavior were more likely to have greater capacity for innovation, risk-taking, and proactive orientation than firms with behavior characterized as defensive and analytical. The same author observed that the concept of IEO encompasses processes at the firm level, practices, decision-making style, orientation, and strategic processes of firms that do business beyond their national borders.

From the same perspective, Basile (2012) confirms that international entrepreneurial orientation is generated as a business perspective for diversification of markets and increased competitiveness, stating that this justifies the need to extend empirical studies of the internationalization of small and medium firms in order to explore the perspective

that internationalization of small and medium enterprises confers a competitive advantage. Sundqvist et al. (2012) define a firm's IEO as a set of behaviors related to potential value creation, which manifest as proactive and innovative methods, activities related to acceptance of risk, autonomous actions, and an emphasis on overcoming rivals with a view to discovery, evaluation, and exploitation of opportunities in international markets. This definition of IEO fits with the five-dimension conceptualization of EO originally proposed in studies by Lumpkin and Dess (1996).

Covin and Miller (2014) draw attention to the need to expand research into entrepreneurial orientation, analyzing the relationship between internationalization and international entrepreneurship. To achieve this, they suggest analyzing and understanding international entrepreneurial orientation in the context of internationalized organizations.

Categories and Elements of International Entrepreneurial Orientation

Having discussed the most important studies and concepts related to IEO, this subsection will lay out a proposal, identifying the elements for assessment of IEO in internationalized firms.

This proposal is based on a model of the Elements of the Dimensions of EO proposed in studies by Martens (2009) and Freitas et al. (2012), which was adapted to take into account the research directions proposed in a recent study by Covin and Miller (2014), who suggested conducting research into EO in a different manner, using the same dimensions (innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy) but exploring them with an "emphasis on the international". Figure 1 illustrates the theoretical framework proposed as a model for IEO analysis.

Figure 2 illustrates the model for analyzing the dimensions of IEO, developed by Miller (1983) and then extended by Lumpkin and Dess (1996). It adapts the theoretical model from Martens (2009) and Freitas et al. (2012) to an international context, as suggested by Slevin and Terjesen (2011) and Covin and Miller (2014), thereby providing a method for analysis of organizational entrepreneurial actions in international contexts.

It should be emphasized that adapting the wording of the conceptual foundation, dimensions, categories, and elements to the international context makes it possible to achieve the objectives of the analysis, which is to identify effective IEO practices in organizations and consolidate the framework of categories and elements of the conceptual foundation of IEO. Slevin and Terjesen (2011) suggested that it would be possible to modify the wording of indicators in order to investigate the relationship between EO and international processes in the international context, enabling reflections on internationalization to be incorporated into the measurement process.

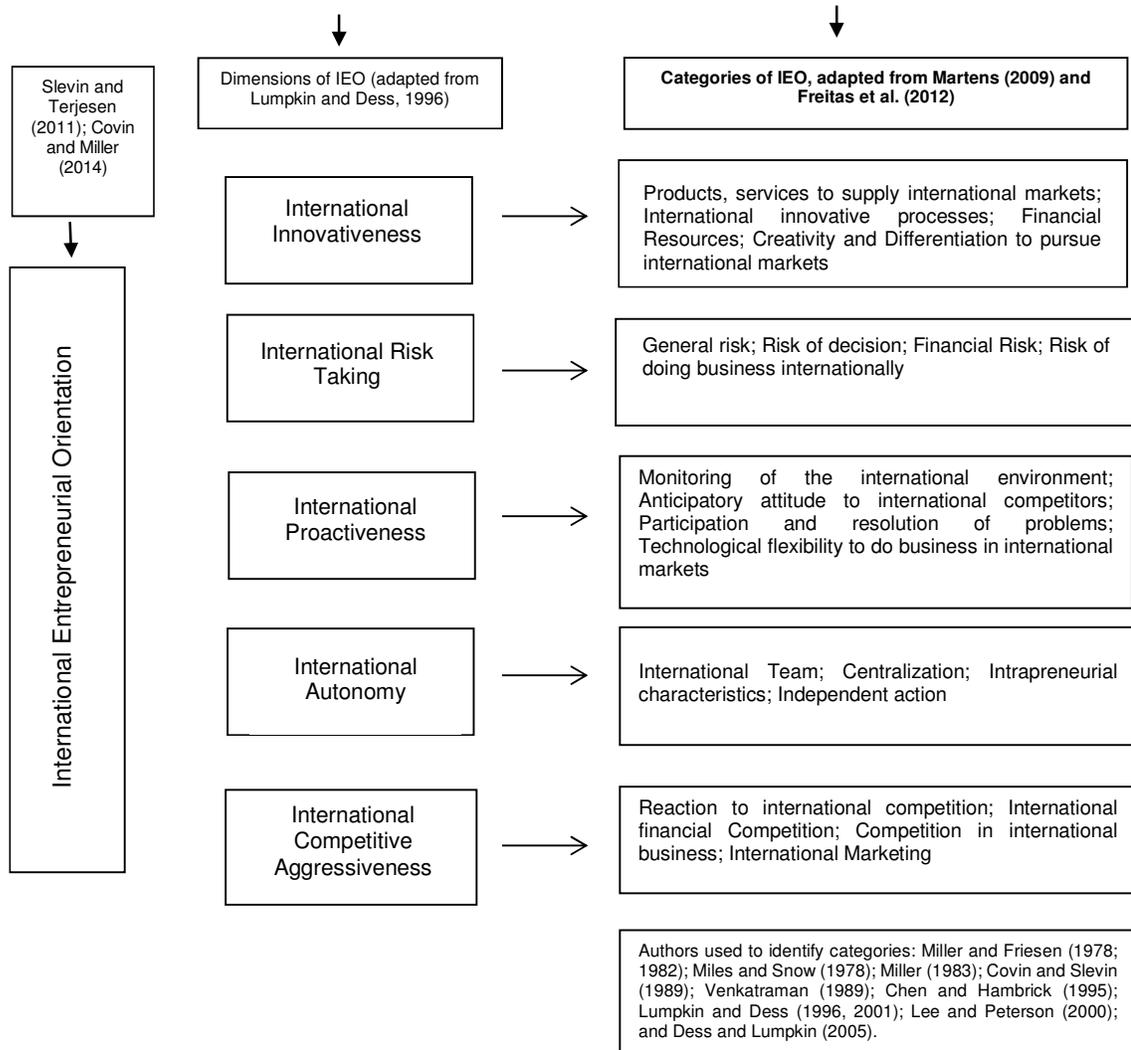


Figure 1 – Framework of the theoretical model adapted to the international context
Source: research data (2014)

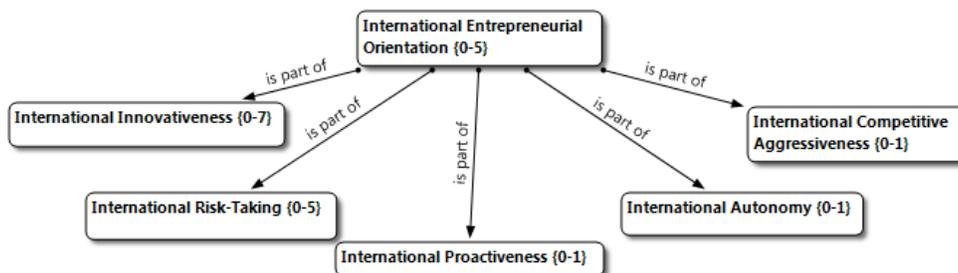


Figure 2 – Dimensions of IEO.
Source: Adapted from Lumpkin and Dess (1996)

Methodology

The employed research strategy is a qualitative approach based on observations of the study's context. It is worth highlighting that Miller (2011) has pointed to the need to conduct qualitative research to investigate the subject of entrepreneurial orientation. He observes that there has been a tendency to stick to the same measures of EO and that the majority of studies have been quantitative. He also suggests that it might be time to try different metrics that are capable of drawing very clear distinctions between the different elements of entrepreneurial orientation.

Miller (2011) recommends that behavioral indicators be identified by interaction between the research subjects, which is ample and facilitated by the qualitative approach. This approach enables examples of risk-taking, proactiveness, competitive aggressiveness, autonomy, and innovativeness to be acquired through a process of direct investigation with interviewees.

This study is also characterized as exploratory and descriptive research, since the intention is to arrive at an understanding of a specific phenomenon in a pre-defined context. Marschan-Piekkari and Welch (2004) have identified certain elements that contribute to strengthening the case for a qualitative approach to international business research. One of these is the absence of sophisticated theories caused by the theoretical and methodological immaturity of the field of study, which itself can be explained by the need to conduct exploratory studies.

The study population comprises internationalized Brazilian wineries that are affiliated with the Wines of Brazil project. Sample identification and selection was intentional and is founded on the fact that the objective of this industry-wide project is to promote Brazilian wine abroad. The project acts on a global level with interaction between many different international markets, all of which align data collection with the object of study.

The research method adopted is a series of case studies with exploratory and descriptive objectives. It uses a strategy based on use and analysis of cases from more than one organization. Eisenhardt (1989) suggested that multiple case studies should investigate a minimum of four different organizations, and so the sample size for this study was set at 10 cases, including all wine firms from the South of Brazil that have already been internationalized.

The data collection technique employed was semi-structured interviews. The content of the interview protocol was intentionally delimited by the theoretical construct of the dimensions, categories, and elements of IEO and was used as a guide for the collection of information from research sources chosen for the study. The interview script underwent a pre-test to identify and eliminate possible problems with analysis and interpretation.

The method chosen for analysis of the data was the content analysis technique, defined by Bardin (2009) as a set of techniques for analysis of communication with the objective of overcoming uncertainty and enriching the readings of the data collected. Atlas.ti.

software (www.osbsoftware.com.br – Brazil) was used to facilitate the analysis and manage the texts transcribed from the interviews.

Interviewees' and organizations' utterances were identified using denominations attributed by ATLAS.ti, with the Hermeneutic Units from the primary documents. Citations of segments of information selected from the interview texts were labeled as interviewee, from P1 to P10, followed by two numbers separated by a colon. The first number defines and attributes a number to the interview (from 1 to 10) and the second number indicates the order in which the utterance appeared in the interview.

Analysis of the results: International Entrepreneurial Orientation of Wines of Brazil Project Wineries

The International Innovativeness Dimension

Figure 3 illustrates the analytical categories for the dimension International Innovativeness, drawing on the theoretical model used by Martens (2009) and Freitas, Martens, Boissin, and Behr (2012), which was adapted to the international context.

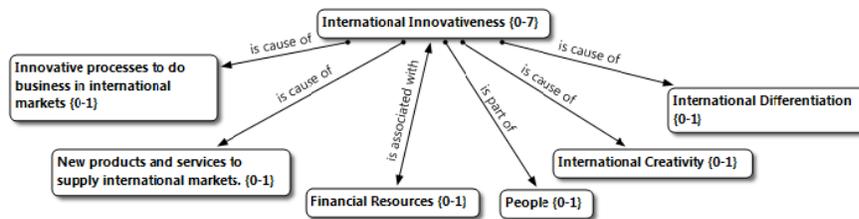


Figure 3 - Dimension and categories of International Innovativeness.
Source: Adapted from Martens (2009) and Freitas et al (2012)

Categories and elements that characterize International Innovativeness in the firms studied were identified in the interviewees' utterances. Of note in the category "new products and services to supply international markets" was firms' capability to adapt new product lines and packaging and to modify products specifically to supply the international market. For example:

This year, for the first time, we're preparing a different selection of the wine for a customer in England to meet a demand they have for a slightly different style, but it's based on a quantity, and there, they're going to use one tank of our wine to make it ... it's the same product, but one of them will spend time in oak barrels, whereas the other won't, which gives it a different style of aroma and flavor. There's one white and one red, the red comes from a different selection of grapes; they want exclusivity. (Interviewee P3, QU3:1).

We have a sparkling wine for the United States market called Carnival, and there's another product available all over the world called Brazilian Soul... (Interviewee P10, QU10:1).

Knight and Cavusgil (2004) observed that International Innovation is an essential dimension for the success of international initiatives that influences firms' performance in international markets.

The interviewees' comments also described practices of innovation in processes related to technology for wine production, which confirms findings from studies by Sato and Angelo (2007), who observed that in Brazil modern technologies for wine production have enabled wineries to produce good quality wines, overcoming the limitations of terroir, or the specific local qualities of soil and climate, making high quality wines possible:

There has been significant investment in technology, both to increase the quantity of product and to improve the quality in our vinification area, which is where the grapes arrive first. The firm has a machine, and it is the only winery in Latin America that has one; it's a machine that when you are selecting grapes for processing, it scans them to see what grade they are and which are bad (Interviewee P3, QU3:4).

A research and development department was opened recently, about 2 years ago, to develop products, and for research. (Interviewee P5,QU5:3).

For example, at the moment we're bringing in a machine to use screw caps, so that is also an innovation. The domestic market does not yet meet this demand; it's still opting for corks, but that's going to change, like it's changing in the international market. Sooner or later, it's going to get here to us, so we're ready for it, which is an innovation... (Interviewee P4, QU4:4).

With respect to market innovations, the interviewees emphasized their organizations' participation in the Wines of Brazil industry project as a driver of the Brazilian brand's insertion into the international scenario and of building the brand:

As part of this project called Wines of Brazil, we began to take part in international trade fairs, because at the fairs, we are able to find business, cultivate relationships, and meet the importers. We were able to understand the scenario a little, which has no tradition in Brazil. (Interviewee P2, QU2:35).

The Wines project is very important because, first, we're selling the country, as a wine-producing country, Brazil, and by ourselves we didn't have the strength, so we need to always start by selling the Brazilian industry, and then comes each winery's work to achieve their international results. (Interviewee P1, QU1:38).

The interviews also illustrate the internationalized wineries' practices of investment in innovations targeting creativity and differentiation to do business in the international market.

We committed to a very large upgrade in investments, in improvements to processes to improve the quality of the wine, which we couldn't achieve before – not just our firm, but the entire Brazilian industry, because Brazil was always very closed off from everything, including with relation to wine. And then 10, 12, years ago, it began to open the doors, and more foreign wines began to come in, and undoubtedly, we were forced to change, because if we hadn't invested in quality, well [...] (Interviewee P5, QU5:1).

The process of innovation is the firm's natural state, which is driven by technology, our goal, our objective is innovation and creativity. (Interviewee P9, QU9:8).

Innovation in products for internationalization is a basic essential; of course, there are other things to be able to say that we're an internationalized firm. We have evolved in many ways, ever since we first created a product line especially for export [...] (Interviewee P5, QU5:15).

International trade is the differentiating factor, isn't it? When you innovate, you're at the front, and it is a risk as well; but the perception that you add to the product at the firm itself, you end up creating differentiating factors [...] (Interviewee P1: QU1:12).

An analysis of the characterization categories of International Innovativeness within the context of this investigation suggested that two additional analytical categories should be included. Extending the categories of this dimension is primarily justified by the fact that this study is focused on the wine market, which is characterized by growing industry internationalization. The first of these additional categories is global products. Roese (2008) states that the significant growth in international trade in wine and its transformation into a **global product** is primarily the result of the emergence of a global demand that is hungry for high-quality and high added value products with very specific characteristics.

The other category that should be added is **participation in clusters and industry-wide projects**, also known as strategic alliances and/or relationship networks, for doing business in international markets. Chetty and Wilson (2003) argue that business networks provide access to many of the resources necessary for a firm's internationalization strategies. According to Luo, (2005) they also strengthen firms through collective negotiation, increasing their power for competitiveness and imposing new barriers to entry to countries and industries characterized as late movers, as is the case of the Brazilian wine industry.

International Risk-Taking

Figure 4 illustrates the analytical categories of the dimension International Risk-Taking, drawing on the theoretical model used by Martens (2009) and Freitas et al. (2012), adapted to the international context.

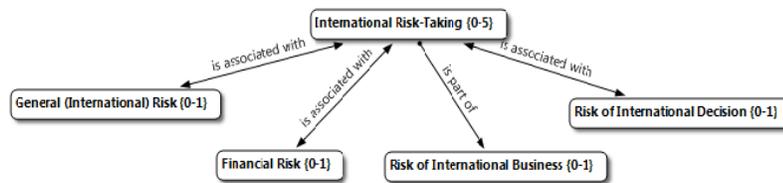


Figure 4 - Dimension and categories of International Risk-Taking
Source: Adapted from Martens (2009) and Freitas et al (2012)

Leite and Moraes (2013) stress that the results of this attitude toward risk and the development of competitive resources by the entrepreneur confers an increased competitive advantage when competing in international markets. The interview transcripts revealed international risk-taking behavior in order to do business in international markets.

We decided to take the risk, so we started by going to some of the fairs, to get a feel for the market, and right from the very first fair, we started to win business. Our original goal was to learn about the international market and at least cover our costs, the investment in

the fairs, and we managed that and so we carried on. Then, we began properly, with a plan, about which countries to target and why we should enter those countries. (Interviewee P1, QU1:39).

The international market involves more risk because we don't know it so well, we're not at home; here in Brazil, however great the risk may be, we already know it, we're already doing business here, so at the end of the day we're safer. In the international market, however much access we have to research and whatever, we don't have this experience in the market. (Interviewee P2, QU2:12).

At the start of 2010, at that point the firm had very well-defined strategies for the domestic market, which is our primary market and so we began planning, the decision was taken, okay we're going to invest in the international market or we'll fold or we'll just have the occasional order So we definitely made the right decision that yes we were going to focus on and invest in the international market. Now, we're supplying 14 countries, and of course we're going to seek new markets, to consolidate internationalization of the firm. (Interviewee P5, QU5:37).

Leite and Moraes (2013) have observed that there are several different sources of risk within the process of the internationalization of firms, including the fact that taking advantage of opportunities in unknown markets is in itself considered risky, since management may take decisions that have a negative impact on the firm.

So we started to invest again, to go to the fairs, to business expos, to host people here, such as the Image project and the Buyer project, and we're doing well, our wines are among the top sellers in Brazil, we took some sales decisions, betting on an aggressive price strategy, betting on the future. (Interviewee P6, QU6:8).

Zen (2012) confirms that in addition to influencing the development of new strategic resources necessary to compete in the international market, the internationalization process also influences the strategies used by firms in their domestic markets.

Because of the nature of the international environment in this industry, it is better to explore the international market in a gradual manner. (Interviewee P1, QU1:19).

The firm is investing in its participation in the project, in seeking international information, so it is dedicating a proportion of its financial percentage to this, even if it's not a large proportion... And there's also research and development, the firm is investing in that, even this new international product line was developed with a foreign agency, a well-known agency that also works for other wineries. (Interviewee P4, QU4:11).

These excerpts show that the majority of the executives have adopted a posture of taking on risk in international business, primarily related to the phenomenon of opening new markets which is ongoing in the industry being studied.

After analyzing the categories for the characterization of the dimension International Risk-Taking, and as a result of the interviews conducted with representatives of the internationalized wineries, it was perceived that the General International Risk and Financial Risk categories contained a greater frequency of descriptions of entrepreneurial practice. The results of these analyses suggested that the conceptual foundation of the analytical categories of this dimension would be enriched by the inclusion of the category **“Formation of clusters to reduce the financial risk taken when doing business in new international markets”**.

International Proactiveness

Figure 5 illustrates the analytical categories of the dimension International Proactiveness, drawing on the theoretical model used by Martens (2009) and Freitas et al. (2012) and adapted to the international context.

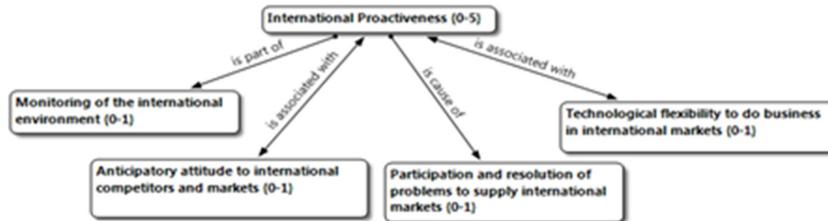


Figure 5 - Dimension and categories of International Proactiveness
Source: Adapted from Martens (2009) and Freitas et al (2012)

Lumpkin and Dess (1996) proposed that proactiveness could be assessed in terms of the relationships that organizations establish with markets through initiatives to anticipate and pursue new opportunities and to participate in emerging markets. Participation in international fairs, making contacts among players in the import market, visiting foreign markets, and participation in the industry-wide project Wines of Brazil, which promotes actions such as the “Buyer project” (taking potential foreign buyers to wineries) and the “Image project” (promoting the image of Brazilian wine abroad), are all actions that were highlighted by the winery representatives.

These activities linked to market research have been employed to identify future tendencies in the requirements of customers in international markets.

The majority of tendency mapping takes place as part of participation in the project and also through participation at fairs, visits to markets, individually, and some other projects that are also part of the industry-wide project, such as the Buyer project, the Image project, in which people from these target countries come to the producing region to evaluate the product, to visit the firms, and pass on the information they have too. (Interviewee P1, QU1:22).

We use some commercial intelligence from Wines, I also use our foreign partners a lot, because they are the specialists who know the market; in Europe, we're in half a dozen countries, we're in the United Kingdom, in Holland, in Germany, in Belgium, in Poland, and in the Czech Republic; I mean I use them to find out the tendencies in their countries and try to arrive at common denominators. (Interviewee P5, QU5:22).

Within this scenario, it can be concluded that these organizations in the wine industry are alert to the need to take actions to monitor the international market, particularly in terms of seeking international opportunities. The firms' representatives also mentioned taking care to ensure that organizational planning is focused on problem resolution and international opportunities.

In the international market, we work in a slightly more planned way, more organized; for example, China is a promising market, and it's possible that we will set up a support system for ourselves over there. (Interviewee P9, QU9:23).

Yes, we are very careful about the international market, because we know we are building our image, the firm wants to become a global brand, it isn't yet and its positioning in the market is as a leader in quality, so, obviously we have to be careful. (Interviewee P2, QU2:24).

Knight (2000), Knight (2001), and Knight and Cavusgil (2004) agree that IEO reflects the firm's overall characteristics of proactiveness and aggression in pursuit of international markets and that it is associated with management vision, the capacity for innovation and a proactive competitive posture abroad. The analyses highlight firms' participation in events as one element that characterizes the proactiveness category:

The firm was licensed by FIFA to provide the official red and white wines for the 2014 World Cup in Brazil; each bottle has this printed on the label and also the FIFA licensing seal. These products are already being exported to Denmark, Holland, Canada, Belgium and Japan. (Interviewee P1, QU1:27).

In 2012, the firm was selected, with a red wine, to be an official supplier to the London Olympics, and I think that this is recognition, not just for the firm, but for Brazilian wine in general; it gives credibility. (Interviewee P2, QU2:38).

For example, at the time of World Cup in Germany, we produced a sparkling wine for the football stadiums, so it was a sparkling wine with a very different label, with Human Stadium written on it, that was specifically for the stadiums; so, we try and get into international events with a unique selling point. (Interviewee P3, QU3:32).

According to Weerawardena, Mort, Liesch, and Knight (2007), IEO and international market knowledge are suggested as important factors that determine the velocity of entry into new international markets. In this dimension, all of the analytical categories were identified in the interviews, and no additional analytical categories were found. Thus, it was concluded that for the firms studied herein, there is no need for additional categories.

International Autonomy

Figure 6 illustrates the analytical categories of the dimension International Autonomy, drawing on the theoretical model used by Martens (2009) and Freitas et al. (2012) and adapted to the international context.

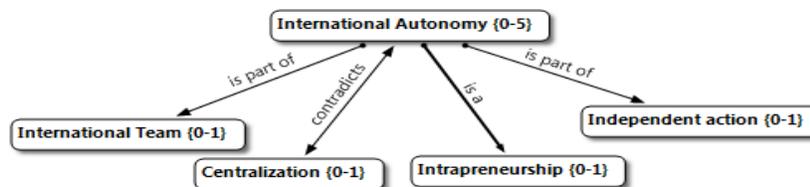


Figure 6 - Dimension and categories of International Autonomy
Source: Adapted from Martens (2009) and Freitas et al (2012)

According to Martens (2009) and Freitas et al. (2012), evidence of autonomy in an organization can vary in response to the size of the organization, management style, or ownership. International Autonomy is identified as a characteristic of entrepreneurial behavior that is key to a firm's development in international markets, primarily because of the proximity of the departments concerned to importers and negotiators from different cultures and with different management styles. Since the majority of these firms are small or medium businesses, although some decisions are centralized, many decisions are made by executives who are in direct contact with the international market. This contact enables them to prospect innovations and markets and deal directly with buyers. Analysis of the interviewees' utterances confirm these authors' research findings:

There's always a top management sign-off, but we have autonomy to do a lot, to attend the fairs and bring back opportunities, ideas, so we bring back these ideas and the firm studies their viability, and when they are viable, the leaders encourage this autonomous behavior; to begin with it was a little less free, but it has changed a lot, because they can see that it's going well. (Interviewee P3, QU3:23).

We have autonomy to work and to seek new markets, and also, it's all done together, everything to do with exporting, I have full autonomy, we, I and the directors, set objectives, I set out my ideas and they set out their ideas and we draw them together, set targets, and within them it's me who has to establish, set the most important markets, but always side-by-side with the director of planning. (Interviewee P5, QU5:27).

The company has a very entrepreneurial vein, with new things, creating new products with ideas that are different in the market, but even so I think we need to work on this even more. (Interviewee P8, QU8:22).

Analysis of the categories for characterization of the International Autonomy dimension highlighted the element autonomous organizational behavior by leaders and executives in the foreign sales departments to seek opportunities in international markets. At firms classed as small and medium, decisions are centralized in the companies' top management. Larger firms, with higher degrees of internationalization, have decentralized management, with teams designated to work in international markets. Sato and Angelo (2007) emphasize that success in the wine industry demands capacity for strategic coordination, up-to-date technology, and support from all people and organizations involved in the sector.

It should be noted that the firms' participation in the Wines of Brazil industry-wide project, in which activities are carried out by a team from the participating wineries, allows for teamwork combined with specific decisions for each firm.

We conduct a lot of studies, we hold meetings, get the wineries together, we use commercial intelligence from Wines, which has just contracted a representative in the United States to work with APEX and will support the Brazilian wineries, planning business. (Interviewee P5, QU5:39).

The analyses presented above suggest that the dimension International Autonomy should be expanded with an additional category "**participation in clusters/industry**

projects” related to forming international teams and promoting creative thinking for doing business in international markets.

International Competitive Aggressiveness

Figure 7 illustrates the analytical categories of the dimension International Competitive Aggressiveness, drawing on the theoretical model used by Martens (2009) and Freitas et al. (2012) and adapted to the international context.

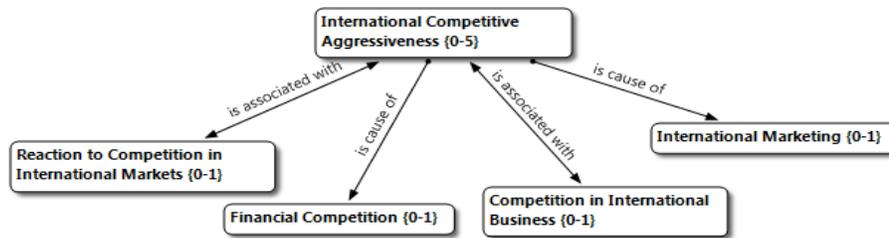


Figure 7 - Dimension and categories Competitive Aggressiveness.
Source: Adapted from Martens (2009) and Freitas et al (2012)

The analysis identified firm activities related to taking a competitive posture, but not a highly aggressive stance, in the international market. It should be considered that the context of this study is an analysis of international competition in the wine industry and, as other authors have demonstrated previously, the Brazilian wine industry is just starting to participate in international markets.

Meirelles, Rebelato, and Rodrigues (2011) confirm that Brazil is in an initial phase of exportation, and as part of this phase its process of internationalization involves seeking a diversified portfolio of customer countries and gaining recognition for Brazilian wine. However, although the Brazilian wine industry is just beginning to reconfigure production and sales processes to enter international markets, some significant gains can be observed resulting from initiatives taken by certain wineries to overcome the obstacles inherent to the growing liberalization of international trade.

Yes, we have taken actions, such as, for example, creating labels with more of a Brazilian look to them, and we have a presence in China, where there is an importer that runs a project that only places Brazilian products in a famous bar in Shanghai, and we saw that it fit our profile, and now we are exclusive in that outlet, and we know that there are other wineries that would like to be there, if we hadn't done it, someone else would have done it. (Interviewee P3, QU3:27).

We invest in our own product, but we don't have the stamina to do more than that. We are starting internationalization in the industry, it's been 10 years, so there is still a lot to be done. (Interviewee P6, QU6:13).

In response to competitors we have adopted sales strategies that are aimed to fit what the market demands. (Interviewee P8, QU8:24).

The firms' representatives described activities that were classified into the Competition in International Business category, demonstrating the posture adopted to react to market tendencies, i.e., to copy competitors' successful practices. However, they did not mention actions that demonstrated the use of unconventional methods of competition.

We need to be where our competitors are, which is why we take part in events, we have been to the United States, to Germany, to China, to conduct activities, including analyses, studies, and participation in all the most important fairs abroad, obviously with support from Wines and from APEX, we are able to take part, we saw what the consumers want over there, what works over there, the style of wine, positioning, price and labels. (Interviewee P5, QU5:40).

Certain specific practical International Marketing actions can be identified, pursuing new markets and new product opportunities, showing evidence of aggressive investment in international marketing.

Brazil has a high brand value on the international market, lots of people came because of the World Cup, and the same for the Olympics, sometimes it's hard to link wine to the Cup, to the Games, to sport, but Brazil's moment isn't just about wine, there's tourism, look at Brazil, understand its wine, that not all of Brazil is hot, we host people here and they're shocked by the cold here, we have many meetings scheduled about how to take advantage of sporting events, to boost sales. (Interviewee P10, QU10:26).

We have developed certain strategies to reposition the brand, developing new products and adapting them to the market to pursue the firm's inactive customers, and focusing our marketing efforts on fairs and other international events. (Interviewee P8, QU8:28).

Lots of international marketing, in the United States there's a lot, there's only one importer, he's very active, he sponsors Miss Brazil, sponsors shows, sponsors parties, events, our brand is everywhere over there, so we give discounts, he goes to the events and places the wine there, takes samples, sends samples, he does everything, and in other places too, in England, in Poland, we have supermarket displays for our sales targets, so our importer will negotiate with the retailer, giving them the display, whereas in Japan we have an importer, I think the market is less open there, he buys, distributes and sells and that's it. There are other marketing strategies; for example, we host a lot of journalists who are opinion-formers in partnership with Ibravinho, take them to visit the vineyards, which creates free publicity. (Interviewee P10, QU10:22 and QU10:24).

Considering the analyses of the categories and elements in the International Competitive Aggressiveness dimension of IEO, a large proportion of the firms engage in offensive and competitive positioning. International marketing practices are set by the Wines of Brazil industry-wide project, which helps and supports them in their efforts to enter international markets.

Final comments

The objective of this study was to analyze international entrepreneurial orientation (IEO) in wine businesses from the South of Brazil. The data collected in the interviews were

analyzed in-depth, revealing that dimensions of IEO were present with greater occurrence of elements from categories in the International Innovativeness and International Proactiveness dimensions. In the International Risk-Taking dimension, certain disparities were observed since certain elements were present with greater frequency than others. Elements from the Competitive Aggressiveness and International Autonomy dimensions were observed with lower frequency.

The context of this study should be taken into consideration, since innovativeness and proactiveness are characteristic of the entrepreneurs' activities in international markets. These findings confirm the view of the wine industry taken by other researchers who have observed significant improvements in the quality of products, the addition of new technologies, and increasing investment in commercial activities, with the goal of improving the Brazilian wine industry's competitiveness and internationalization.

The disparities observed within the International Risk-taking dimension can be explained in terms of the characteristics of the risk involved in entering and doing business in international markets, including the risk of negotiating under different legislation and with different cultures.

Analysis of the International Autonomy and Competitive Aggressiveness dimensions revealed that these elements and categories figured little in descriptions of the firms' practices to pursue activities in international markets. Within the competitive aggressiveness dimension, the international marketing category stands out because of these firms' participation in Wines of Brazil project, which enabled them to take part in more effective activities and practices that facilitated their activities in the international market.

The empirical evidence shows that the results of this study support previous findings reported by Lumpkin and Dess (1996), Martens (2009), and Freitas et al. (2012). This shows the multidimensional nature of the presence of elements and categories of the IEO dimensions, as entrepreneurial orientation can be made up of different combinations of dimensions or even of only a reduced selection of them.

On the basis of this study's findings, it is proposed that new analytical categories should be added to the construct (such as Global Products, Participation in clusters and industry-wide projects) that allow financial risk to be attenuated and international marketing to achieve internationalization. This would enrich the theoretical framework. Since the results of this study cannot be generalized, the paper contributes to advancing the existing theory of IEO by adding new analytical categories that should be investigated in future research.

With regard to the study's limitations, it is worth considering the length of time the firms studied have been a part of the Wines of Brazil project. The lengths differed between firms, ranging from some that have been members from the project's inception to others who joined very recently. It was observed that the quantity of information provided to the researcher was relative to the firms' tenure in the project and degree of internationalization. It is also relevant to identify as a limiting factor the fact that the model presented is only applicable to the situation of a single industry.

Studies in the area of international entrepreneurial orientation are still incipient in the literature on entrepreneurship, as stated by Knight (1997, 2001), Zahra and Garvis (2000), and Knight and Cavusgil (2004). If they are to be continued and extended, it is important to conduct studies that expand the focus of this paper.

It is recommended that further studies be conducted using quantitative methods for data collection and analysis to extend the analysis and identification of the elements and categories of IEO to other Brazilian industries in order to detect similarities to and differences from the conceptual foundation revealed in this study. It would also be interesting to design quantitative studies that could enable the building of constructs and relate the dimensions of IEO to other theoretical constructs, such as dynamic capability, absorptive capacity, and international ambidexterity, among others. Studies could also be conducted to identify and analyze possible types of relationships between the dimensions of IEO and the dimensions of international entrepreneurship.

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