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Internationalization of family firms

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Ai miei relatori,
A tutti, familiari e amici,
che mi supportano e sopportano da sempre,
Alla “buona volontà”.
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INTRODUCTION

The internationalization of firms is one of the most important topics of the current global economic scenario, because it has deeply changed the dynamics and the strategies adopted by the firms and, in a broad sense, it has influenced also the consumers’ behaviour and the daily lifestyle of billions of people, giving them access to infinite new possibilities and opportunities. In the last 50 years this phenomenon has grown tremendously: in 1960 the level of exports of goods and services, as percentage of the GDP, was only 11.9%, while in 2017 it reached the 37%. The variables that have contributed to this development are several, including the changes in the geo-political scenario and the introduction of new technologies that have reduced the costs related to the production and the distribution of goods and services around the world. An event with such a magnitude did not involve only the bigger companies, on the contrary it has become a priority for the greatest part of the enterprises, including also the small and medium ones. Of course, it was not an immediate change: at the beginning, only the companies with strong market power had the resources necessary for enlarge their scope, but today the international opportunities are open to all the firms. Between them, also the family firms started to rethink their strategies and positioning for remaining competitive in the global market. The case of the family businesses is particular important both for their fundamental role in the national economies, both for their typical tendency to be close to external realities and opportunities, due to the higher risk-aversion (Ray et al., 2018). The presence of family members within the ownership or the management of the firm provides great benefits (Zahra, 2003), but it can also provoke several problems to the firm’s efficiency and effectiveness.

In the same way that the internationalization process has involved all the types of firm, it has brought deep changes in all the markets: not only commodities but also machineries, services, resources and others. The Italian market has been involved in the international trade dynamics as well. In 2016 Italy had exports equal to $ 449 billion, and it is the 7th largest exporter in the world. The top export destinations of Italy are Germany ($ 52.6 billion), France ($ 43.7 billion), the US ($ 43.7 billion), the UK (24 billion) and Spain (20.5 billion). The success of the Italian production abroad is mostly due to the positive

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1 https://databank.worldbank.org/data/indicator/NE.EXP.GNFS.ZS/1ff4a498/Popular-Indicators#
2 https://atlas.media.mit.edu/en/profile/country/ita/
The perception of foreign consumers, who attributes great quality and guarantee to the Italian goods. This general positive perception related to the “country of origin” allows the Italian firms to export their products and be competitive abroad. The Made in Italy label has become one of the strongest in the international markets and Italy is seen as a guarantee for well-done and good-looking products in the collective imagination of foreign consumers (Bertoli, 2013). Considering the sales volume, one of the products that best represents the Made in Italy label abroad is wine, both still and sparkle. It also belongs to the so-called 4 F of the Italian production: Fashion and cosmetics; Food and wine; Furniture and ceramic tiles; Fabricated metal products, machinery and transport equipment.

The aim of this thesis is to understand how family firms react to foreign markets and opportunities, giving a general overview of the state of the studies above their internationalization path. The main issue of the topic is to figure out if the family firms internationalize more or less respect to the other business models, and consequently if the presence of the family represents an added value or a restraint to the firm’s growth. In order to do so, a literature review has been made, to present the studies carried out in the last 30 years. It is followed by and empirical research to collect data and to verify if the theories collected effectively apply. The research has been done on the family firms belonging to the Prosecco District and, in particular, to the Consortium of Conegliano Valdobbiadene. The reasons that corroborate this choice are related to the great importance and success of the prosecco in the foreign markets, where it is spreading with a high growth rate, and to the huge number of family firms that are part of the District. The case gives also the opportunity to verify if the presence of the Consortium somehow influences the strategies adopted by the enterprises.

The thesis is structured in three parts: in the first part the literature review is developed, collecting 100 papers that focus on the internationalization path of the family businesses. In this first part, the different theories and aspects studied by the scholars are presented, with the aim to create a general framework and to understand which is the current state of the studies. In the second part, the theoretical background is presented, with the introduction of several topics that are important for integrating and connecting the previous literature review and the successive research. The topics are the following: the internationalization process, the reasons that have brought to the arise of this
phenomenon, the studies on the industrial district, the consortia and finally the country of origin effects. In the last part of the thesis the research is presented: first the market of the prosecco is described, with a focus on the Consortium of Conegliano Valdobbiadene and its activities. After that, it is explained why the choice was to make a qualitative research instead of a quantitative one. Successively there are the cases of the 10 family firms that have been interviewed during the research, with the relative findings and conclusions.
1. LITERATURE REVIEW

1.1 Introduction

This literature review aims to take stock of the studies developed in the last years above the internationalization of family businesses and its dynamics. The reason that justifies the focus on this particular issue is the scarcity of studies and researches about it, nevertheless the growing importance this phenomenon is gaining globally (Zahra, 2003).

Before taking into consideration the family business dimension, it is important to define what internationalization means with a view to placing this specific case in a more general frame. Internationalization is a phenomenon that has been defined as “the process by which firms both increase their awareness of the direct and indirect influence of international transactions on their future, and establish and conduct transactions with firms in other countries” (Beamish, 1990, p. 77). This process has involved firms belonging to different industries and countries and, gradually, has redefined the whole global economy: many boundaries have been erased and new networks had the opportunity to emerge. For understanding the importance of this reality, it is sufficient to report some data published by UN Comtrade Analytics: the annual average of flow of exports is equal to 11547 billion dollars and it involves all the continents\(^3\). In addition, according to the World Bank Data, in 2017 at global level exports represent the 37% of total GDP\(^4\): this means that international trades create more than a quarter of the whole global market value.

Because of the dimensions of the phenomenon, several scholars have tried to analyse the dynamics that brought to its development. The economic globalization finds its roots in the two-so-called unbundling(s) (Baldwin, 2006). The first one is linked to the fall of transportation costs, started by the end of 19\(^{th}\) century with the Industrial Revolution. The second unbundling is more recent and it is connected to the fall of communication and coordination costs, largely due to the spread of new technologies by the end of the 21\(^{th}\) century. These costs reduction allowed the firms to overcome the local barriers and reach new markets and new consumers. During the years, the focus of the researches has

\(^3\) https://comtrade.un.org/labs/data-explorer/
\(^4\) https://databank.worldbank.org/data/indicator/NE.EXP.GNFS.ZS/1ff4a498/Popular-Indicators
been mainly on the big enterprises because they were considered to be more involved respect to smaller firms: this because exporting firms are generally big firms, with bigger capitals and more possibilities to undertake economies of scale (Mayer et al., 2008). Nevertheless, in the last period a bigger attention has been given to small and medium enterprises and, in particular, to family businesses. In fact, according to the last studies, also these enterprises are taking part to the process (Graves and Thomas, 2006), although the dimensions and the structure of this type of firms may not be the best ones for allowing them to compete in the international market. In fact, as explained by Calabrò et al. (2016), considering that the disruptive development of Internationalization has pushed an “increasing number of firms and industries to broaden their global outlook, it is logical to suppose that family businesses (FBs) have also perceived internationalization as an important step for their expansion and growth” (p. 679).

As evidence of this evolution, the report published by KPMG in 2015 shows that 74% of the surveyed companies are already operating beyond their national boundaries (compared with 60% two years earlier). Of those, more than half have recently increased their activities abroad. Furthermore, almost a quarter of respondents (23%) plans to invest in internationalization and cites moving/exporting into new markets among their top two business priorities for the next two years.⁵ Among the small and medium enterprises, scholars have put more attention on FBs, because of their importance in national economics and their peculiar internal dynamics. They comprise 85% of all small and medium-sized enterprises (SMEs) in the EU and the USA (Kontinen & Ojala, 2011 p. 133), and, in turn, SMEs account for two-thirds of all businesses globally and that an estimated 70%-90% of global GDP annually is created by family businesses.⁶

1.2 Studies on Family Business’ characteristics

Before getting deeper with the analysis of the topic, it is necessary to better define what a family business exactly is and how it can be defined. The peculiarity of this specific form of enterprise has been defined by Chua, Chrismann and Charma (1999) with the following words: “what makes a family business unique is that the pattern of ownership, governance, management, and succession materially influences the firm’s goals, 

strategies, structure, and the manner in which each is formulated, designed, and implemented” (p. 22).

Nevertheless the great importance that this kind of firms has in national economics, as already reported previously, generally family firms have received exiguous attention in the mainstream management literature (Chrisman et al., 2003). Handler (1989) said that “defining the family firm is the first and most obvious challenge facing family business researchers” (p. 258) and exactly due to the difficulties in defining uniquely family business and the confusion above this argument, Astrachan, Klein and Smyrnios (2002) have identified three different broad categories in which grouping the numerous definitions that have been proposed: content, purpose and form. The authors manage to offer a general view of the current development of the studies above the issue and they come to state that generally “a number of investigators avoid the use of clear definitions, maintaining that classification of family business is done on a case-to-case basis.” (p. 46). Authors explain that this decision, made in many researches, is due both to the fact that national culture and society influence and modify the characteristics of family businesses and to the fact that scholars have developed different definitions also because they took in consideration different aims in the studies. The reason why this economic reality results so multifaceted is that each family is different from the others: it has its own culture and traditions and, consequently, it adopts its personal approach to the business. As it will be showed, several elements might influence the performance of family firms and those are aspects that usually are not considered in the analysis of traditional businesses.

To give an example of the complexity of literature it is sufficient to consider that Sharma, Chrisman and Chua (1996) in their review resulted from the reading of 226 articles in 32 major journals, have found thirty-four different definitions of family business (p. 3). In this case, the authors have followed Handler (1989) identification of four dimensions used by writers in the family business literature to define the family firm: degree of ownership and management by family members, interdependent sub-systems, generational transfer, and multiple conditions. Authors reported as well that, according to Handler, “although there is no consensus as to what uniquely defines a family business; there seems to be a general agreement that the dimensions to be considered are the first three” (p. 4).
Barry (1975) defined business family as “an enterprise which, in practice, is controlled by the members of a single family” (p. 42). In this regard, Chrisman et al. (2003) have defined more precisely the different ways through which the family members can be involved in the business: management, ownership and trans-generational succession. Moving ahead with the researches, Leach et al. (1990) have defined it as “a company in which more than 50 percent of the voting shares are controlled by one family, and/or a single-family group effectively controls the firm, and/or a significant proportion of the firm’s senior management is members from the same family” (p. 2). In this last definition it is clearer how the involvement of family members is strictly connected to management and ownership of the firm. These two dimensions are often considered by the authors to better understand how the family businesses differ from the other forms of enterprises. At the same time, other authors believe that ownership and management structures are not sufficient nor relevant to determine if a firm can be considered a family one: “companies with the same level of family involvement in ownership and management may or may not consider themselves family businesses and, more importantly, may or may not behave as family businesses” (Chua et al., 1999, p. 24). In the light of this, they state that “a company is a family business because it behaves as one and that this behaviour is distinct from that of non-family firms.” (p. 24) Therefore the point of the discussion is not only how to define a family business, but also if, actually, there are specific elements that can help defining it. Consequently, the heart of the discussion is to understand if the family businesses do operate and work differently from a non-familiar firm.

Family and management might be seen as two different social systems that overlap at different levels, and the interpenetration and the balance between these two distinct realities determine the characteristics of the enterprise (Habbershon et al., 2003). The main problem derived by this "dualistic system” is that often these systems might have irreconcilable goals and priorities: family in fact tends to give priorities to the internal stability and security and it has three main propensities that might not be present in a classic firm: parsimony, personalism and particularism (Carney, 2005).

- **Parsimony:** the propensity typical of family firm that pushes to take more attention to family’s personal wealth. People tend to be more careful with their own money respect to other people's one, thus family members involvement in the
management might lead to a strong risk-avoidance policy. This consequently could bring the enterprise to lose several opportunities or profitable investments that might be considered too dangerous.

- **Personalism:** if the family unifies management and ownership it will be less influenced by external constraints and will tend to undertake a process of personalization of authority that allows to project its own vision onto the business (Chua, Chrisman, & Sharma, 1999). This might be dangerous if the family vision of the business is distant from the real one and these discrepancies lead the firm to be ineffective.

- **Particularism:** managers in family-owned firms are expected to employ rational-calculative decision criteria but family control rights permit the family to intervene in the affairs of the firm to substitute other, “particularistic” criteria of their choosing: families may employ decision criteria based upon altruism or nepotism.

These particularisms are more influencing in the cases in which there is a total overlap between ownership and management: this means that the family has a whole control over the enterprise, both over the capital and the strategy. If one of the two dimensions is out of the control of the family members and it is entrusted to an external manager, this can help the firm to be more open to the external realities and to be less influenced by the typical propensities of family businesses. As already said before, the level of interpenetration of the two dimensions (family and firm) can be very various from case to case. This variability creates a fragmented scenario that makes difficult to determine a prototype of family business. In addition to these two elements, others need to be considered in the analysis of this particular case: several characteristics contribute to make this model unique and it’s important to consider them as well for the understanding of the whole topic.

**Familiness**

Habbershon and Williams (1999) talk about “familiness” which consists of idiosyncratic internal resources created by family involvement. “More specifically, familiness is defined as the unique bundle of resources a particular firm owns because of the systems interaction between the family, its individual members, and the business.” (p. 8) The authors point out that familiness can be distinctive, as a source of competence, or
constrictive, as an encumbrance by family firms: this might happen in the cases of unqualified members of the family who are charged with strategic positions or if family influence forecloses the firm to external opportunities. Some elements that can contribute to constitute the familiness are, for example, specific rules, values and expectations which can influence the organizational culture or the firm’s reputation. Generally, the familiness influence can be defined in three dimensions: power, experience and culture. Power refers to the level of family involvement in the ownership or the management of the firm. Experience refers to the accumulated experience that family brings to the business. Finally, culture refers to the values and commitment that shape the way the family controls the business (Merino et al., 2015). The importance of this element consists of the fact that it can strongly influence the business strategy adopted by the firm or it can represent a strong competitive resource, fundamental for the success in the market (the case of distinctive familiness). For instance, a company can profit from the dedication and personal commitment of the family members to the firm (Sirmon and Hitt 2003; Mandl 2008) and it is also proved that greater interdependence and more interaction among the family members create a greater level of trust (Zaefarian et al., 2016), effective mechanisms to transfer tacit knowledge (Sirmon and Hitt, 2003) and long-term orientation.

However, it is also important to understand that familiness does not have to be considered a binary variable, as if there can be only two possible scenarios (familiness or not). The reality is far more complex: the influence of familiness varies and takes different forms from case to case. Thus, a more appropriate interpretation of the phenomenon is the one proposed by Chrisman et al. (2003), who classify it as a continuous variable. As proof of the accuracy of this approach, suffice is to say that not all the family firms are characterized by ‘familiness’ capabilities that are unique and inseparable (Nordqvist 2005).

**Resource-based view**

In a more general perspective familiness is often connected to the resource-based view (RBV) according to which firm’s competitive advantage is based on the presence of specific resources that are complex, intangible, and dynamic (Habbershon and Williams, 1999). According to this theoretical asset firms are able to outperform competitors if they
are capable to develop resources or skills that cannot be easily imitated by the other players (Mitter et al., 2014). In other words, the bundle of specific and unique values, traditions and rules in which familiness consists, represents the element that allows family firms to get an important competitive advantage in the market. Even not focusing on the specific case of family firms, the validity of RBV has been generally accepted in the last period in the competitive advantage literature because it investigates why enterprises’ performance differs within industries (Graves et al., 2006). Graves and Williams continue even deeper in the definition of the factors that settle the competitive advantage: “it comes from a heterogeneous and immobile resources that are valuable, rare, inimitable, and non-substitutable (VRIN)” (p. 209). The authors also underline that the mere presence of these specific resources is not sufficient to ensure competitive advantage: after identifying the unique, intangible and synergistic elements that contributes to generate the “familiness”, the managers need to elaborate efficient strategies to leverage the advantages that stem from these resources in the marketplace (Barney, 1991). The resources in themselves cannot guarantee the creation of value, instead they need to be properly managed. Here it is even clearer that the way the family decides to approach to the business plays a fundamental role in the success of the firm. From what has been reported so far, it is possible to assume that the specificity of family firms derives from a bionomy which consists in the VRIN resources of the business and in the strategies adopted by the family to exploit them.

From the perspective of the RBV Zahra et al. (2004) focus on the ways through which the familiness, or the amount of specific knowledge, values and rules, influence the organizational culture. This component represents per se a value source for family businesses but in the diversified reality of family firms it assumes, case by case, different tendencies and characteristics which can influence negatively or positively the firm’s performances. The authors examine four dimensions of organizational culture that are expected to be associated with entrepreneurship in family firms: individual versus group orientation; internal versus an external orientation; assumptions concerning the centralization/decentralization of coordination and control; and short- versus long-term orientation.

- **Individual vs group cultural orientation:** This dimension refers to the value placed upon individual versus group contributions in family firms (Detert et al., 2000 in
Zahra et al., 2004). Group cultural orientations incentivize cooperation between members in the decision-making process and the sharing of knowledge and ideas, while individual orientations stress the importance of singular contribution and reward the success of the individuals. The authors explain that the former leads to the development of entrepreneurship, while the latter might encourage radical innovation.

- **Internal vs external cultural orientation:** This dimension refers to the general beliefs of family firms about their relationship to the external environment (Detert et al., 2000 in Zahra et al., 2004). In the case of internal orientation, the founder or the owning family will tend to develop knowledge internally, counting on inner resources and know-how. This approach on one hand ensures a total control on the assets but on the other hand it might prevent the family firm to get in touch with external incentives and close it to the innovations introduced by the other players, leading gradually to a significant inertia. This might be the case of family businesses that focus exclusively on the familiness component for creating value and competitive advantage; as already said before familiness must be supported also by an efficient strategy that allows to take advantage of it. If the orientation is external the family owner will tend to look for outward inputs for the development of knowledge, basing on market studies or the strategies of the competitors. With this approach, all the stakeholders become fundamental source of information that can help the firm to grow and keep up with the market dynamics.

- **Assumption concerning coordination and control:** The beliefs about coordination and control lead to different and antithetical positions about the centralization or decentralization of decision-making process. The first one consists in the concentration of the authority in few or one figure and it might lead to rigidity in the firm structure. The second one enhances decentralized authority and coordination of efforts, guaranteeing greater flexibility to the firm.

- **Short- vs long-term time orientation:** According to the Zahra et al. (2014), family firms can tend both to short or long-term orientation. The tendency is dictated by the priorities identified by the family: the owner(s) might prefer immediate payback or long-term returns. The authors declare that the time orientation of a firm reflects the choice of control systems. If the preference is for short-term orientation is because the organization prefers financial control, made of
established goals and immediate returns. Symmetrically if the organization tends to long-term orientation the preference is for strategic control, which implies more structured planning and deep understanding of the risks taken.

**Long-term time orientation**

Regarding the last dimension reported (short- vs long-term time orientation) the point of view adopted by many other authors is slightly different: the greater part of them do not think that these two tendencies are equally distributed in family businesses, instead they consider long-term orientation one of the most specific characteristics of family firms (Zaefarian et al., 2016). Long-term orientation is defined as “the tendency to prioritise the long-range implications and impact of decisions and actions that come to fruition after an extended time period” (Lumpkin et al., 2010, p. 241). This tendency is justified by the intrinsic characteristics of this category of firms: most of the time ownership and management coincide, ensuring higher commitment and engagement; owner/managers often have high levels of concern for the continuity of the business as their identities are closely tied to the reputation and performance of the firm (Miller et al., 2008 in Lumpkin et al., 2010). The perspective of passing the business to the next generation also contributes to shift the centre of attention from the short-term personal returns to the long-run benefits with the aim to ensure a future not only to the business but also to the next members of the family (Tsao, Lien 2013). This bigger sense of belonging pushes not to focus on the immediate economic results but to the development and growth of the firm in the long-run. Thus, a family firm’s ownership regime is very likely to affect its time orientation: higher levels of family ownership are likely to be associated with a stronger LTO. According to Lumpkin, Brigham and Moss (2010) in the companies that encourage long-term some values are more likely to thrive such as innovativeness, proactiveness and autonomy while risk taking and competitive aggressiveness, by contrast, are less likely to be present in companies that manage for the long run. This asset can bring as well to undertake specific strategies, decision and investment more future oriented, overcoming managerial myopia that reduces owner's foresight. It is important to keep in mind that this correlation is not always linear and, as it is true for all the characteristics of family firms, the presence or not of long-term orientation is strictly depending on the nature and the culture of the single company, on the characteristics of the owner/manager and on the environmental culture.
**Stewardship theory and Agency theory**

Theories about long-term orientation mostly base on the assumption regarding family members’ behaviour in managing the firm. What it is assumed is that the employees and the managers within the family enterprises will act following the firm’s interests and not the personal ones (Davis et al., 1999). This should take place thanks to the higher sense of belonging and the trusted relationship that develop in this type of firms. The line of thought that supports the presence of this type of conduct within FFs is the so-called "stewardship theory". According to this theory, the expected behaviour adopted by the members of the firm may lead to a reduction of agency costs, which are defined as the costs occurred due to information asymmetry and divergent interests between the principal and the agent, as argued by the agency theory. The latter presents reasonings that are diametrically opposed to the stewardship ones, in fact the agency theory is based on the belief that each figure within the firm will act selfishly in the attempt to maximize his or her personal interest (Jensen, Mackling 1979). "When a firm grows beyond the means of the owners, they contract with executives who will manage the firm in their behalf. In this way the owners become principals and the executive becomes agent. The latter is morally responsible to maximize shareholder's utility; however, executives accept agent status because they perceive the opportunity to maximize their own utility" (Davis et al., 1997 p. 4). The problem that arises under this condition is that the interests of the principals and of the agent might diverge and be conflicting, endangering the productivity and the efficiency of the firm. In the event of this situation owners will attempt to control agent behaviour by adopting specific instruments, that entail the introduction of the abovementioned agency costs. Two different types of agency costs can be defined (D'Angelo et al., 2016):

- Type I: called also principal/agent problem, costs related to problems of moral hazard and adverse selection.
- Type II: called also principal/principal problem, where minority investors have weaker incentives to monitor managers and outsiders also run the risk of being exploited by other investors with bigger stakes and who may enjoy private benefits from their control.
This scenario might not be conceivable in family firms where there is a total overlap between ownership and management, but it could represent a huge obstacle in the cases where the owner family chooses to enrol an external figure to manage the business. In any case, agency theory is useful to better understand the reasonings that have brought to the development of stewardship theory. Adopting stewardship perspective, the executives are seen as *stewards* that will act pursuing the interests of the firm, putting them above their own. Between self-serving behaviour and pro-organizational behaviour, the steward's behaviour will follow the interests of the business because he or she will gain higher utility by doing so, even in the case where the personal interest departs from the one of the firm (Davis et al., 1997). In the specific case of family firms, it is supposed that members will act in accordance with the best of the enterprise, because of the personal ties that connect them to the firm and between each other; family's concerns coincide with the ones of the firm and the overlap ensures higher level of cohesion and lower need to control behaviours. Therefore, it is normal to suppose that FFs will mostly follow stewardship theory, even though there are also cases where family firms do not possess a stewardship culture (Eddleston et al. 2010). Miller, Le Breton-Miller and Scholnick (2010) explain better how stewardship manifests itself in family firms: resuming the study done by Miller and Le Breton-Miller (2005a), they argue that in family firms' stewardship can assume three common forms:

- **Continuity**: ensuring the longevity of the company also for the long-run benefits for the members of the family.
- **Community**: for guaranteeing the continuity of the firm the family might stimulate the formation of motivated, well-trained and loyal stuff and the creation of internal connections that are not only professional but also personal.
- **Connections**: creating strong relationships with external stakeholders becomes extremely important, mostly in times of trouble. The development of a network based on trust and loyalty allows the family firms to get access to new resources and opportunities, fundamental for their growth.

For the asset and the theoretical implication, stewardship culture represents one of the pillars for the construction of familiness, and consequently of the competitive advantage of the firms. Nevertheless, the establishment of this cultural model might bring to some negative consequences. The other side of the coin is that stewardship culture implies, in
some cases, the adoption of decisions or strategies that cause stagnation (Miller et al., 2008). The intimate attachment to the firm is reflected in a tendency to preserve the family business and ensure its longevity, but the excessive safeguard of the health of the company means also a higher risk aversion. In this way stewardship culture might materialise with a family ownership and management that curtail firm's ambitions and opportunity, encourages the maintenance of a conservatory approach, impedes the access to capital and precludes the possibility to grow and be more competitive.

Miller, Breton-Miller and Scholnick (2008) have analysed both perspectives and have tried to synthetize the literatures about them. Basing on the studies of their sample made of small, private businesses, the authors found out that stewardship perspective has a strong response in the family firms' dynamics with regard to continuity, community and connections: almost all the companies presented “long term preservation and nurturing of their business and its markets, the fostering of talent and effective deployment of employees, and an emphasis on growing and sustaining relationships with clients” (p. 73). At the same time, they did not notice any substantial differences between family and non-family businesses with regard to market myopia, that might be caused by the higher risk aversion, or tendencies to conservatism. Consequently, it has been proved that there are no effective reasons to support the stagnation perspective. In other words, the adoption of stewardship culture may spur family businesses to create technological and economic wealth within their communities, guaranteeing a positive support to their growth. However, in spite of this, it is crucial to remember that this is not a universal truth: other elements such as family conflicts and the act of transferring ownership to subsequent generations may instead increase the agency costs because of the family member pursue of personal interests and economic wealth increases (Mitter et al., 2004). Steward perspective can have a positive impact on the firm only if it is accompanied by participative strategies, aimed to avoid power concentration, and strong feelings of trust and loyalty in order to prevent relationship conflicts that could deteriorate performance. (Eddleston and Kellermanns, 2007).

**SEW perspective**

The specificity of family firms' inner dynamics generates uncertainty and several difficulties in the definition of rules that can be adopted universally. As it is possible to
notice also by the different theories abovementioned, various theoretical lenses have
dominated family business research, but none of them provides consistent theoretical
predictions regarding the effect of family management on performances. For this reason,
Sciascia, Mazzola and Kellermanns (2014) have introduce the so-called socioemotional
wealth (SEW) perspective that refers to all nonfinancial aspects of the firm that meet the
family's affective needs and may influence firm's performance such as identity, status,
ability to exercise influence, and perpetuation of the family dynasty. SEW perspective is
based on five factors: family control and influence over the company; identification of
family members with the firm; binding social ties; emotional attachment of family
members; and renewal of family bonds through dynastic succession (Berrone et al., 2012
in Sciascia et al., 2014). This perspective can be used, for example, for better interpreting
the effect of the generational step, that is defined as the generation that controls and
manages the family business (Cruz and Nordqvist, 2012). According to the authors, the
previous theories adopted are not useful for explaining the effects of the family board,
also regarding the differences between first, second and multigenerational family firms.
The literature has recognized a negative effect to generational step, because later
generational stages are assumed to be less productive, as a consequence of the lower
quality of the relationships among family managers, which in turn is due to higher conflict
levels and lower trust. The most important contribute of the SEW perspective is that,
differently from the agency costs, stewardship and resource-based theories, it helps to
“identify those situations in which family managers are more oriented to the increase of
financial wealth or to the preservation of the socioemotional wealth” (p. 135). In the
specific case of the effect of generational step, Sciascia, Mazzola and Kellermanns show
that even with later generations there is a positive correlation between family board and
profitability. Adopting the SEW perspective they come to the conclusion that even if the
sense of attachment and belonging to the firm might be lower, the later generations will
simply substitute the pursue of SEW with a stronger pursuit of financial returns, ensuring
the profitability and the productivity of the firm.

1.3 Internationalization of Family Businesses

After presenting the principal characterizing aspects of family firms it is possible to move
to the next step: analysing how this kind of businesses face internationalization and
approach to foreign markets. The study of family firm appears to be stimulating for the
peculiarity of the form of business, but it becomes even more interesting when it comes to understand how these specifics, which are already complex on their own, develop and interact in an international contest. Family firms are a heterogeneous group of companies, and distinctive characteristics related to ownership configurations in these businesses are factors that may reduce or increase the degree of international diversification (Sanchez-Bueno and Usero, 2014). Of course, to make internationalization possible some requirements need to be always present: “possession of a product or a service whose potential exceeds that of the local market; desire to grow the company, even if it means accepting new figures within the firm or indebtedness; adoption of an organizational structure that enables growth” (Gallo et al., 2004 p. 13).

1.4 Methodology of the research

In the same way it has been done for the definition of FFs, here as well it is important to make a deep research in the concerning literature. It represents a recent issue and for this reason the theories about it are few, and the ones developed are somehow conflicting. For this reason, in order to have a complete view of the issue different publications have been taken into consideration. This approach has proved to be necessary for understanding what theories have been developed by the scholars and which are the elements and the characteristics that have more weight and importance about the internationalization process of family business.

The main tool of research was Google Scholar, that allows to get access to numerous publications, books and articles through a research based on key words. The ones used for this research were mainly “internationalization of family business”, “internationalization of family firms”, “international family firms”, “international family business” and, going more specific, “internationalization of Italian family business”. After the identification of the key words, the criteria for selecting the papers was based on the main topics treated by the resulting ones: articles that were concerned generally with family businesses without considering the internationalization process were excluded in this phase of the research, because this topic have been exposed previously, together with the articles that were focused on too specific cases not related to the topic taken in consideration. From the remaining articles, the first one hundred were selected according to the classification based on relevance given by the algorithms of Google Scholar. Another
important source of research was Researchgate.net, a very useful tool for scientific research: it is a professional network for scientists and researchers, including over 15 million members from all over the world that use it to share, discover, and discuss researches.

The time frame covered by the selected papers lasts three decades, from 1992 to 2018. The frame can be considered acceptable because the topic has been addressed by scholars only in recent times. In conducting the analysis, the following aspects were identified as critical: methodological issues, theoretical framework(s), topic of research, and main findings and conclusions. The themes and the perspectives presented during the years are different, the literature is fragmented and with ambiguous results, which can be explained by several factors, such as the relatively early stage of development of this subject: most studies are still exploring the differences between family and nonfamily businesses, taking into consideration variables, grounded in different theoretical frameworks. (Wąsowska, 2017). Despite the increasing interest on this topic, it is not clear what does really matter in the internationalization of FBs (Calabrò et al., 2008).

The papers considered are focused on the approach of family businesses (FBs) and small and medium enterprises (SMEs) to foreign markets and international competition. The papers have been divided basing on macro-themes related to the different aspects that characterize family businesses reality and basing as well on the various theories developed about the internationalization strategies. The focus of the studies is principally on the peculiar elements of the family entrepreneurships that have already been reported and presented in the previous part of the paper, such as the “familiness” (e.g. Mitter et al., 2014; Merino et al., 2015; Segaro, 2012;), the influence of the stewardship theory (e.g. Sciascia et al., 2014; Pukall and Calabrò, 2014), RBV theory (e.g. Sirmon et al., 2008; Graves and Shan, 2014). Many studies have put the attention of the influence of the family presence within the firm, considering its effect both on the ownership and on the management (e.g. Piva et al., 2013; Colli et al., 2012; Gallo and Estapé, 1992): sometimes giving a negative meaning to it (Cerrato and Piva, 2012), sometimes underling its positive effect (Zahra, 2003; Tsao and Lien, 2013). Great emphasis has been given as well to entry mode chosen by the family board for entering into the international market (e.g. Graves and Thomas, 2008; Kontinen and Ojala, 2010; Pongelli et al., 2016) and on the strategic importance of social networks and external relationships (e.g. Francioni et al., 2017;
Ratten et al., 2017; Kontinen and Ojala, 2011). In Appendix 1 there is the report of all the papers that have been taken into consideration in the literature review, with a summary of the results achieved.

In order to give a clearer idea of the main macro-themes treated by the different researches, a table has been created to group the papers that treat similar issues.

Tab. 1 – List of the papers consulted in the literature review divided in macro-themes

<table>
<thead>
<tr>
<th>Theme</th>
<th>Description</th>
<th>Usage in FB internationalization studies</th>
</tr>
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<tbody>
<tr>
<td><strong>Resources and capabilities view</strong></td>
<td>How the strategies of family firms are influenced in the internationalization process by their resources and capabilities, adopting the lens of the different theories developed.</td>
<td>Graves &amp; Thomas, 2006; Sirmon et al., 2008; Deng et al., 2009; Sciascia et al., 2012; Segaro, 2012; Sciascia et al., 2013; Galati &amp; Crescimanno, 2014; Graves &amp; Shan, 2014; Pukall &amp; Calabrò, 2014; Sciascia et al., 2014; D'Angelo et al., 2016; Kraus et al., 2016; Scholes et al., 2016;</td>
</tr>
<tr>
<td><strong>Corporate Governance Structure</strong></td>
<td>How the board composition can change and be more productive with external or internal ownership and management, or with the presence of external stakeholders.</td>
<td>Sascia &amp; Mazzola, 2008; Naldi &amp; Nordqvist, 2009; Calabrò &amp; Mussolino, 2011; Majocchi &amp; Strange, 2012; Arregle et al., 2012; Cerrato &amp; Piva, 2012; Holt, 2012; Kontinen &amp; Ojala, 2012; Mitter et al., 2013; Sciascia et al., 2013; Singla et al., 2013; Sanchez-Bueno &amp; Usero, 2014; Yeoh, 2014; Ivanova et al., 2015; Lu et al., 2015; Cucculelli &amp; Bettinelli, 2016; D'Angelo et al., 2016; Herrera-Echeverri et al., 2016; Calabrò et al., 2017; Wasowska, 2017; Ray et al., 2018;</td>
</tr>
<tr>
<td><strong>Entry mode</strong></td>
<td>Which strategies are adopted by the family firms in order to enter international markets. How this decision is influenced by the presence of the family.</td>
<td>Berra et al., 1995; Gallo &amp; Garcia Pont, 1996; Corviello &amp; Munro, 1995; Abdellatif et al., 1999; Okorafo, 1999; Gallo et al., 2004; Rutashobya &amp; Jaenson, 2004; Claver et al., 2007; Graves &amp; Thomas, 2008; Kontinen &amp; Ojala, 2010; Pisoni et al., 2010; Kontinen &amp; Ojala 2010a; Kontinen &amp; Ojala, 2011; Cesinger et al., 2013; Erven et al., 2013; Daszkiewicz &amp; Wach, 2014; Pongelli et al., 2016; Francioni et al., 2017; Lombardo &amp; Ortiz, 2017; Ratten et al., 2017;</td>
</tr>
<tr>
<td><strong>Cultural Influence</strong></td>
<td>How the internal or the environmental culture influences the strategy and the approach adopted by family firms.</td>
<td>Tsang, 2001; Zahra et al., 2004; Erdener &amp; Shapiro, 2005; Graves &amp; Thomas, 2005; Puig &amp; Pérez, 2009; Calza et al., 2010; Ciravegna et al., 2014; Arregle et al., 2016; Calabrese and Mastroberardino (2016); Reuber, 2016; Casillas, 2017;</td>
</tr>
</tbody>
</table>
New generations

How new generations' involvement might affect the position and the overture of the firm, even respect to the founder.

Fernandez & Nieto, 2005; Calabrò et al., 2013; Bobillo et al., 2013; Merino et al., 2015; Calabrò et al., 2016;

Knowledge and IT

How some internal assets like specific knowledge or investments on IT can help family firms in the process of internationalization.

Davis & Harveston, 2000; Bell et al., 2004; Basly, 2005; Testa, 2011;

Other issues are treated in the papers collected such as how some specific characteristics of the entrepreneurs such as her/his age, academic studies or previous experiences might influences the firm's strategic approach (Basly, 2015; Camino Ramón-Llorens et al., 2017), the opportunities recognition capacity of family firms (Casillas et al., 2010; Hayton et al., 2011; Ratten and Tajeddini, 2017), the risk perception in the international activities (Claver et al., 2008), the importance of firm's size (Wach and Wojciechoewski, 2014), the bank support that can sustain the smaller enterprises in the process (Bartoli et al., 2014; Sanchez-Bueno and Usero, 2014), and the government influence (Duran et al., 2017).

Obviously, this subdivision is just approximated because the difference between the approaches adopted is not well-defined; often the papers deal with different issues and the scholars take into consideration different elements simultaneously. Consequently, it might happen that the same paper is cited for exposing different points of view. The aim of the table is just to have a clearer idea of the main topics that have been discussed and explored by the researches in the analysis of the internationalization of family firms.

As far as the methodologies of the research, the greatest part of the studies has opted for a quantitative methodology, with the distribution of survey in a sample of firms, successively analysing the results obtained for validating the different hypothesis. In other cases, the scholars have used the qualitative approach, for example with the case studies method, for exposing the strategies adopted by the family firms in the internationalization process in order to verify if there are point in common or a common pattern. Others have chosen to do a literature review to understand the development of the researches and the possible future paths.
1.5 Theories on Internationalization of Family Businesses

What makes this study interesting and very complex, as already mentioned before, is that it is still difficult to have a clear definition of family business, because the characteristics and the typologies that define them vary from country to country. For this reason, and for the others aforementioned, Cerrato and Piva (2010) have decided to address the issue not adopting a dichotomic approach, based on the clear distinction between a family-managed business and a nonfamily-managed business. Instead, they have preferred to treat family management as a continuous variable, on the basis of a greater or lesser involvement of the business-owning family. This decision is mostly due to the fact that it is not clear yet if there is a real difference between these two forms of business. Scholars have developed different theories, basing on different samples, stressing different elements and perspectives and, sometimes, coming to different conclusions. Some scholars have stressed the conservatism, the risk aversion and the low flexibility of family firms, other have considered these firms as a setting where entrepreneurship can develop tremendously (Mitter et al., 2014).

First of all, it is of paramount importance to know the several reasons that might drive family businesses to get international. Kontinen and Ojala (2012) use Belt et al. (2003) model for distinguishing different “pathways” that firms follow in the internationalization process. What can be deduced by this study is that, basing on their nature and of course on the family’s vision, firms can adopt different approaches to international markets, going gradual or starting immediately and with a fastest path. The study also shows that family businesses enter international markets because they are spontaneously willing to do that or because they need to do it for surviving. In fact, the most recent economic dynamics have forced a lot of firms to cross national boundaries in order to remain competitive.

From time to time scholars have focused their research on the numerous elements that make this type of enterprise special, with the aim to understand better how these can influence the approach of family businesses to global market.
Family Influence

As it is possible to extrapolate from the table presented in the previous part, one of the topics that has been often analysed is, not without reason, the element that characterizes the most the family business: the presence and the influence of the family within the board. The main focus of the debate has been the effect of the presence of the family on the strategies adopted and on the capability of the business to get success abroad. It is hard to define unambiguously if the influence of family constrains or facilitates the internationalization process: on one hand family businesses might have a risk-taking culture that allows them to undertake international challenge; on the other hand, the lack of important resources or strategic figures, together with the higher complexity and uncertainty of foreign markets refrain family businesses from undertaking international activities (Zaniewska, 2012). The governance structure of family firms can create capital and managerial constraints, which are sources of competitive disadvantage relative to other firms operating under other governance forms. These constraints disadvantage the firms in acquiring the resources and capabilities needed to compete and limit the firms’ capability to create added value (Carney, 2005). Also Donckels and Aerts (1998) find that family firms are generally less internationally active respect to non-family firms. Scholars asked themselves if the family management can be successful or if it would be better to introduce some external figures. One of the first researches was pursued by Gallo and Estapé (1992): the authors explored a field that was still unknown at that time and from that ground-breaking study they observed that, generally, family businesses tend to be more “local”. In other words, respect to non-family businesses, they tend to be less internationalized, to start to internationalize later and to target “psychologically” closer markets. From this study, many authors tried to deepen the reasons that provoke this distinction between the two categories. According to Zahra (2003) family ownership, inside directors’ ownership, CEO duality and family generations in management were instead positively and significantly associated with international sales. The scholar justifies this result by citing the “altruism” effect which pushes owner to put the firm’s interests ahead of his/her own. Zahra also states that the owner-manager’s interests will be more aligned to the firm’s one respect to an external figure. Generally, the positive effects of family ownership and involvement in business will be bigger and more relevant that the negative ones (e.g. on the number of countries entered).
It’s something to consider that, as reported by other scholars, family businesses (FB) and non-family businesses (NFB) might not have substantial differences. This is what has been proposed, for example, by Menéndez and Requejo (2005) and also by Wach and Wojciechowski (2014): basing on their thesis family firms act similarly to non-family ones. The only element that distinguishes them is size, generally smaller among FBs. Size covers a fundamental role in the internationalization process and, as a matter of fact, the smaller dimensions cause a lower percentage of sales exported in family firms, still the percentage of FBs with external activities is the same of NFBs’ one. In addition to this, authors have also confuted some misconceptions about this group of firms, like the belief that, according to altruism perspective, being a family firm should determine a positive effect on foreign strategies.

Confirming the point of view proposed by Zahra (2003), Carr and Bateman (2008) state that family firms are slightly more internationally orientated than non-family firms. Nonetheless, it is important to notice that the sample taken by the authors constitutes the ‘population’ of 65 of world’s largest family companies, and resuming what has been said by Menéndez and Requejo (2005), size is the only factor that can limit internationalization possibilities of family firms: taking into consideration the largest family companies, this limit shall cease to exist. Also Hsiang-Lan (2012) shares the idea that family presence and, in particular, family ownership positively affect internationalization because these assets may confer a set of unique features that enable them to undertake risky, but profitable, investments. The advantages of FBs are sustained as well by Piva et al., (2013), with regard to high-tech industries, Heileman and Pett (2018) and Colli, Garcia-Canal and Guillen (2013) who compared different family firms from Italy and Spain. The authors argue that family-based ownership structure facilitates the exploitation of the international entrepreneurial opportunities, at least in three ways: (1) by giving more freedom to managers of company, (2) by facilitating the transfer to the business model in foreign country and (3) by basing governance structures upon trust. This is true as long as the family remains united, while if there are tensions or internal conflicts, the three mechanisms through which family boosts competitiveness stop to be effective. The result is partially shared also by Lin (2012): according to him, family ownership has a positive impact on the pace of internationalization, but a negative one on the scope and rhythm of the process. In other words, family businesses will open to foreign market to promote and
sustain family wealth through long-term returns, nevertheless family members will limit
the scope of internationalization because it escalates managerial costs and increases
information overload. In addition to this, the limited resources and capabilities won’t
ensure a regular rhythm in the internationalization path. In fact, the average time of
internationalisation measured from the establishment is longer in case of family firms
than non-family firms (Wach, 2014). Tsao and Lien (2013) state that the effect of family
presence within the business is positive because it can alleviate the consequences arising
from internationalization, such as increased complexity and uncertainty. Moreover,
family firms are able to better extract the benefits of internationalization, since the inner
dynamics regulated by personal ties and trusted relationships can attenuate the
agency costs. On the contrary, in non-family firms these costs seem to dampen more the positive
effects of internationalization. The authors finally point out that the results might be
subject to sample selection bias because some characteristics, such us several unobserved
features like size, leverage and industries might influence firm’s performance and
strategies. Family firms’ advantages in internationalization are questioned by Kano and
Verebeke (2017): they believe that family businesses can be favoured in foreign markets
as long as they are not affected by bifurcation bias, that is defined as “a unique, affect-
ated barrier to short and medium run efficient decision making in family firms, which
manifests itself in two simultaneous, diverging patterns of behaviour toward family
versus non-family assets, applied systematically and by default” (p. 10). In the specific,
the bifurcation bias consists in the fact that family members employed are treated as
heritage assets, “reflecting supposed uniqueness and a high potential for value creation,
regardless of their concrete contribution to value creation” (p. 10). Without this bias,
family firms result to be as efficient as non-family firms in the internationalization path,
with no generic differences. On the contrary, firms that are influenced by the bias, will
become inefficient and uncompetitive and in the long run they will opt for a more efficient
governance form, eliminating the bifurcation bias. Therefore, the authors suggest that one
important differentiation in internationalization path is not between family and non-
family firms, but between bifurcation biased family firms and all other firms. Another
important contribution has been given by Claver et al. (2009) who have analysed the
international involvement of Spanish family firms, pondering several aspects and
variables. Basing on their studies, the authors state that family firms do not prove to be
risk adverse when they open to foreign markets, probably due to the involvement of non-
family or second-generation members. The presence of the latter can provoke negative consequences though: succession problems arise and agency problems become more frequent, due to the misalignment of interests. The generational transfer process represents one of the most delicate moment in the life of family firms, because it could ruin the union and the harmony of the board, undermine the resources of the firm and affect its competitiveness. A way to mitigate this risk is, according to the authors, to introduce some non-family managers that can ensure the continuity and support the business in the internationalization process, reducing also the level of risk aversion. Another important element regards the financial structure of the firms: the model proposed by Claver, Rienda and Quer demonstrates that “the more that family firm managers assign relevance to family funds for international activity, the less internationally committed the organization is” (p. 132).

**Resources and Capabilities View**

In the analysis of internationalization path of family firms, many authors have applied the theories regarding family firm’s specificities and uniqueness to understand if these businesses differentiate or if they behave like non-family firms. Graves and Thomas (2006), for example, start their study from the RBV theory and come to the conclusion that this view is not sufficient to justify the success of firms abroad: it is true that the endowment of human and material resources as determinant of the firm’s competitive advantage is fundamental for the success in foreign markets (Galati et al., 2014) but it is necessary also to consider the singular capabilities of the firm. In other words, they put the attention on the connection between the firm’s resources and the internationalization path. The authors have thus observed the ability of the firm to evaluate, reconfigure, and leverage its resources in order to take advantage of the opportunities that present themselves in the international marketplace. The authors analyse the management capacity, the management expertise and the management processes, making a comparison between family and non-family businesses. The results highlight that FBs present less managerial respect to non-FBs as they grow internationally. Nevertheless, FBs are still able to achieve a high degree of internationalization. One possible explanation might be that they exploit their limited managerial capabilities more effectively in managing their resources compared to their
nonfamily counterparts. Same results are shared also by Graves and Shan (2014). Always starting from RBV theory, Sirmon et al. (2008) find evidence for a model in which family influence affects firm’s strategic decision to the threat of imitation. The authors suggest that the family presence itself does not directly harm firm’s performance, and with high level of imitability, family firms respond with higher investment on R&D and less rigidity respect to non-family firms, thus they enjoy higher performance and higher level of internationalization. The idea that the valuable, rare, inimitable and non-substitutable resources of family firms can help them to have competitive advantage in foreign markets is sustained also by Deng et al. (2009); they show that links between a firm’s capabilities to the level of FDI and firm performance, a firm’s relationship networking to the level of FDI are statistically significant. These superior capabilities are helpful to expand in new markets and achieve better performance. The authors support also the institution-based perspective, according to which the firm adapts to changing institutional environment by developing a network of relationships and in turn it motivates the firm to expand in a new market.

Sciascia et al. (2012) have studied the effect of family presence on internationalization by adopting the stewardship theoretical lens: confirming Zahra (2003) earlier studies, they believe in the stewardship effect that family ownership has for continuity, employees and customers. Generally, the stewardship orientation moderates positively the relationship between family firms and internationalization (Segaro, 2012). The authors also believe that when family ownership becomes excessive the negative effects predicted by stagnation perspective such as reduced resource base, risk-aversion and conflict among family members, prevail on the positive ones. Even if stewardship behaviour may mitigate the negative impact, when family involvement in the board of directors is 100 percent, exclusive family involvement may constrain board capital by limiting human and external social capital (Sciascia et al., 2013). In the light of these results, the authors find a nonlinear relationship between family ownership and international entrepreneurship. This relationship can be can be graphed as an inverted U-shaped curve, meaning that the advantages of family ownership for international entrepreneurship are lower than the disadvantages until an intermediate level of family ownership is reached. Sciascia et al. (2013) make another additional distinction: they find out that there is also a nonlinear relationship between family involvement in the board of directors and sales.
internationalization and this relationship is J-shaped. But what is the difference between the effect of family ownership and the presence of family member in the board of directors? Sciascia et al. think that the distinction may lie in the different dynamics that characterize the functioning of board of directors respect to the ownership. The interpretation exposed by Sciascia et al. about the relationship between family presence and internationalization path has been adopted by many authors, as it will be showed later. The view proposed by the authors goes beyond the previous theories, that result to be too extremist because they tend to consider only two opposite results: the influence and the presence of the family can be exclusively positive or negative for the firm’s performance. The nonlinear relationship overcomes the dichotomy and succeeds in integrating both views.

Introducing the concept of socioemotional wealth (SEW) perspective, Sciascia, Mazzola and Kellermanns (2014) face also its correlation to internationalization path. They state that first generation is more SEW oriented, meaning more focused on family objectives, while the later ones result less emotionally attached to the firm and consequently more oriented to financial goals, guaranteeing to the enterprise higher profitability. Higher interests in financial results and lower risk-aversion will open the firm to international markets. In the evaluation of the choice to get international the SEW perspective can be a deterrent and might preclude the chance to undertake new opportunities for safeguarding the family wealth. More specifically, some typical SEW-related factors such as harmony and trust can have constraining effect on the internationalization path, since family firms might be reluctant to establish strategic relationships with nonfamily members or to threaten the internal balance (Scholes et al., 2016). This happens when the family group is dominant and the values of the family prevail over the organization’s, neglecting the economic goals and jeopardising its efficiency (D’Angelo et al., 2016). This type of structure might imply also a rise of agency costs, mostly type I costs, tensions and misunderstandings and the introduction of external figures would not be sufficient for rebalancing the internal equilibrium, on the contrary it would cause just a rise of type II costs. The result would be different if the family allowed the presence of outside investors owning the greater part of shares. In this case the firm would still enjoy the benefits given by being a family firm and, at the same time, leverage on the external capitals and supports, that would mitigate the restrictive effect of the SEW. Type II agency costs would
be offset and the Type I agency costs might benefit from an alignment between ownership and managerial diversity. It has been showed that making a comparison between family firms with high SEW endowment and family firms with low SEW endowment, the latter result to be successful internationally if they make use of external ownership as the main resource (Kraus et al., 2016). This happens because family members of this type of firms are more open to accept high SEW losses by allowing external (non-family) owners to enter the firm. The openness enhances firm’s performances, also at international level, thanks to the external resources that otherwise would not be available. The family firms with high SEW endowment achieve high levels of internationalization when the presence of external owners combines with the presence of a non-family CEO and the existence of an international networks. At first glance this structure may look irreconcilable with a high SEW endowment, but it is important to know that the research made by the Kraus et al. focuses on family firms with multiple international experience, thus with already high confidence as well as knowledge, skills and learning. “Family firms with high SEW in this group acquire learning from previous internationalization experiences and accordingly shift their reference point. Accordingly, the decision to further internationalize ceases to trigger further losses in SEW” (p. 5477). In addition to this, family firms with high SEW endowment might be willing to internationalize if they recognize this choice as a chance to increase firm’s reputation and exposure. In other words, internationalization path can be considered by these firms as a way to ensure SEW gains and not a threat for it. Pukall and Calabrò (2014) develop a framework that reconciles the inconsistencies of previous researches, showing how SEW perspective affects the internationalization activities in family firms. Some triggers from outside the family, like external managers, incoming generation or network relationships can push the firm to internationalize. SEW preservation tendency will also encourage firm to internationalize if members perceive that their family wealth is at risk, and they will decide to get international to reach their aspiration levels.

**Corporate Governance Structure**

In some researches that have been abovementioned the authors have recognized different ways through which the family can be present and influences firm’s performances (Sciascia et al., 2013): this distinction appears fundamental for understanding why the studies regarding family influence have gathered opposite and contrasting results. The
principal distinction is often made between family involvement in ownership (FIO) and family involvement in management (FIM); they can be considered two distinct measures of performances because they affect the firm in different ways and with different outcomes. For example, ownership structure can play a central role, determining internationalization pathways (Kontinen and Ojala, 2012). The impact of family management and ownership on internationalization path changes in different contexts, samples, firm-level characteristics and entrepreneurs’ characteristics (Ivanova et al., 2015). The identification of corporate governance as a moderator of the relationship between internationalization and firm performance helps resolving the mixed findings in this literature by illustrating that the main effect depends on particular conditions (Lu et al., 2015). In fact, in many researches the total control by the family results to be a limit for firm’s potential: in particular high levels of family ownership are associated with low levels of internationalization (Fernández and Nieto, 2005; Majocchi and Strange, 2012; Sanchez-Bueno and Usero, 2014; Herrera-Echeverri et al., 2016). Another slightly different point of view is given by Arregle et al. (2016): the authors discover that family firms internationalize significantly less than other firms only when they are totally controlled by the family, both on the management and ownership. In other cases, family firms are similar to non-family firms with regard to internationalization. In a study between family controlled and family managed (FCFM) and family controlled and nonfamily managed (FCNFM) firms, the former adopt a suboptimal governance structure and weaken the internationalization-governance relationships, generating a loss of wealth for nonfamily shareholders, with consequential type II agency costs arising. In contrast, FCNFM firms do not modify or weaken these internationalization-governance relationships, mitigating both primary and secondary agency issue (Singla et al., 2013). Concentrated family ownership helps to monitor management and reduce their tendencies to engage in opportunistic behaviour. At the same time, nonfamily management diminishes expropriation of private benefits by family owners. Therefore, “nonfamily managers potentially ensure a more equitable distribution of the shared benefits of control among all shareholders” (p. 614). As explained by Yeoh (2014) outside CEOs and inside CEOs can bring different experience to the firm. While inside CEOs can lean on the previous experience within the firm and have deeper understanding of the internal resources and constraints, outside CEOs can bring new knowledge and skills and thanks to their experiences, they can search for new strategies within or outside the firm.
When it comes to internationalize, external resources cover an important role for the success of family firms: the heterogeneity of the environment and the roles given to external owners or external board members are fundamental elements for succeeding in foreign markets (Arregle et al., 2012). The presence of non-family managers will positively affect the firm’s choice to enter international markets (Calabrò et al., 2009; Cerrato and Piva, 2010; D’Angelo et al., 2016) and it can also create a virtuous cycle: the presence of independent members on the board can boost export behaviour, which in turn can encourage the increase of independent members in the board (Herrera-Echeverri et al., 2016). External ownership is positively and significantly related to the scale and scope of internationalization (Wakoswka, 2017): a family firm with an open governance structure can build links to the external environment and access non-family resources needed to enhance the scale and the scope of its operations overseas (Naldi and Nordqvist, 2008). Starting from these findings Holt (2012) discusses the factors, like financial and socioemotional aspirations or the firm’s social contest, that may explain how external owners and board members might persuade the controlling family to pursue internationalization. According to the model, a family firm will consider several aspects in pondering the offer made by an external figure, not only her or his level of trust, but also if this offer is consistent with the goals and the values of the owning family. It is also essential to understand that introducing non-family members is not enough to boost internationalization: it is equally important to adopt and develop a wider international entrepreneurial orientation, fostering the attitudes, behaviours and values that can make effective the potential positive effects of the reduction of dependencies from external environment in terms of resources and knowledge, in order to increase the pace of internationalization (Calabrò et al., 2017). CEO and top managers need to identify and interpret signal from the external context and translate them into answers, according to internal dynamics. Their choices have to take into consideration family firms’ unique values: long termism, reliance on shared value and importance of workers and the community (Cucculelli and Bettinelli, 2016).

Family involvement can turn into a constraint to internationalization because of the tendency of family-managed firms to put a greater focus on domestic markets advantages, not considering or devaluing the opportunity to get international. The scenario changes when the choice of going international has already been done: in this case, according to
Cerrato and Piva (2010), there is no a negative relation between family involvement in management and internationalization, meaning that there is no significant difference between family-managed firms and nonfamily-managed ones. This result is compatible with what is stated by Wakoswska (2017), according to which the concentration of ownership hinders the propensity to export, but it has no effect on export intensity and export scope, meaning that it constitutes a first important barrier to internationalization, but that later it does not affect the activities. Still, family presence can give positive contributions to the firm, some informal governance mechanisms such as relational norms and trust (typical of family firms) combined with informal mechanisms, such as independence in board behaviour, can help the firm to reach important levels of internationalization (Calabrò and Mussolino, 2011). Particularly, “the existence of relational norms increases the commitment to long-term perspectives, aligned and continuous goals, and valuable social relationships which can potentially foster the export decision” (p. 390). Trust can have mixed effects on family firms export intensity: basing on two distinct systems of social psychological processes in family SMEs, two different types of trust are recognized: integrity-based trust that involves empathy, rapport and self-disclosure, and competence-based trust, that involves a calculative and instrumental assessment. Basing on their analysis, Calabrò and Mussolino (2011) find a significant positive relation only between integrity-based trust and export intensity. Ray et al., (2018) also demonstrate that moderate levels of family ownership is associated with a higher degree of internationalization, because family owners may be less averse to internationalization because financial risk is shared with other owners. Also stewardship effects, even if low, can then arise with positive implications on sales internationalization (Sciascia et al., 2013).

The presence of opposite arguments and conflicting arguments has brought authors to consider the hypothesis of a nonlinear relationship between family involvement in ownership and management and the internationalization path. Generally, it is recognised that this relationship takes the form of an inverse U-shaped curve (Mitter et al., 2014), meaning that the relation starts at the bottom, rises until the maximum point and then it declines again. In other words, the international activity is highest among FFs with a medium substantial family influence (SFI), indicating a lower percentage of equity capital on the part of the family and a higher percentage of non-family members in management.
and governance boards. Sciascia and Mazzola (2008) find that there is not significant relation between FIO and companies’ performance: the result is justified by claiming that the positive effects due to the presence of family members, such as long-term perspective and stewardship are completely balanced with the disadvantages related to the institutional overlap between family and business, like internal conflicts, nepotism and excessive family member pay, and it is impossible to find a threshold at which the advantages outweigh disadvantages and vice versa. By contrast, the relation is present between FIM and performance, and it is a negative quadratic relationship. In this case the benefits given by the reduction of agency costs and the stewardship effect induced by the presence of family managers are too weak and they cannot compensate the harms caused by the nonmonetary goal orientation and the constrained social and intellectual capital. Even when the level of FIM is low, the disadvantages overtake the benefits, although the negative effects will be lower. Lately, Sciascia et al. (2013) confirm the J-shaped relationship between family involvement in the board of directors and internationalization, but accept the idea that the relation between family ownership and internationalization is inversely U-shaped. The distinction, as already reported previously, may lie in the different dynamics that characterize the functioning of board of directors respect to the ownership.

On top, the presence of an advisory board consisting of experts in the respective fields of knowledge who can bring fresh ideas into the company (Mitter et al., 2014). The integration of external “voices” in the governing bodies can successfully accelerate internationalization by reducing dependencies from the external environment, so that family firms can effectively leverage on the set of beliefs, preferences, and behaviours that foster internationalization (Calabrò et al., 2017). The presence of institutional shareholders (Ray et al. 2018) and shareholders from another company (Fernandez and Nieto, 2005) interacting with the internal family owners, positively influences the internationalization of a family firm.

**Entry mode**

From the researches collected it is possible to observe that the presence of family can influence not only firm’s performances abroad, but also the strategies adopted to approach foreign markets. The choice about entry mode is especially significant for family
owners because it may either align or conflict with two key family-related goals: maintaining family control and keeping a long-term orientation of the business (Pongelli et al. 2016). The weight of the two goals varies basing on the importance given to SEW and on the ownership structure: founder ownership tends to opt for long-term investment and the maintenance of family control, while the presence of external managers might mitigate the owners’ preferences, fostering a shorter-term investment horizon and encouraging cooperation. In their studies Lombardo and Ortiz (2017) show that companies with higher levels of family participation, classified as “pure family businesses”, prefer not to establish strategic alliances, because of their stronger will to conserve autonomy and total control of decision taking and not disclose to third parts information they consider to be relevant for the firm. On the other side, companies that opt to use strategic alliances for internationalization purposes are all characterised by their lower levels of family control or participation when compared with the pure family businesses and their reasons for cooperating are due to shared interests, that are prioritized over family reasons. The intrinsic characteristics of family businesses such as higher risk aversion (Abdellatif et al., 1999), limited access to external resources and capitals or the predominance of trust-based relationships make these firms more likely to choose specific strategies above others. These limited financial and managerial resources make necessary for the family firms to adopt cooperative strategies for acquiring complementary assets (Berra et al., 1995). Moreover, foreign market selection and entry initiative emanate not solely from the strategic decisions of managers of the firm, but also from the opportunities created through network contacts, both formal (i.e. business-related) or informal (family, friends) (Berra et al., 1995; Coviello and Munro, 1995; Ratten et al., 2017). In fact, network contacts cover an important role in the internationalization process of family firms: Rutashobya and Jaensson (2004) find out that many times the networks of the owner-managers can help entry in to foreign markets in the first steps of internationalization. The network can bring several benefits including access to foreign market information, access to information about foreign trade fairs, access to foreign market and access to supplied credit and training opportunities. In their sample of firms, they distinguish four different types of networks:

- Networks with friends, customers and close family ties;
- Networks with independent distributors in foreign markets;
- Networks with cluster members, local and foreign associations;
- Networks with local producers;

In this case, the most used type of network is personal, but this depends on the specific environmental, institutional and cultural characteristics of the sample. The authors come to the conclusion that partnering through networks and clusters is a fundamental tool for small family firms to end their isolation and become more competitive in the globalized world. Francioni et al. (2017) show how network relationships influence the internationalization of small Italian wine producers characterized as late starters. In this case, the main source for creating new opportunities and network relationship is represented by the tourists and their contacts. In addition to network relationships, other factors - lack of time and other resources, language barriers and increased local competition but also “critical incidents” like management or ownership changes or receiving sudden foreign orders - also affect the firms' internationalization. Business growth will depend as well on the ability of the owner-manager to establish networks. The importance of networks for supporting exports is stressed also by Ciravegna et al. (2014): according to a research made on a sample with Costa Rican and Italian firms, the scholars find out that firms use their personal networks to search professionals working in potential foreign markets who could help them internationalize.

In addition to network relationships, business growth will also depend on the ability to recognize international opportunities: family-owned SMEs can use different cognitive structures that allow to identify opportunities: network ties, prior knowledge, activeness and alertness (Kontinen and Ojala, 2011). Respect to non-FBs, family businesses may tend to recognize international opportunities by using formal ties rather than informal ties or family ties and the formation of new network ties is more likely to lead to international opportunity recognition than the presence of existing ties. If the family firms decide to use strategic alliances as a vehicle to internationalize, it will require commitment, specific managerial capabilities and trust that the partners will maintain a relationship consistent with the ownership structure (Gallo et al., 2004). Nevertheless, the formal and informal ties collected by family firms, in particular the small-medium enterprises (SMEs), might not be sufficient for enhancing internationalization and this lack might inhibit the process. In this case the SMEs family firms can compensate by attending international exhibitions where they can form new and useful ties (Kontinen and Ojala, 2010). These new ties
created during the exhibitions mostly appear weak and informal, but they are rapidly
developed by family firms into strong ties, when the members of the firm feel they can
create trust-based relationships with the new partner. Last, family firms appear to be
more reactive than proactive in their research of external networks or opportunities. This
aspect can be explained by the fact that “family entrepreneurs trust their feelings about
the rightness of a certain tie: they do not strategically concentrate on the search for ties
in a particular market” (p. 450).

Another important finding that regards the entry mode strategy of family firms is that,
during their internationalization path, they tend to follow the model proposed by the
Uppsala School. This model, adopted by several scholars (Claver et al., 2007; Zaniewska,
2012; Cesinger et al., 2013; Pukall and Calabrò, 2014), demonstrates that when it comes
to internationalize, firms will first establish agency relations in neighbouring and similar
countries, and, to a certain extent, also the sales subsidiaries will occur in the same order.
The process of internationalization will be gradual and it will depend on the progressive
accumulation of knowledge of foreign markets and it will be also influenced by the size of
the foreign market (Johanson and Wiedersheim-Paul, 1975). The model has been, on a
case-by-case basis, integrated with other conditions: according to Claver et al. (2007), the
internationalization process is also positively related to the age, size and generation of the
firm, meaning that the family firms that are bigger, older and managed by the next
generations have more resources and capabilities to face the internationalization process,
thus they have more chances to success. Kontinen and Ojala (2010) share the same
results, stressing the fact that internationalization is a gradual process: it takes years
before the firms decide to open to foreign markets and even when they decide to do so, at
the beginning they use mostly indirect entry mode, like export via independent
representatives. Several factors may contribute to overcome psychic and physic distance,
such as network relationships and the selection of proper entry mode. Cesinger et al.
(2013) analyse the effect of physic, cultural and geographic distance on
internationalization, and they confirm how they can represent a barrier for family firms,
even more compared to non-family firms. As far as exports, that is one of the most popular
entry modes among family firms (Graves and Thomas, 2008), especially through a foreign
distributor or own foreign representative office (Daszkiewicz and Wach, 2014), it has
been showed by Erven et al. (2012) that there is no statistical evidence for a relation
between risk aversion and export intensity in family firms. Apart from export, Gallo and Pont (1996) hypothesize that family firms may also use direct investments (DI) for internationalising and that they may reduce international uncertainty through the use of foreign based family members. However, considering the willingness of the managers to take on calculated risk, another option to reduce uncertainty is to establish strategic alliances, as it has been already shown.

**Cultural Influence**

Considering the local dimension that often characterizes family firms, it shall not surprise that also culture can be a strong determinant for firms’ strategy and identity. Culture can be interpreted as internal or external and, in both cases, it can represent a crucial aspect for firms’ internationalization path and success.

As far as external culture, meant as regional or national culture, it can determine the firms’ propensity to determined risks or conditions. Hofstede (1984) has shown that some of the cultural dimensions are *uncertainty avoidance*, related to the level of stress in a society in the face of an unknown future and *long-term vs. short-term orientation*, related to the choice of focus for people’s efforts: the future or the present. These are two elements that can deeply influence the firm’s willingness to undertake internationalization path or to open to strategic alliances. Cultural dimensions have a direct influence on many family-business interactions, most of which are still under-investigated. For example, culture may affect the boundaries of the “family”, and the strength of family ties (Casillas et al., 2017). The cultural differences contribute to increase the heterogeneity between family firms, this means also that the overlap between family and the company varies according to national culture. The national culture influences the relative importance of values (family versus business values), and affects the predominance of business versus family goals. (Chrisman et al., 2013 in Casillas et al., 2017). As an example, Tsang (2001) and Erdener and Shapiro (2005) as well, show how Chinese culture shapes managerial ideology and values, like clear hierarchy, reciprocal vertical obligation, and benevolent autocracy. Confucian values seem to guide both individual behaviour and company policy and the identification of the family culture with that of the firm increases the commitment of each employee to the organization and therefore to its main performance indicators (Merino et al., 2015). Another example is given by Puig and Pérez (2009), who
demonstrate how the internationalization process of Spanish family firms has been strongly routed by Spain's institutional framework and historical choices of economic policy; the persistence of distinct regional patterns of economic development and business cultures. In the case of the Italian FBs producing wine, the culture covers a fundamental strategic role because it contributes, together with the territory, to create value for the product, making it unique (Calabrese and Mastroberardino, 2016). Country culture can also determine the average level of general propensity to trust foreigners, called also “generalized trust”, affecting family firms’ propensity to internationalize (Arregle et al., 2016). This aspect tends to influence family firms more than non-family firms because of the former’s propensity to use trust as an organizing principle and governance mechanism. The differences between national cultures can destabilize family firms because they imply adaptation to local market and culture, and consequently, they also imply new requirements for cultural and language training within the family and the family firm. A family firm with a strong organizational identity might ignore or discredit the cultural differences between the markets and decide to reproduce existing cognitive and behavioural patterns, not adapting its products or services to the new foreign markets and trying to preserve the character of the firm (Reuber, 2016). The role of cultural differences is explored also by Ciravegna et al. (2014) in their comparison between Costa Rican and Italian family firms: the scholars find that the vast majority of both Italian and Costa Rican firms use networks to support their internationalization and adopt specific strategies to build such networks. The only difference is that Costa Rican firms tend to emphasize the importance of school, in particular university and postgraduate education, whereas Italian firms generally do not use school-based contacts to support their internationalization. The authors conclude saying that the national culture may influence the internationalization path of family firms less than other factors, such as whether they are SMEs or large firms, or the type of industry in which they operate. On the other hand, the study made by Calza, Aliane and Cannavale (2010) on Italian firms working in Algeria shows how the cultural elements strongly impact Italian firms’ success, in particular highlines the importance of family social values and religious beliefs.

As far as internal culture, meant as organizational culture, it represents an important strategic resource that family firms can use to gain a competitive advantage and promote entrepreneurship (Zahra et al., 2014). Following the authors’ results, entrepreneurship is
more likely to develop when the culture is moderately individual-oriented, external-oriented, meaning that it is open to external influences, knowledge (gained from customers, suppliers and competitors), decentralized and long-term oriented. Finally, the authors say also that the influence of culture on entrepreneurship will be greater in family than in non-family firms; that’s because, applying the RBV, culture represents one the elements that contributes the most to create the competitive advantage, the familiness, that enhances the uniqueness of family firms.

**New Generations**

As it has been showed, the total control of the firm by the owner family might affect its productivity and its performances in foreign markets. At the same time, the presence or the introduction of the second or subsequent generations can, somehow, mitigate the negative effects of the family's influence. Fernández and Nieto (2005) confirm both the negative relationship between family ownership and internationalization and the positive contribute given by the generational changeover. The reason why the new generations can bring positive effects to the firm is that they may have acquired abilities and knowledge that the founders do not have, providing new resources to the firm and that they might be less risk averse when it comes to seek new opportunities to create economic value (Claver et al., 2008; Bobillo et al., 2013). In general, succession is one of the most delicate moments in family firms' life because it can represent both a moment of renewal for the firm, with the introduction of new impulses and knowledge, both a crisis moment for the delicate internal equilibrium of family businesses (Claver et al., 2009). If it is successful it can give a new push to the firm, providing more ambitious strategies and new resources to support them (Calabrò et al., 2013; Merino et al., 2015). Applying the SEW perspective, subsequent generations are characterized by a lower sense of attachment and belonging to the firm, but they substitute the pursue of SEW with a stronger pursuit of financial returns, ensuring the profitability and the productivity of the firm. (Sciascia et al. 2014). The loss of the SEW attachment might push the subsequent generations to be more open to share the firm's ownership with external figures in order to finance the international expansion, instead of resorting to debt (Bobillo et al., 2013). With the generational changeover the family firm might lose its typical long-term orientation because of the fact the subsequent generations are more interested at the financial outcomes and so they will show preference for short-term goals, instead of taking the risk.
of a long-term value creation strategy (Menéndez and Requejo, 2005). Also Calabrò et al. (2016) analyse if incoming generations’ involvement have any influences on the decision to explore international opportunities and to what extent altruism and competence-based trust mediate that relationship. The scholars propose that the impact of incoming generation’s involvement on the internationalization path of the enterprise can be positively mediated by the presence of long-term orientation, aligned values between the family and business, and participative decision-making (presence of altruism) between senior and incoming generations. The presence of altruism and trust between the different generations is a fundamental factor for the positive contribution of new generations because they can mitigate the risk of conflicts in the transfer of power.

**Knowledge and IT**

One of the best strategies to enhance internationalization path among family firms is by investing on technologies and innovation, these tools can help small businesses to overcome the disadvantages due to the size limits and to reach consumers beyond their borders. Investments on internet and information technology have a positive impact both on internationalization and sales growth (Davis and Harveston, 2000). Testa (2011) shows the same results for the Italian food markets: not only there might be a relationship between the internationalization of family SMEs and their technology dimension but that there might be a relation between the decision itself of these firms to enter international markets and their technology dimension.

The benefits for internationalization do not only arise from the investments on IT, but also from the development of the whole knowledge of the family firm. At this regard, Basly (2007) studies the specificities of the processes of knowledge creation and development in family firms. Basing on the author’s studies, the characteristics recognised as being specific to the small and medium-sized family firms are conservatism, independence orientation and social networking.

1. The conservatism of the owner-manager may constitute a significant barrier to organizational learning and knowledge development within family SME. However, the role of the board of directors can be crucial since it could increase the amount of information available to the operational management when planning or implementing strategies.
2. Independence orientation is a consequence of the family long-term commitment to the business. This commitment has two contradictory effects on growth. It implies the pursuit of future development and continuity of the firm to make sure that the family heritage and knowledge is passed on to the following generations. On the other hand, commitment implies a strategy of conservation of the heritage which might imply a strong seek for the independence. Thus, it can provoke limitations both for the financial aspects and for external relations and preclude the possibilities of growth and strengthen for internal knowledge.

3. Social ties are the key trigger of international operations but also for the share of new knowledge. Nevertheless, family firms willing to maintain the total control over the business might be reluctant to socialise and share critical information or knowhow.

The family firm is quite inclined to privilege mechanisms of protection of knowledge such as strengthening the tacit aspect and avoiding formalizing or voluntarily maintaining the complexity. This inclination can bring some risks, like the deterioration or fragmentation of the family’s knowledge. These risks can be easily avoided just sharing this knowledge with external directors. Concluding, the small and medium family firms can internationalize exploiting their knowledge as competitive advantage, without the risk to lose the valuable knowledge. Bell et al. (2004) also prove the “knowledge-intensive” firms can a significant competitive advantage both in domestic and international markets.

Other topics

The papers that have been gathered for the research focused also on other elements or conditions that somehow might influence positively or negatively family firms’ internationalization. It has been proved in several papers that the characteristics of the managers (educational background, previous experiences etc.) can exert an important effect on the firm’s internationalization path (Casillas et al., 2010). If she/he has the qualities and skills required, she/he could be able to lead the firm into new development pathways. In particular, her or his international orientation is a key skill that gives a positive influence of family firms on export (Basly, 2015). “Dispelling doubts about internationalization thanks to his better knowledge of foreign markets and business practices, the manager may obtain the support of the owning-family and help defeat the
forces of stagnation and inertia” (p. 89). High academic levels correspond to high levels of success in international success: better educational levels allow the entrepreneur to function effectively in all the different international environments and to deal with the new information collected (Camino Ramón-Llorens et al., 2017).

Another determinant variable for the success of family firm’s internationalization consists in its capacity of recognizing international opportunities. Hayton, Chandler and Detienne (2015) show that family firms differ significantly from non-family firms as regard as opportunity recognition: the former are significantly less likely to report an approach to opportunity identification involving the sudden creation of the product or process, and generally they tend to identify fewer innovative opportunities respect to non-family businesses, in line with the previous statement. In any case, Kayhan and Ratten (2017) find that family firms are more likely to be proactive about innovation when it leads to increased internationalization. Moreover, family firms that are more responsive to customers and risk-taking will be also better able to assess international opportunities. The low risk-aversion is important for the international success of family firms because the risk perceived tends to raise when the family firm starts to open to foreign markets (Claver et al., 2008).

Some typical constraints of family firms might limit their chances to get international, such as size or the limited financial resources. Regarding the size, it has been proved that there is a positive correlation with the internationalization chances and strategies: a bigger size determines the firm’s strategy thinking and allows to realize it (Wach and Wojciechowski, 2014). For the financial resources, Sanchez Bueno and Usero (2014) state that financial institution as a second owner in a family firm will have a positive impact on its international diversification strategy. The introduction of bank and investor institutions will favour the firm’s investment in foreign markets and will the reduce the principal-agent cost (I type), because they tend to be well-informed and will reduce information asymmetries.

Apart from financial institutions, also Governments with social conservative political orientation are particularly beneficial for family because of their emphasis on the institution of family, which are at the core of family businesses. FBs are legitimized and supported by such governments which view them as central players in the market and as
the main vehicle for achieving government’s economic and social objectives. As a result of such a symbiotic and mutually beneficial relationship, FBs, under social conservative ideologies, are more reassured, enjoy unique resources, and consequently, are likely to engage in riskier strategies such as internationalization (Duran et al., 2017).

1.6 Conclusions

In conclusion, nevertheless the number of papers dedicated to the research, the dynamics regarding internationalization of FBs still need to be studied in-depth. Even though some elements have been frequently discussed by scholars, there are some gaps, depending on the different realities in which this phenomenon develops and on the extreme complexity and variability of the familiar dimension. For sure, SMEs and FBs represent particular cases of internationalization, because some specific and unique characteristics, such as familiness and stewardship, have an impact on the approach adopted by the enterprises and can be both a great booster and a big limit for family firms’ internationalization. The role and the presence of family within the ownership and the management do have influence on firm’s strategy and approach, but it is still difficult to create a model that can be always valuable. The results reported show a non-linear relation between the family presence and the internationalization path, but the extremes of this relationship are not clear yet. Basing on the position, the values and the believes assumed by the family, also the pathways and the ways to approach to foreign markets change. In spite of the difficulties, it is strongly important to analyse the dynamics that involves this type of enterprises, both for their importance in the different national realities and for safeguarding their future in the international market.
2. THEORETICAL BACKGROUND

2.1 Introduction

The literature review has allowed to know and understand better the dynamics and the basic logics of the family businesses’ reality and their path of internationalization. As it can be deducted from the review and from the different papers written about, the issue is broad and multifaceted, because it is influenced by various determinants both internal (such as the roles played by the family members, the presence of external figures, the generation currently present in the firm) and external (the market, the cultural and social influences, the product’s characteristics). In order to have a clearer and more concrete idea of the family firms’ behaviour in foreign markets, the choice has been to focus on a particular case. The aim is to verify if the family enterprises actually follow the path lines founded in the literature review and, consequently, if the statements that have been developed in the previous part can have general applications.

With the aim of giving a practical example of family firms’ behaviour, the case of the prosecco market has been studied. In particular, the focus has been on the family firms of the District of Conegliano Valdobbiadene. The choice is justified by the high presence of small family-operated businesses within the district. Moreover, the case results interesting from the theoretical point of view for the presence of the Consortium, that may support the international activities of the firms, influencing their strategies and their choices. Before introducing the research and the results obtained, it is better to expose and deepen some theoretical topics that are strictly related to the enquiry and that are fundamental for the full understanding of the general framework in which it develops.

2.2 The internationalization

Trade globalization is a phenomenon that has started only a couple of centuries ago and that it is still growing. At the beginning the transportation of goods for long distances was considered too expensive to be realized and for this reason markets tended to remain strictly local, with no movement of knowledge and technologies (Baldwin, 2006). Only few cases represented an exception, such as precious materials, spices and textiles that were purchased from distant and exotic countries.
By the end of the nineteenth century things started to change with the first unbundling, consisting in a reduction of transportation costs, and successively with the second unbundling, started in the middle of twentieth century and consisting in a reduction of communication costs. The reduction of these costs made movement of goods and services easier, helping trades to get bigger and overcome national boundaries. Goods started to be exported and imported and firms started competing not only with the local players but also with companies located in foreign countries. With the expansion of markets, also the production had the chance to increase its dimensions and, consequently, the number of goods produced raised more and more. Firms were no longer bounded to local demand but they could also reach different markets and supply goods and services for foreign consumers.

Nowadays the phenomenon has assumed an essential role in the dynamics of modern economy and it represents one of the greatest source of value for many countries. According to data, the annual average of flow of exports is equal to 11289 billion of dollars and it involves all the continents (the main destinations of exports are US, China and Germany)\(^7\). At global level exports represent the 37% of total GDP\(^8\): this means that international trades create more than a quarter of the whole global market value. This trend, as we can see in the Graph. 1, has strongly spread in the last decades, with the percentage that has been more than doubled since 1960. The growth of the last years has been possible thanks to the development of new technologies that have made affordable to everyone to be connected with the whole world.

\(^7\) UN Comtrade Analytics
\(^8\) The World Bank Data
2.3 The Industrial Districts

Talking about economies of scale, it is important to make a distinction between internal and external scale economies. If economies of scale are applied at the number of firms joining an industry rather than at the production level of the individual firm, they are called external economies. The analysis of external economies goes back more than a century. The first studies on the external economies have been started more than a century by Alfred Marshall, an English economist, who studied the phenomenon of “industrial districts” (Krugman et al., 2006). The districts can be described as “geographically defined productive systems, characterised by a large number of firms that are involved at various stages, and in various ways, in the production of a homogeneous product” (Pyke et Sengenberger., 1990 p. 2).

In his studies, Marshall has identified three principal reasons why a cluster of firms may result more successful and efficient than individual firm:

- **Specialized suppliers:** in many industries the production of goods and services requires the use of specialized tools or support services. The market provided for these services by an individual firm may not be sufficient to keep the suppliers in
business. On the contrary, a localized industrial cluster can bring together many firms that can provide a larger market that is capable of supporting a wide range of specialised suppliers.

- **Labour Market Pooling:** another important aspect of a cluster of firms is that it can create a pooled market for workers with highly specialized skills. The presence of this pooled market is beneficial both for the producers and workers because in this way the former are less likely to suffer from labour shortages while the latter risk less to become unemployed.

- **Knowledge spill-overs:** in highly innovative industries, but also in the traditional ones, knowledge has become one of the most important inputs that can provide a great competitive advantage to firms. Companies can develop knowledge and new technologies through their own research or they can learn from their competitors. Another important source of technical know-how is the informal exchange of information and ideas that take place at a personal level. This exchange of know-how is more likely to take place mostly when an industry is concentrated in a fairly small area, so that the different realities can talk and discuss freely about their ideas and their issues.

Internationalisation is directly related to larger profits, higher productivity and efficiency. The small and medium enterprises could find hard to compete singularly with the larger foreign companies because of the limitations in resources and capital, but creating a network with other local enterprises allows them to increase the productivity, reduce the transaction costs and cover a wider demand, both in the domestic and in the foreign markets (Bertolini and Giovanenetti, 2006). The activities in networks allow firms to form relationships that help them gain access to resources and markets. In other words, the presence of the local environment favours the international growth of the firms through business networks. Apart from this, the local environment can support the firms also for developing specific capabilities and competitive advantages. In fact, a firm's international competitive advantage is partially determined by interactions with localized capabilities (Maskell & Malmberg, 1999). It has been found that small and medium enterprises located inside industrial districts present superior export performance and export intensity than firms located outside the districts (Belso-Martínez, 2006). Another important contribution given by the industrial districts is represented by the “client networks”
which can positively affect export intensity and performance. On the contrary, it has been found that supplier networks are negatively correlated with export performance; they should not be considered significant for obtaining better export performance and export intensity rates. In the same way, it has been found that institutional networks are non-significantly correlated with the export performance, because of the lack of efficiency in programmes and policies.

Districts have been the most dynamic engine of economic growth in Italy since 1970s. Sharing of knowledge and quality of relationship between firms at supply chain level and private and public local partnership, become fundamental for competing (Antonazzo et al., 2013). To understand the importance of districts’ reality in Italian economic, it is sufficient to report the enquiry done in 1986 by the ISTAT-IRPET that has identified 955 Local Labour Market Areas (LLMAs). The 955 LLMAs have been categorised by Sforzi (1990) into 15 different groups of local systems basing on their socio-economic characteristics. Within this framework of analysis these local systems were candidates for being identified as Marshallian industrial districts. The outcome of this analysis was the identification of 61 Marshallian industrial districts (DIMs), mainly localised in North-eastern and Central Italy, but also in North-western Italy. The great part of these Marshallian Industrial districts has a dominant manufacturing specialisation in fashionwear industries and wooden furniture, a lower part is dominated by metal goods industries. The industrial structure of each district is also constituted by other manufacturing industries complementary or subsidiary to the dominant one.

Becattini (1990) focused on the socio-economic notion of Marshallian district and he defined it as “a socio-territorial entity which is characterized by the active presence of both a community of people and a population of firm in one naturally and historically bounded area” (p. 38). According to the scholar, what distinguishes a district from an “economic region” is the peculiar dominant activity. This particular structure brings an increasing surplus of final products that needs to be sold outside the district. This need leads to the development of a permanent network of links between the district and its suppliers and clients.

One of the most important element composing the industrial district is the local community, that is “its relatively homogeneous system of value and views, which is
expression of an ethic of work and activity” (p. 39). The importance of the local community consists in its influent power in the development and the direction of the district, its openness to changes and external realities. Parallel to the system of values there is also a system of institutions and rules that allows values to spread throughout the district, to support and transmit them to the subsequent generations. The institutional system is influenced itself by the values of the district; this represents a spontaneous process fundamental for ensuring the functioning of the social metabolism of the district. The risk is that the district might become a closed system with resistance to open to external figures and ideas: this closeness might reduce the opportunities of development and consequently, the chances to remain competitive. A solution for avoiding this risk is to ensure a continuous exchange of people with the surrounding world and increase in this way the capacity of assimilation.

According to the scholars, another important characteristic of the industrial district is that it represents a “localised realisation of a division of labour”, meaning that each firm within the district will specialise exclusively in one or few phases of the production processes. Any firm that operates inside a district exists both as part of the whole and as an independent entity possessing its own history. The specialisation in specific steps of the production process is accompanied by a continuous mechanism of reallocation of resources for providing a perfect match between an appealing place and the abilities of each person. The continue research for the efficiency of human resources allocation is one the conditions for the district’s productivity and competitiveness. Because of the dynamics of the district, where several small firms specialise and operate in few sectors, it is inevitable that a competitive behaviour will develop between the units. As explained by Brusco (1999), “the spread of information makes it possible to know what the various firms’ strategies are enable each one to measure the level of efficiency of all firms and, if needed, to take advantage of this by imitating one or more of them” (p. 17). This competitive behaviour is combined with a “semi-conscious” and “semi-voluntary” cooperation among the firms, resulting from the particular socio-cultural system of the district (Becattini, 1990).
2.4 The Consortia

A way to solve the conflicts that develop between the firms within the district is through the insert of institutional rules that can be accepted by those involved. One of the problems that mostly harm the districts is related to the firms’ size that disadvantages the internationalization of some business features that became strategically crucial, such as R&D, international trade, products and process quality, adaptation to technical norms and others. This structural weakness can be faced through two different ways:

- Through the enforcement of the individual private entrepreneurship;
- Through forms of collective entrepreneurship.

In the first path, the classic one, the resources remain under the control of the firm as private goods and so they develop. On the contrary, the second path implies the realization of collective goods between firms that remain independent and often competitors. These non-classic, institutional structures must be capable of solving the issues related to the collective entrepreneurship that emerge when the numerous participants involved have goals that match only partially (Parri, 1997). These phenomena are also influenced by some extra-economic factors that are not usually considered by the classic economic theories and, for this reason, need a specific type of cooperation form that is the consortium.

Together with the District, in the Valdobbiadene area there are also several consortia that involve almost all the firms that work with prosecco. The consortium is a network structure in which different firms converge in order to establish a partial cooperation that regards some specific areas development such as the research and development or the sales promotion. It represents a reality in which the participants aim to accomplish a common goal that they could not achieve on their own. Like the districts, the consortia represent a type of interfirm cooperation that is very common in Italy. The consortium aggregations can assume different characteristics basing on several variables: the reasons that brought to the foundation and the nature of the activities, the sectors in which the firms operate, the dimension etc. Because of these differences, also the socio-economic issues related to the constitution and development of the consortium need to be analysed on a case-by-case basis, taking into consideration of the different pattern adopted by each aggregate (Depperu, 1996). Notwithstanding this, there are also some characteristics and
features that are always present in the consortia and that differentiate them from the other forms of cooperation:

- the consortia are interfirm aggregations mostly constituted by private firms, even though they may be also public.
- the consortia usually involve a high number of firms and, in particular, small and medium enterprises.
- it is considered to be the best way to ensure the development of SMEs, in particular in the Italian economy.
- the consortium represents the means through which the firms belonging to an industrial district formalise their cooperation and their relationship, thanks to the benefits guaranteed by the law (in the case of the Italian legislation).
- the efficiency and the utility of the consortium is often evaluated by the political system to see if it is a useful tool for promoting the activities of the SMEs.
- the participation to the consortium is not strictly binding.

As already said, there are different forms of consortium and its efficiency depends on the way it gets structured and employed. It might happen that the consortia are just structures created for opportunistic behaviours with the only scope to exploit the advantages provided by the law and not for creating an interfirm cooperation (Depperu, 1996).

The classification of consortia can be based on different variables, both considering the aggregation side (that consider all the activities of the firms) and the coordination side. It might happen, in fact, that the coordination activities involve only one or few activities operated by the firms. This does not mean that the all the participants of the consortium will perform the same activities: each unit can perform a different group of activities that differs from the others. Consequently, the consortia might present asymmetries that lead to different goals, strengths and weaknesses. There might be also the case of a wide consortium that involves uneven activities, like in the case of export consortia: in this case the consortium acts mostly like a real big, unique firm, so it requires strong knowledge managerial abilities and bigger resources. In these cases, the consortia can work successfully only if they involve a high number of firms, otherwise they risk not to generate revenues (Depperu, 1996).
In addition to the width of the consortium, it is also relevant to consider the level of complementarity between the participating firms. The central structure that is responsible for the coordination of activities can:

- have a coordinative role of the firms’ activities;
- join the firms in carrying out some activities;
- replace the firms in carrying out some activities.

These three options are not completely alternative, on the contrary the consortium can decide to adopt one or more possibilities together, creating different mixes. Basing on this variable, there can be different solutions: on one side there are the consortia where there is low substitutability between the activities carried out by the firms and the centralized ones. On the other side there are the consortia where the firms focus only on few activities and rely on the consortium for creating those goods and services that they could not produce on their own. When the consortium carries out some activities on behalf of the partner firms, the central structure of the consortium assumes a fully-fledged entrepreneurial role whose results are judged basing on their efficiency and effectiveness. This solution allows to exploit the scale economies effect and to reduce the conflicting relationships between the firms and the competitive behaviour, thanks to the stronger role of the central body due to its superior competences and responsibilities. The situation changes when the central body of the consortium only joins the firms in carrying out some activities: problems of overlapping activities may occur and the power of the consortium may not be strong enough to impose itself on the partner firms. This would lead to an inefficient condition where the benefits of scale economies cannot be exploited. The same situation arises when the role of the consortium is just to coordinate the firms: what happens is that the participating firms have to face the costs for supporting the central body but there are not the benefits given by the active role of the consortium.

Another way to differentiate the consortia is basing on the nature of the activities carried out by the consortium. The consortium aggregations may deal with core activities or with the support ones. In this case, there are:

- Purchasing consortia;
- R&D consortia;
- Production consortia;
- Promotional consortia;
- Commercial consortia;
- Credit consortia;
- Services supplying consortia.

Continuing with the classification of consortia, another criterium that can be adopted is the horizontal width of the consortium coordination, that considers the variety of the activities, products and channels controlled by the group. An example of a consortium with a wide coordination is the export type, while an example of a consortium with a reduced width is the R&D type. It is important to remind that the width refers to the activities carried out, and not to the number of firms involved in the consortium. Basing on this criterium it is also possible to define the level of homogeneity within the group: usually, the consortia with extended horizontal width have low homogeneity. On the opposite, the consortia with reduced horizontal width have higher homogeneity, like the consortia of firms that produce the same product. This case implicates both pros and cons: the pros are that it will be easier to identify common interests and goals, considering that the firms deal with the same activities and problems; the cons is that this situation triggers competitive behaviour and conflicts between the participants. The opposite happens in the consortia with extended horizontal width: there are lower conflicts but it is harder to find common goals. In some cases, it is more useful to create consortia with vertical width of coordination: it happens when the participants focus on the same target and their aim is to harmonize the interrelationships that can be integrated vertically. This structure can require big efforts for coordinating, depending on the length of the consortium, but it can provide great opportunities to the partner firms.

Other criteria that can be used to classify the consortia are the duration of the cooperation, that can be long-term or short-term oriented, the firms’ size and the focus of the activities, depending on whether it is internal or it regards third parts: in other word what is considered is the degree of openness of the consortium. This last criterium is strictly connected to another important one: the degree of autonomy. Basing on this last one it is possible to distinguish the consortium-appendix and the consortium-enterprise. The former is a consortium in which the responsibility falls on the firms, because the focus is mostly internal, there are no external parts involved and the only way to cover the costs
is through participants’ contributions and subsidies from the State. This type of consortium has limited autonomy and independence and just an informal representative who does not have power on the partner firms. The latter is a consortium where the activities involve also third parts and the degree of openness is higher, allowing also to get profits and to share the risks with the central structure of the consortium, that is an independent entity. This type of consortium has a strong central structure that has decisional and coordinating powers (Depperu, 1996).

2.5 Country of Origin Effect

One of the contradistinctive characteristics of the prosecco is that it is a product strictly tied to the territory and, more generally, to the Italian culture and lifestyle. In this light, it is important to consider and value how this tie influences the perception that foreign consumers have: does it confer positive attributes and guarantees or not? The correlation between the product perception and the country where it has been made is called “country of origin” effect, often also communicated through the phrase “made in...” and it can be considered as an intangible product attribute, distinguishable from a physical product characteristic or intrinsic attribute (Peterson and Jolibert, 1995). A few examples of such product–country images are Columbian coffee, Swiss watches, US appliances, Japanese electronics and German automobiles. Country of Origin (COO) effect is considered to be one of the way to strengthen the brand equity. In fact, if consumers have a positive perception of a given country, this perception can lead to a generalized positive evaluation to all the products and brands associated with that given country; the same may happen if the consumers have a negative perception of the country (Agrawal and Kamakura, 1999). This “stereotypical bias” can create distorted perspectives of the goods and can also influence the firms’ pricing decisions, conferring them great market power thanks to positive reputation of the country. Verlegh and Steenkamp (1999) have identified three different mechanisms that are related to COO effects:

- Cognitive: country of origin is considered a “signal” for evaluating the general quality of the product.
- Affective: country of origin is considered a link between the product and particular symbolic and emotional benefits, including for example social status.
- Normative: the purchase from a specific country can be considered as a “right way of conduct” or a way to support that economy. Consumers will favour or not the country of origin depending on objectionable activities or regimes.

The COO does not have always the same influence, and generally it has lower impact when other elements such as brand name, product or price are presented directly to the consumers (Usunier and Lee, 2013). In order to generalize the COO effects, some attributes can be determined:

- In the first steps of the decision-making process, when the consumers have few information about the product, the COO has stronger influence. Generally, the COO has more effect on the perceptions of brand equity than on the attitude toward the product.
- COO is likely to affect the brand quality rather than its halo effects, in other words it represents just a general perception of the brand and it cannot affect some aspects, like the price.
- COO represents also a “symbolic cue with emotional value”. Usually different emotions and feelings are embedded in the COO, and those can encourage consumers to buy some products instead of others.

The reason why the COO effect does not affect the final price is explained also by Agrawal and Kamakura (1999): the authors explain that “COO effect on choice behaviour is less pronounced than the effect on perception of quality. Given this lack of strong effect of COO on final choice behaviour, COO is unlikely to play any significant role in pricing decisions” (p. 266). The only case in which the COO can have an effective influence on pricing is when the consumers deal with “hedonic” products, like perfumes or wines, whose quality can be assessed only after the purchase. In this case, extrinsic factors like price, brand name and COO may be used as elements for judging the quality of the products (Steenkamp, 1990). As far the emotive value of the COO, Botschen and Hemettsberger (1998) found that consumers are likely to link country of origin not only to product quality, but also to feelings of national pride and memories of past vacations.

Country of Origin effects are not the same in all the countries and cultures: the perceptions vary basing on the country that is served and it depends also on the relationship between
the nations. Considering that purchasing a good from a specific country means also to support the economy of that country, the COO effect can have “moral” implications (Verlegh and Steenkamp, 1999). Consumers might also decide not to purchase some products because they are made in countries with a particular government, such as a dictatorship or non-democratic governing regime, or if the country does not respect some internationally recognized rules. This situation might lead also to discrepancies between the objective quality of the products and the country’s image. Another element that can constrain the consumers’ propension to buy specific products is related to the industrial development of the country: products made in more developed countries are evaluated better respect to the products made in developing countries. It is also true that a lower perception of the products’ quality allows the sellers to rely on a cheaper price, making the goods more competitive (Usunier and Lee, 2013).

The COO influence can be mitigated by several factors, such as the costumers’ awareness of the COO or their familiarity with the product. Nowadays, with the delocalization of production that involves more and more countries, it is getting harder to define precisely the COO, consequently the consumers are unaware of the COO of many products. As reported by Usunier and Lee (2013), “some authors have suggested that COO might contain elements of country of branding (COB) in which the actual origin of a product is less important than the perceived origin, otherwise referred to as ‘country of branding’” (p. 348).
3. THE CASE STUDY

3.1 The framework

The prosecco

The reality of family firms is very fragmentary and the effects of the family presence on the international activities vary according to a high number of variables. The nature itself of this issue requires a verification on the field, to check if the family firms actually follow the guidelines that have been found or if they adopt different strategies. In order to verify the accurateness of the theories presented, the case of the family firms in the Prosecco district of Conegliano Valdobbiadene has been taken into consideration. The decision to focus on this particular case is due to several reasons: firstly, for the importance and the success of the prosecco, both in the national and the international markets, and secondly for the peculiar structure that brings together all the family firms and non-family firms in a district and in consortia.

Before continuing with the case, it is better to give a short introduction about prosecco and the reason of its importance. Prosecco is a grape variety that buds out early and ripens in the second-third week of September (Tomasi et al., 2013). It is characterized by a floral and fruity aroma, and a fresh, light and lively taste. The grapes used for producing it are primarily Glera, a type of white grape, typical variety grown in north-eastern Italy since Roman times. Its branches are dark brown and yield a large quantity of straw-coloured grapes⁹. Three different types of prosecco can be distinguished basing on the taste, the colour and the aroma: spumante, frizzante and tranquillo. The great part of the production of prosecco is managed by three consortia (Consorzio Doc Prosecco, Consorzio DOCG Asolo Prosecco and Consorzio Conegliano Valdobbiadene Prosecco) whose aim is to protect and sustain the producers of Italian prosecco. The prosecco is the symbol of simple, refined drinking, intrinsically tied to the unmistakable Made in Italy lifestyle. The connection with the Made in Italy identity is due also to the great influence given to the location of the vineyard on the crop quality. Thus, prosecco results to be a product strictly tied to its territory and with a strong cultural identity. The choice of the prosecco is

motivated also by the importance of its market, whose value is around 2.5 billion euros and its production reaches more than 500 million bottles, involving more than 13,500 producers. It represents the 50% of the whole market of sparkling wines abroad and in the last years it has been the driving force in the export activities of Italian wines.

Graph. 2 - Growth trend of Italian wines export by typology, 2015 - 2016

As it is possible to notice from the Graph. 2, the “still” wines are in recession, with lower numbers almost in all the main markets while the sparkling wines have registered total sales of more than 700 million bottles (+5% compared to 2017), of which 190 million in Italy (+4%) and over 500 exported (+6%). Prosecco Doc, together with Conegliano Valdobbiadene Prosecco Superiore Docg, also excel in exports in 2018 representing about 15% in value of the entire Italian wine sector and 61% of the entire sparkling wine sector. The first semester of 2018 has registered a 15% growth of prosecco export and

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it has been marked by a double-digit growth in almost all the foreign market, as it can be seen in the table:

Tab. 2 - Growth trend in the main exporting countries

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>VALUE (million €)</th>
<th>GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>93</td>
<td>+9.4%</td>
</tr>
<tr>
<td>UK</td>
<td>133,9</td>
<td>+4.9%</td>
</tr>
<tr>
<td>Germany</td>
<td>21,5</td>
<td>+13.2%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>15,5</td>
<td>+43.5%</td>
</tr>
<tr>
<td>France</td>
<td>15,9</td>
<td>+34.7%</td>
</tr>
<tr>
<td>Belgium</td>
<td>16,1</td>
<td>+82.6%</td>
</tr>
<tr>
<td>Canada</td>
<td>9,4</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Sweden</td>
<td>13,3</td>
<td>+56.5%</td>
</tr>
<tr>
<td>Austria</td>
<td>7,5</td>
<td>+5.1%</td>
</tr>
<tr>
<td>Australia</td>
<td>8,5</td>
<td>+46.2%</td>
</tr>
<tr>
<td>World</td>
<td>391,1</td>
<td>+15.3%</td>
</tr>
</tbody>
</table>

*Source: I numeri del vino on ISTAT data*

Also in comparison with the other players of the sparkling wines market, the prosecco has registered higher export growth rates respect to the others:

Tab. 3 - Variations of sparkling wines’ exportations: 2017/2016 and 2018/2017

<table>
<thead>
<tr>
<th>SPARKLING WINES</th>
<th>Var. 2017 on 2016 (12 months)</th>
<th>Var. 2018 on 2017 (6 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROSECCO</td>
<td>Value +15.6%</td>
<td>Value +9.7%</td>
</tr>
<tr>
<td></td>
<td>Volume +12.0%</td>
<td>Volume +3.1%</td>
</tr>
<tr>
<td>CHAMPAGNE</td>
<td>Value +7.4%</td>
<td>Value +1.3%</td>
</tr>
<tr>
<td></td>
<td>Volume +4.3%</td>
<td>Volume +1.3%</td>
</tr>
<tr>
<td>ASTI</td>
<td>Value +6.2%</td>
<td>Value +21.9%</td>
</tr>
<tr>
<td></td>
<td>Volume +6.9%</td>
<td>Volume +21.2%</td>
</tr>
<tr>
<td>CAVA</td>
<td>Value +4.2%</td>
<td>Value +9.5%</td>
</tr>
<tr>
<td></td>
<td>Volume +2.8%</td>
<td>Volume +10.5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>Value +8.8%</td>
<td>Value +6.3%</td>
</tr>
<tr>
<td></td>
<td>Volume +8.2%</td>
<td>Volume +2.8%</td>
</tr>
</tbody>
</table>

*Source: Study Center Conegliano Valdobbiadene Prosecco Superiore on GTI data*
Regarding the exports activities, the main destinations are: UK, USA, Germany, France, Belgium, Canada and Switzerland with the following percentages\(^{14}\):

Graph. 3 – Export: Countries’ shares

![EXPORT: COUNTRIES' SHARES](image)

Source: Corriere Vinicolo on ISTAT data

**Conegliano Valdobbiadene Prosecco Superiore D.O.C.G.**

Within the prosecco market, the focus is specifically on the Consorzio Conegliano Valdobbiadene Prosecco, one the three main consortia that sustain and manage the production of prosecco in the North-East of Italy. The reasons of the choice are related to the importance of the consortium in the territory, of which it represents one of the most important realities and contributor for creating values. The production area covers 15 communes and represents the heart of the world of Prosecco; it is one of Italy’s historic denominations, recognized in 1969. In 2009, with the reorganisation of the denominations for Prosecco, the Ministry of Agriculture classified it as a Denomination of Controlled and Guaranteed Origin (D.O.C.G.), the highest level of quality for Italian wines.\(^{15}\)

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\(^{14}\) [http://www.uiv.it/prosecco-la-situazione-export-vera/](http://www.uiv.it/prosecco-la-situazione-export-vera/)

The distinction between the different categories is made basing on the number of bottles sold, with the following classification: small firms (<150,000); medium firms (150,001-500,000); big firms (500,000-1,000,000); very big firms (>1,000,000).

The data reported in the Annual Economic Report show that 2017 closed with 91.4 million bottles produced overall, with a total value of 502.6 million euros and an average price per bottle of 5.50 euros. Compared to 2016, this means growth in value of 2% and in volume of 1%. The most relevant aspect is that the rise in value has been increasing uninterruptedly for five years now, which reflects a market trend that promises further positive developments in the future. The production is allocated between the national market with 50 million bottles and 280 million euros (58%) and the foreign ones, with 36 million bottles and 191 million euros (42%). Italy is still the main market, but in the last years a growth of exportations has been registered: the growth rate for national distribution is 6.4% while for the foreign markets is 14%\(^{16}\). By the end of 2018 growth of 1.7% is forecast, which will mean sales of almost 93 million bottles. In 2017 exports kept on rising, with growth of 1.6% in volume but no less than 6.3% in terms of value. The principal European importing countries continue to grow. Germany increased in value by 8.4%, remaining the primary European export market for Conegliano Valdobbiadene Prosecco Superiore D.O.C.G.; it is followed by Austria (+14.5% in value and +5% in volume), and the United Kingdom (+38.5% in value and +35% in volume). The United States continues to be an interesting market due to its pace of growth (+16.4% in value and +17.8% in volume) and, even if other more recent destinations registered a modest contraction, the very important exception of China and Hong Kong (+14.3% in value and +6% in volume) is encouraging, as are the African countries. Other Asian nations (Taiwan, China, and Singapore) also showed most positive results.

\(^{16}\) Rapporto Annuale 2018 – Distretto del Conegliano Valdobbiadene
South Korea, Kazakhstan, Sri Lanka, Azerbaijan, Georgia, Armenia, Turkmenistan, Kyrgyzstan, Uzbekistan and Nepal) grew by a total of 14% in value and 9% in volume; it should be pointed out that the volumes exported here have more than tripled compared to 2012. As far as the international markets the Prosecco DOCG stood out with great performances. Respect to 2015, the growth registered is equal to 14% for the value and to 12% for the volume, following the positive trend of the previous years:

Graph. 4 – Dynamics of valued and volumes of prosecco market

Source: Rapporto Annuale 2017 – Distretto del Conegliano Valdobbiadene

In 2017 the firms that have approached international markets were 160, representing more than the 80% of the total bottler firms, with the participation both of small and big businesses. As it can be seen in the Tab. 5, the number of firms joining international markets has always grown in the last years (with a small exception between 2015 and 2016). What is most important and relevant is that the category that approaches the most the foreign markets is the one of the small firms, doubling the number of the medium firms and tripling the number of the big ones.

Tab. 5 – Distribution of exporting firms basing on dimensional categories, 2008-2017

<table>
<thead>
<tr>
<th>YEARS</th>
<th>SMALL</th>
<th>MEDIUM</th>
<th>BIG</th>
<th>VERY BIG</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>63</td>
<td>31</td>
<td>13</td>
<td>26</td>
<td>133</td>
</tr>
<tr>
<td>2013</td>
<td>67</td>
<td>32</td>
<td>12</td>
<td>28</td>
<td>139</td>
</tr>
<tr>
<td>2014</td>
<td>66</td>
<td>40</td>
<td>15</td>
<td>30</td>
<td>151</td>
</tr>
<tr>
<td>2015</td>
<td>72</td>
<td>33</td>
<td>13</td>
<td>29</td>
<td>147</td>
</tr>
<tr>
<td>2016</td>
<td>65</td>
<td>36</td>
<td>20</td>
<td>30</td>
<td>151</td>
</tr>
<tr>
<td>2017</td>
<td>78</td>
<td>32</td>
<td>17</td>
<td>33</td>
<td>160</td>
</tr>
</tbody>
</table>

Source: Rapporto Annuale 2017 – Distretto del Conegliano Valdobbiadene

As far as the concentration index, the table adopts the Herfindahl-Hirschman\(^\text{18}\). This index is obtained by adding the squared market shares of all the companies operating in the sector.

\[
\text{HHI} = \sum (\text{market share}_n)^2
\]

Low values of the Index indicate a very competitive industry with many companies that have the same market share. Values close to 1 indicate, on the contrary, maximum concentration or monopoly. The other two columns indicate respectively the first 4 firms (C4) and the first 8 firms (C8).

Tab. 6 – Number of firms and export concentration index 2008-2017

<table>
<thead>
<tr>
<th>YEARS</th>
<th>NUMBER</th>
<th>HHI</th>
<th>C4</th>
<th>C8</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>133</td>
<td>334</td>
<td>30.7</td>
<td>41.6</td>
</tr>
<tr>
<td>2013</td>
<td>139</td>
<td>353</td>
<td>32.1</td>
<td>45.6</td>
</tr>
<tr>
<td>2014</td>
<td>151</td>
<td>311</td>
<td>29.5</td>
<td>41.7</td>
</tr>
<tr>
<td>2015</td>
<td>147</td>
<td>312</td>
<td>30.3</td>
<td>41.3</td>
</tr>
<tr>
<td>2016</td>
<td>151</td>
<td>311</td>
<td>29.7</td>
<td>40.9</td>
</tr>
<tr>
<td>2017</td>
<td>183</td>
<td>253</td>
<td>26.6</td>
<td>39.0</td>
</tr>
</tbody>
</table>

Source: Rapporto Annuale 2018 – Distretto del Conegliano Valdobbiadene

From the previous table it is possible to notice that the market does not result extremely concentrated. On the contrary, with the increase of the firms joining foreign markets, the level of concentration diminishes, together with the shares owned by the first firms.

According to the report, in 2017 the Prosecco DOCG has strengthened its position in European markets, representing the 83% of the export value. The principal importers remain European countries such as Germany, Switzerland, UK, Austria, Russia and the centric-Baltic countries, together with Canada and USA. The exportations in this area have reached a new peak with 159.4 million euros, with a volume equals to 30 million bottles sold and an average price equals to 5.32 euros per bottle. The exports grew by the 7.1% respect to the previous year, also thanks to the growth of price, increased by the 5.3% respect to 2016. The sales result to be more than duplicated in their value, showing a 107% growth rate in the medium term (2010-2017) and almost quadruplicated in the last fifteen years (+285%).

For the extra-European countries, also in this case in 2017 the sales have grown, following the same path of 2016. The export reached a value of 32.7 million euros and a volume of 6.4 million bottles sold, with growth rates respectively equal to the 2.4% and 1.4%.

New importers are also contributing more and more to increase the international distribution: in 2017 Australia and New Zealand have contributed to the global import of sparkling wines with a percentage equal to 4.2%. In these countries the prosecco DOCG had a 48% growth of its value and the production has reached 4.8 million euros with 845,000 bottles sold. Nonetheless the good results, the exportations have had a decrease both in value (-11%) and volume (-13%) respect to the previous year. Since 2003 the volume of exports has been duplicated and the number of importing firms has grown up to 34, with a growth of the 71%.

In 2017 China and Hong Kong represent the 2% of the global importations of sparkling wines, with a 12% increase respect to 2016. In these areas the value of the prosecco DOCG has raised, with higher sales in value (+14.3%), volume (+6%) and average price (+7.8%). The number of importing firms has grown by the 68% since 2010 and the number of the firms is now 32 (16% of the total), involving mostly big firms. In the competitive scenario,
the prosecco DOCG has a better positioning respect to the main competitors, like Cava and Asti.

In Brazil there has been an important increase of importations value (+43%) but the prosecco has registered a contraction in sales. The number of importing firms has grown and mostly they are medium-big businesses. In the medium and long-term perspective, African and Asian countries represent a potential area for the sparkling wines' market. They represent the 19th market for exportation and from 2003 to 2016 the volume of exportation had a 217% growth, even though in the last years there has been a decrease of sales (-31%).

Graph. 5 – Correlation between total bottles sold and export percentage 2006-2017

Source: Rapporto Annuale 2018 – Distretto del Conegliano Valdobbiadene

As far as price positioning, firms have developed multi-channel price strategy: when they sell in commercial channels, products are sold basing on different price ranges while in the direct sale they try to satisfy the research for a precious product and the demand for convenient products guaranteed by the producer. During the 2016 the price of direct sales has grown, while the prices of sells through channels stabilised.19 During the 2017, regarding the direct sales, a concentration on the higher categories of products has been registered with a growth of value and price for the super-premium range (7-14 €), which

19 Rapporto Annuale 2017 – Distretto del Conegliano Valdobbiadene
covers the 34% of the whole sales, and a decrease of sales for the cheaper, while the volume of sales of the medium price wines (5-7 €) has remained unchanged, covering the 54% of the sales. The same trends have been registered in the sales through commercial intermediaries: the premium range has increased (+4%) while the medium and the lower categories have decreased (-2%), even though they still cover an important percentage of the sales (respectively 35% and 58%).

According to the report, the success in foreign markets is due also to the increasing investment on promotion. In 2017 more than the 40% of the firms have adopted the tools made available by the EU for the foreign promotion and the information and the investments have grown by the +34% respect to the previous years. In 2017, DOCG firms have invested the 2% of the whole sales volume for foreign communication, with an increase of the 18% respect to 2014. As the main tool of promotion, the firms have recognized the importance to create an ad hoc relationship with the consumers and to share the value of the products and the firm. So, what it is important is to create a direct dialogue with the clients through some activities such as wine tasting and participation to international expositions. Other important tools recognized are Public Relations and Social Media that base on the integration of new technologies with the more traditional communication tools, creating new ways of communicating (digital PR, social networking, blog, influencers etc.) that are innovating the marketing and the communication related to the wine market.

In 2018 the Consortium has launched a strategic programme for valorising the Conegliano Valdobbiadene Prosecco DOCG brand and its placement. The campaigns of communication and promotion have reached important goals, both in the national and international markets. Like in the previous years, the Consortium’s aim is to share and spread the knowledge about the territory, the Denomination and the distinguishing features of the Conegliano Valdobbiadene Prosecco Superiore Docg. The promotion activities have been developed in collaboration with institutional and authoritative stakeholders in the main importing countries, such as Germany, Switzerland, UK, USA Canada and Japan. The activities organized have been different: institutional

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communication, fairs and cultural manifestations, seminars and wine tastings, online informative channels and visual aids.

As far as the strategies of investments for the promotion of wines in the mid-term (2019-2021), the firms have confirmed the will to stabilize the relationship system already created with the main importing countries (Germany, Austria, Switzerland). In the last year, the firms have defined development goals in Japan, Canada, UK and USA, in accordance with the expectation for growth of the importations in these countries.

The Consorzio di Tutela del Prosecco di Conegliano Valdobbiadene

The Consortium is a private body created in the public interest and it groups together all of the categories of producers: vine-growers, winemaking companies and bottlers. In 1962, a group of 11 producers representing the large sparkling wine companies and the main vine-growers’ cooperatives, founded the Consorzio di Tutela del Prosecco di Conegliano Valdobbiadene, proposing a set of production regulations in order to protect the quality and image of their wine. Seven years later, on 2nd April 1969, their efforts were rewarded with recognition by the Italian Ministry of Agriculture of Conegliano-Valdobbiadene as a D.O.C. production zone for Prosecco and Superiore di Cartizze. In 2009, with the reorganisation of the Prosecco denominations, the Ministry of Agriculture classified Conegliano Valdobbiadene as a Denominazione di Origine Controllata e Garantita (D.O.C.G.) area, the highest level of quality for Italian wines.21

There are three areas in which its work is concentrated:22

- **Protection**: through its technical department and cooperation with research institutes, the Consortium works to improve production methods in both the winery and the vineyard. All the stages of the production are supervised, from the planting to pruning, and the Consortium ensures assistance through all the production chain. Apart from promoting progress in viticultural and winemaking techniques, the Consortium’s efforts aim at guaranteeing authenticity and protecting the consumers. For ensuring even more its protection activities, in 2014, together with the other Consortia for Prosecco, a specific body called

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“Sistema Prosecco” has been founded, for coordinating the protection of the various Prosecco Denominations in Italy and around the world.

- **Promotion:** the Consortium carries out important work to promote and protect the image of Conegliano Valdobbiadene wine, the value of hillside viticulture and the correct knowledge of the area of origin, both in Italy and abroad. All these elements are promoted through the organization of events, collaboration and communication campaigns. The Consortium joins every year in the most important international wine fairs, such as Prowein, Vinitaly and Vinexpo.

- **Sustainability:** the Consortium has launched an important programme with the aim to safeguard the area of origin and its environmental sustainability, as well as underlining the value of history as an outline for designing the future.

The Conegliano Valdobbiadene region was recognized in 2003 as Italy’s First Sparkling Wine District. It involves different figures and institutes that contribute to the creation and exploitation of the prosecco: the sparkling wine producers, the producers’ consortium, the distillerie, the Veneto Grappa Institute, the companies that design and manufacture winemaking machinery, the analysis laboratories, the companies supplying products and services for winemaking, scientific institution, local organizations, including those promoting tourism and those involved in hospitality (restaurants, wine shops, hotels and agriturismi). As it can be noticed, the district does not include only the figures that are strictly connected to the production of the prosecco, but also all the realities that can contribute to promote and develop the territory, the culture and the whole local ecosystem. This is nothing but another demonstration of how the product is deeply connected to its territory and origins. In 2003 the District’s Research Centre was created as well: this seeks to improve knowledge of the marketplace, study competitive scenarios and provide producers with an instrument for making their strategies more effective. Every year the Research Centre draws up a Report on trends regarding the District, research for which is carried out in cooperation with the producers.23

**Made in Italy label**

Because of its deep connection with the territory and the strong identification with the local reality for economy, culture and society, the prosecco has become a synonym and

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one of the best representative of Made in Italy. The relationship between these two realities is bilateral: the prosecco is one of the products that contribute the most to create value for the Made in Italy label and, at the same time, the country of origin effect strengthens the reliability and the quality of prosecco abroad. In fact, wine and food is one the four main macro-sectors that represent the excellences of Made in Italy, the so-called 4F: Fashion and cosmetics; Food and wine; Furniture and ceramic tiles; Fabricated metal products, machinery and transport equipment. The food and wine sector places Italy at the top echelons of world classifications due to the excellent quality of its products and production system (Fortis, 2016). On the other hand, the Made in Italy label has become one of the strongest in the international markets and Italy is seen as a guarantee for well-done and good-looking products that, in the collective imagination of foreign consumers, represent the Italian lifestyle of dressing, furnishing, eating and personal care (Bertoli, 2013). What makes Made in Italy label so successful and competitive in international markets is the great quality that is recognized to Italian products: at this regard Fortis and Corradini (2010) have developed an index, the so-called Fortis-Corradini Index (FCI) that, with a special algorithm developed by the authors in 2010, measures instantaneously and with a high level of detail the number of products in which each country is first, second or third in terms of its trade balance on a world level. According to this index, “in 2012 Italy had nearly 1000 products (932 to be exact) in which it placed in the first three positions in terms of foreign trade surplus” (p. 8). The last data on the performances of Made in Italy in foreign markets are extremely positive: after the good results during 2017 with a growth of 31 billion euros, the export continues to rise with a rate of the 5.8% in 2018 and between 2019 and 2021 it is expected a growth rate of the 4.5%.

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24 Export Report 2018 “Keep Calm and Made in Italy”
Graph. 6 – Exportations of Italian goods and services (billion €)

Source: Istat, Ocse and SACE

The elements that have contributed to make the growth happen are: the recovery of the investments and of the raw materials’ price, the commercial agreements undertaken by the European Union both with Eastern and Western countries and the focus on the creation of added value that allows the products to be more competitive. To understand the importance of these exportations, it is sufficient to know that export has been the only factor to contribute positively to the economic growth of the country in the last seven years.²⁵

In the general positive trend of Made in Italy export, the agri-food area outstands for its performances: in the first six months of 2018 it has registered a 3.4% growth respect to same period of the previous year. To go even more specific, in some sectors such as wines, the foreign sales have been bigger than the national ones.²⁶

These data seem to confirm that the correlation between Made in Italy and Prosecco gives a positive contribute to the foreign trades of the product, because the country of origin effect increases its value and the competitiveness.

²⁵ Export Report 2018 “Keep Calm and Made in Italy”
3.2 The research

Once the framework has been developed, it is possible to introduce the research itself. The main purpose of the research is to understand how the family firms belonging to the District of Conegliano Valdobbiadene behave in the international markets, if they follow the general pathway defined by the theories developed about the internationalization of family firms or if some particular features, such as the presence of the Consortium or the specificity of the product, allow them to adopt different approaches and strategies. To sum up, the main questions of the research are:

- How do family firms of the Conegliano Valdobbiadene district behave in the international market?
- Do they follow the theoretical guidelines designed for the internationalization of family firms?
- Does the Consortium influence or not their activities?

The studies on the research method

In order to answer these questions, a qualitative research has been done. The choice of adopting the qualitative method rather than the quantitative one is due to the different purposes of the former respect to the latter. The qualitative approach allows to represent the view and perspective of study’s participants, capturing their perspectives. As stated by Yin (2015) “the events and ideas emerging from qualitative research can represent the meanings given to real-world events by the people who live them, not the values, preconceptions, or meanings held by researchers” (p. 9). Moreover, qualitative research explicitly takes into consideration the contextual conditions - that is, the social, institutional, cultural, and environmental conditions – within which people’s activities take place. In many ways, these contextual conditions may strongly influence all human affairs, including business’ activities and strategies (Yin, 2015). This approach is reconcilable with the questions of the research: the aim is not to know how much the firms export but to understand how each of them approached the foreign markets and if they felt that the family presence has somehow influenced the strategies adopted. Qualitative research has become a mainstream form of research in many different academic and professional fields because it allows to conduct in-depth studies and it does not present the limitations that can affect other kinds of research, such as the difficulty in drawing an
adequate sample of respondents and obtaining a sufficiently high response rate for the survey. In general, the five features that characterize and distinguish qualitative method are (Yin, 2015 p. 9):

1. Studying the meaning of people's lives, in their real-world roles;
2. Representing the views and perspectives of the in a study;
3. Explicitly attending to and accounting for real-world contextual conditions;
4. Contributing insights from existing or new concepts that may help to explain social behaviour and thinking; and
5. Acknowledging the potential relevance of multiple sources of evidence rather than relying on a single source alone.

Because of its flexibility and compatibility with different research designs and fields of work, it is also extremely important to well-define the objects and the structure of qualitative research. Among the different forms of research that can be adopted, the choice has been to use the case studies method.

The case study, according to Yin (2009), is the preferable method when the object is to study contemporary events, but in the cases when the relevant behaviours of the actors cannot be manipulated by the researchers. The case is suitable when the aim is to understand a real-life phenomenon in depth, but “such understanding encompassed important contextual conditions, because they were highly pertinent to the phenomenon of study” (Yin, 2009, p. 29). There are different applications of study cases, the most important is to explain the connections in real-life interventions that result to be too complex for the survey. Another application is to describe an intervention and the real-life contest where it happened, or illustrate topics within an evaluation in a descriptive way. Finally, the case study method can be used also to “enlighten situations where the intervention evaluated has no clear, single set of outcomes” (Yin, 2009, p. 29).

The case study research usually:

- deals with situations in which there are many more variables of interest than data points, and as one result;
- it relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result;
- benefits from the prior development of theoretical propositions to guide data collection and analysis.

Even though the case study is a distinctive form of empirical research, it has been criticized by many researchers because it is believed to be lack of rigor and that it cannot provide basis for scientific generalization, because the single case or the few cases taken into consideration are not enough to be considered a valuable sample. Obviously, these critics can be disproved. As far as the lack of rigor, in every case study the research design, that is the logic that links the data to be collected (with the conclusions to be drawn) to the initial questions of the study, is maximized through four different critical conditions which are (Yin, 2009; p. 75):

- **Construct validity**: identifying correct operational measures for the concepts being studied;
- **Internal validity** (for explanatory or causal studies only and not for descriptive or exploratory studies): seeking to establish a causal relationship, whereby certain conditions are believed to lead to other conditions, as distinguished from spurious relationships;
- **External validity**: defining the domain to which a study’s findings can be generalized;
- **Reliability**: demonstrating that the operations of a study—such as the data collection procedures—can be repeated, with the same results.

As far as the absence of basis for scientific generalization, both the conditions of reliability and external validity ensure that the results of the case studies’ research are of general validity and valuable.

Another choice that needs to be taken in adopting the case study model is whether consider a single case study or multiple. Of course, there are pros and cons for both the options. The single-case is preferable when it represents the critical case in testing a well-formulated theory, when it is a **critical or unique** case or, on the contrary, when it represents a **typical or representative** case (Yin, 2009). Some researchers believe that single-case research produces more and better theory than multiple-cases research. On the other hand, multiple-cases are powerful tools to create theory because they permit
replication and extension among than individual cases. Replication means that individual cases can be used for independent corroboration of specific proposition. This corroboration helps researchers to perceive patterns in an easier way (Eisenhardt, 1991). The evidence from multiple cases is often considered more compelling, and the overall study is therefore regarded as being more robust (Herriott & Firestone, 1983).

The case study method, both single and multiple cases, can be used for testing hypothesis or building theory. The second option, building theory, is likely to produce theory that is accurate interesting and testable, even though this approach is usually embedded with empirical researches. In the cases in which the purpose of the research is to develop theories, it is fundamental to clarify that the approach is different from the one adopted in empirical researches. In fact, the sample used for testing the theory is theoretical, not random or stratified. “Theoretical sampling simply means that cases are selected because they are particularly suitable for illuminating and extending relationships and logic among constructs. Just as laboratory experiments are not randomly sampled from a population of experiments, but rather, chosen for the likelihood that they will offer theoretical insight, so too are cases sampled for theoretical reasons, such as revelation of an unusual phenomenon, replication of findings from other cases, contrary replication, elimination of alternative explanations, and elaboration of the emergent theory” (Eisenhard and Graebner, 2007; p. 27). Continuing, “single cases can enable the creation of more complicated theories than multiple cases, because single-case researchers can fit their theory exactly to the many details of a particular case. In contrast, multiple-case researchers retain only the relationships that are replicated across most or all of the cases. Since there are typically fewer of these relationships than there are details in a richly observed single case, the resulting theory is often more parsimonious (and also more robust and generalizable)” (p. 30).

**The methodology**

Considering the scarcity of research on the internationalization of family businesses in this particular field, this research is exploratory in nature. This empirical research is based upon the application of the multiple-cases study approach to the investigation of internationalization patterns of family firms in the District of Conegliano Valdobbiadene. The adoption of the multiple-cases study is due to the possibility to explore the
phenomena under study through the use of a replication strategy (Yin, 2003). According to this model, if all or most of the cases provide similar results, there can be enough support for the development of a theory that describes the phenomena (Eisenhardt, 1989). Its application allows to study phenomena in their natural settings - for instance, in the context of sparkling wine business - and developing practical and theoretical insights that are empirically valid (Eisenhardt, 1989). In addition to this, there is also another valid argument for preferring such approach: small firms are usually more reluctant to complete questionnaires and publicly share information that can be sensitive, so the direct interview may be the only way of obtaining information from the key figure inside the firm, while the other forms of enquiry might result more problematic (Carson et al., 1995). The single firm was taken as unit of analysis; the research requirements have been firstly (i) the identification of firms who consider themselves as “family firms” and secondly, (ii) the identification of firms that have already undertaken international business activities. The units of analysis were chosen among the list of firms belonging to the Conegliano Valdobbiadene District, present in the website. In the first selection, only the firms that define themselves as family firms have been taken into consideration; this first step enabled the collection of 113 contacts. The first criterium of selection was deliberately not-objective and based on the firm’s self-perception because the focus is not on a particular type of family firm (e.g. wholly family owned businesses or only managed by external figures). As it has already been explained in the literature review, there may be different forms of family business, where the members of the family are present in the ownership, in the management or in both. The choice was to consider all the types of family business. After the first step, the units have been contacted by mail and by phone. Between them only 10 were completely available for participating to the enquiry and being included in the theoretical sample.

Source of information

Case study data were collected through one-to-one interviews. For logistic reasons, the interviews were conducted by phone. The interviews were conducted in Italian. All the interviews were semi-structured, with an interview protocol being used to facilitate some level of standardization and cross-case analysis (Eisenhardt, 1989). The interviews have been translated and reported in Appendix 2. The script followed in the interviews was the following:
1. Vi considerate un'azienda familiare?
2. Età dell’impresa?
3. Quali dimensioni ha l’azienda?
4. Numero di dipendenti?
5. Quale generazione sta attualmente lavorando nell’azienda?
6. Sono presenti membri della famiglia che ricoprono ruoli amministrativi?
7. Sono presenti membri della famiglia che sono proprietari dell’azienda?
8. Sono presenti manager o figure esterne?
9. L’impresa ha intrapreso attività commerciali all’estero?
10. Quali paesi sono stati coinvolti nelle attività?
11. Come siete venuti a contatto con queste opportunità?
12. Quale modalità di ingresso nei mercati esteri è stata adottata?
13. La presenza di figure esterne ha influenzato le attività internazionali? Come?
14. Qual è il ruolo del Consorzio nelle attività internazionali?
15. Come considerate il ruolo del Consorzio nelle attività internazionali?
16. C’è collaborazione tra le varie imprese del consorzio?
17. Come considerate il ruolo dell’etichetta Made in Italy nelle attività internazionali?

In all the cases the person interviewed held a top-level management position in the company (managing director, general manager, manager of international operations etc). The interviewees were first asked to talk generally about their firm, thereafter their operations in international markets, focusing on the entry mode adopted and the opportunities recognition and finally their opinion about the role of the Consortium and of the Made in Italy label in the foreign activities. At the end of the interview the interviewees were encouraged to talk about issues that were not directly present in the interview’s questions but which they considered relevant. After the interview the notes were checked to make sure that they were complete and accurate. If there were any doubts, the interviewees were contacted again. The unique patterns of each case were identified and similar patterns were categorized under broad themes, on the basis of the research questions in the study.
Validity and Reliability

For data triangulation and verification of the initial conclusions, the interview results were compared with other sources: the consortium’s annual reports, websites and other documents. The interviews, together with other sources of information such as the internet, articles and documentation provided by the firm interviewed, have strengthened the validity of the research by providing a greater number of perspectives and information which ensures that the results are more objective.

3.3 The cases

The 10 cases analysed in this research regard firms belonging to the Consortium of Conegliano Valdobbiadene. Some general information about the firms were collected at the beginning of the interviews and from the website of the firms. In order to have a general view of the firms interviewed, a table has been created.

Tab. 7 – Characteristics of the firms involved in the research

<table>
<thead>
<tr>
<th>FIRM</th>
<th>FOUNDING YEAR</th>
<th>GENERATION(S)</th>
<th>SIZE (ON SALES)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1981</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; and 2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>Very big</td>
</tr>
<tr>
<td>B</td>
<td>1985</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt;</td>
<td>Very big</td>
</tr>
<tr>
<td>C</td>
<td>1892</td>
<td>4&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Medium</td>
</tr>
<tr>
<td>D</td>
<td>1542</td>
<td>21&lt;sup&gt;st&lt;/sup&gt;</td>
<td>Very big</td>
</tr>
<tr>
<td>E</td>
<td>1868</td>
<td>4&lt;sup&gt;th&lt;/sup&gt; and 5&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Very big</td>
</tr>
<tr>
<td>F</td>
<td>1960</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; and 3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>Medium</td>
</tr>
<tr>
<td>G</td>
<td>1947</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; and 3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>Big</td>
</tr>
<tr>
<td>H</td>
<td>1975</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; and 3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>Very big</td>
</tr>
<tr>
<td>I</td>
<td>2010</td>
<td>1&lt;sup&gt;st&lt;/sup&gt;</td>
<td>Small</td>
</tr>
<tr>
<td>J</td>
<td>1968</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt;</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Firm A.

The firm A has been founded 39 years ago and it is currently managed by the founder and his sons, so both the first and the second generation of the founder family are present within the firm at the moment. The firm sells and works both with its own products and with third’s one, taking care of the packaging. In total the number of bottles sold is more than 1 million, so the firm can be defined as “very big”. Nevertheless the high number of sales, the firm only counts 8 members. As far as the presence of family members, the board
of directors includes also the father and the sons, while the ownership of the firm totally belongs to the family. In this case, then, the family is present both in the management and the ownership of the enterprise and the external figures are few: just a sale manager who is an independent contractor. This internal structure might be food for thought: how can a family firm be so active internationally with a so limited presence of external figures?

An answer might be that an “unbiased” family does not provoke negative effects on the international growth, indeed it can be also favoured (Kano and Verebeke, 2017). The family members can contribute positively to the firm’s growth thanks to their tendency to put business’ interests ahead of their own, which in any case are more aligned to the firm’s one respect to the interests of an external figure (Zahra, 2003) and the inner dynamics regulated by personal ties between the family members contribute to attenuate the agency costs, as stated by Tsao and Lien (2013). The firm has already undertaken international activities: the export covers the 60% of the whole sales volume, including the firm’s production and the distribution for third’s part, even though only the 4% of the internal production is distributed abroad. The main importing countries are mainly in Europe: Germany, Switzerland, Belgium, Austria and in the US. The influence of the family presence might be noted in the countries chosen for the international activities: they are countries where the market is already developed and that are “psychologically” close to the domestic country. This choice reflects the tendency of family firms to remain more “local” even when it is about internationalization (Gallo and Estapé, 1992). The main entry mode adopted for approaching the foreign markets is the direct export, especially business-to-business activities, as expected by the theory (Kontinen and Ojala, 2010).

Considering the low presence of external managers or supervisors, we can assume that the influence of these figures on the international activities is relatively low. It is also true that only a small percentage of the firm’s production is sold abroad (4%) consequently the activities dedicated to this part are relatively fewer, requiring only the presence of an external manager.

Regarding the role played by the Consortium in the international activities, the firm considers the role of the Consortium important for the promotional activities of the product and the territory, and for the participation to international fairs. The Consortium can be seen as a sort of network with cluster members and, as such, it can be a tool for small family firms to end their isolation and become more competitive in the globalized
world and bring several benefits including access to foreign market information (Rutashobya and Jaensson, 2004). The problem, basing on the interviewee’s words, is that after the first steps it is up to the firm the identification of opportunities and the creation of relationship networks with foreign stakeholders and potential clients. Within the consortium, the firms are not described as collaborative but individualist, mostly when it is time to sell the product. According to the interviewee, the role of the Made in Italy label is fundamental for the accountability of the product when the business approach foreign markets but rather than this label, the quality and the origin of the prosecco is guaranteed more by the DOCG accreditation. When he has been asked to talk generally about the internationalization path and to express his point of view, the interviewee has remarked the importance of the presence in the national market before entering international ones in order to guarantee a solid and wide base from which the firm can move to new markets.

**Firm B.**

The firm B has been founded in 1985 by seven brothers and it has been registered as a limited liability company (llc). According to the interviewee, this legal form would have solved the problems related to the legacy. In facts, the transition to the subsequent generation represents one of the most delicate moments in family firms’ life because it can be a crisis moment for the fragile internal equilibrium of family businesses (Claver et al., 2009). The reason is that new generations usually have lower sense of attachment to the firm and tend to substitute the purse of the socio-emotional wealth (SEW) with personal interests and financial goals (Sciascia et al. 2014). This might cause a shift from the typical long-term orientation to the short-term one (Menéndez and Requejo, 2005) and, in a wider sense, it could harm the firm’s performance.

Today, the firm sells more than one million bottles per year, so it can be considered a very big firm, basing on the distinction made on sales volume. The production of the firm is focused on biologic wines, that represents the main market: this choice allowed the enterprise to get an important competitive advantage in the market, mostly in the international one. At the time of the interview the second generation of the founder family is present in the firm. The team is made of 18 figures and only 2 of them are members of the founder family: the two both have administrative roles (production and trade administration). The firm is actually working for a reorganization of the internal
structure, with the integration of non-family figures, already working within the firm, who will be trained and will cover roles of responsibility in the business, administrative and production areas. The integration of these figures can give a great contribute for the success of the firm abroad (Arregle et al., 2012). As far as the ownership, the family remains the only owner of the firm. As in the previous case, the fact that the family is the only owner of the firm represents a peculiarity, considering that according to the theories this situation is generally considered inefficient and suboptimal for the internationalization of the business (Fernández and Nieto, 2005; Majocchi and Strange, 2012; Sanchez-Bueno and Usero, 2014; Herrera-Echeverri et al., 2016).

The enterprise has been engaging in international activities since its foundation. Nowadays the production is distributed between the national market (25%) and the international one (75%). The main importing countries are Germany, Austria and UK, but there are also non-European countries. The opportunities of international trading have been discovered thanks to the international fairs, in particular the Biofach fair in Nuremberg. The interviewee explained that at the time of the foundation (1985) there was not a national market for biologic wines, so the firm spontaneously moved to foreign markets and international fairs: thanks to them the firm got its first contacts and started to trade internationally. The identification of international exhibitions as main tool for discovering opportunities is in accordance with what have stated by Kontinen and Ojala (2010): these events allow the firm to find new contacts that can lead to the creation of strong ties. The main entry mode to the international markets is the indirect exports, outsourcing the products to local distributors. This strategy is the most common between family firms because the risks related are lower respect to the other entry modes (Graves and Thomas, 2008).

Regarding the role of the external (non-family) figures, the interviewee stated that their presence is fundamental for the success of the international activities: thanks to their external experiences, they can provide new and useful skills, like the linguistic ones. Consequently, it is crucial for the enterprise to adopt an open approach to external influences and realities. The statement is in line with the theories on the presence of external figures within family firms (Naldi and Nordqvist, 2008). The role of the Consortium is considered to be helpful in the first steps toward the internationalization, as a “facilitator” that support the firms to face the cultural and psychological barriers.
With regards to the role of the Made in Italy label, it is considered important for the added value conferred abroad.

Finally, the interviewee has expresses his thoughts about the importance for the firm to be open and to share the projects. According to him, the family firms tend to be convinced to make the product in the right way, but it also crucial to change and reinvent it according to the foreign taste and preferences. In doing this, the introduction of external figures results necessary, for ensuring a clear and correct communication with the clients and for facing the cultural change in the best way possible. This conclusion resumes the theories about the fundamental role of external figures for reducing the risk aversion and opening the firm to new inputs and realities (Claver et al., 2009).

**Firm C.**

The firm C was founded in 1892 and, since its foundation, it has always been a family firm characterised by a deep-rooted respect for nature and for the land. The firm’s distillery was the first to pioneer environmental sustainability in its production processes, starting from the installation, in 1983, of biomass boilers. Basing on the sales volume, the firm can be considered a medium one because the number of bottles sold per year is between 150,000 and 500,000 units, while the enterprise is made of 18 members. The generation that is currently working is the forth but at the moment there is only one family member within the firm, that is the owner. The different areas are handled by non-family managers. On the contrary, the ownership is still totally belonging to the family, divided between the owner (⅔) and his sister (⅓). The case shows that, even though the firm defines itself as a family firm, in practice it counts only one family member within the business, while all the activities are managed by non-family members. This structure allows the family to remain within the business, combining their specific assets, such as the know-how or the emotional attachment to the firm, with the knowledge and the skills of the external managers and it helps the firm to reach important levels of internationalization (Calabrò and Mussolino, 2011). Also in this case, like in the previous ones, the ownership totally belongs to the family, going against what is supported by the theories.

The firm has already undertaken international activities and the importing countries are both European, including Germany, Austria and Switzerland, and non-European,
including Japan, Ukraine, Russia, China, USA, Canada, Australia and Mozambique. The first countries where the firm exported, almost 40 years ago, were also the ones in which the prosecco market was already opened and also the closest from the cultural point of view (the European ones). This exportation strategies confirm the theory developed by the Uppsala school, according to which the firms will tend to internationalize in neighbouring and similar countries (Johanson and Wiedersheim-Paul, 1975). The first opportunities were found through international fairs and door-to-door activities and nowadays the distribution of the products is given to one or more distributors for each country, depending on the market’s size.

According to the interviewee, even though the firm was already exporting before the introduction of the external (non-family) managers, these figures remain fundamental for the success of the international trades because of the precious knowledge and the fundamental skills that they have brought inside the firm. With regards to the role and the activities of the Consortium, the opinion is that it represents a fundamental institution for the protection of the prosecco DOCG and, partially, for the promotion of the products. But even if the consortium promotes some activities, after the initial steps the firms need to be autonomous and look for new opportunities on their own. Even between the different firms belonging to the consortium there is low collaboration and a lot of campanilism because of the strong competition between the participants. The presence of competitive behaviour between the firms belonging to the same district or consortium is one of the consequences of the close relationship and co-existence (Brusco, 1999). The benefits provided by the participation to the consortium overcome the cons, like the conflicts. As far as the role of the Made in Italy label, it is considered extremely important for guaranteeing the quality and the origin of the products: as seen before, the country of origin effect provided by the Made in Italy label contributes to strengthen the brand equity and the perception of the product abroad (Agrawal and Kamakura, 1999). The interviewee considers crucial the role and the presence of the external figures in the internationalization path because, if before the internal skills and knowledge were sufficient to compete abroad, today the activities are more and more intensified and the integration of new skills and figures play a key-role for competing in the international markets.
Firm D.

The firm D has a very long story: it was founded in 1542 as a family firm and still today, the founding family, arrived at the 21st generation, is still present within the firm. The current president is a family member, and together with his brother is part of the board of directors, where there are also three other non-family members. The ownership does not belong any longer to the family members, because the firm has been acquired by a group of firms producing different wines and beverages. Nevertheless the acquisition the descendent of the founding family, who is also the interviewee, remained as president of the enterprise: this choice has the scope to maintain the role of the family as an active and historical witness. The interviewee stated that the acquisition brought a positive contribution to the firm because it allowed to remove the inefficiencies linked with the family management and ownership, such as the lack of specific competencies. Anyway, the presence of the family remains important, because it can valorise the firm and its product with the storytelling. The situation described by the interviewee represents a direct application of the theories about the influence of family members on the business. In facts, according to the great part of the scholars who studied this phenomenon, external ownership is positively and significantly related to the scale and scope of internationalization (Wakoswka, 2017): family firm with an open governance structure can build links to the external environment and access non-family resources needed to enhance the scale and the scope of its operations overseas (Naldi and Nordqvist, 2008). In this case, the acquisition of the firm and the introduction of external owners allowed the firm to access to new resources that helped to be more competitive in the international trades. Notwithstanding this, it is important to remind that the firm started to internationalize even before the acquisition.

The business can be included in the “very big” group of firms, because the number of bottles sold is more than four million per year. As far as the international activities, nowadays the firm exports the 74% of its production in different countries, both European and non-European including UK, US, Switzerland and Russia. The interviewee told that firm has started to internationalize 32 years ago, when there was not an international market for prosecco. The firm was one of the first to export this product and among the pioneers that contributed to create the market. The first countries where the firm introduced the product were all European countries, like the UK, physically and
psychologically close to Italy, due the fact that the cultural and geographic distance can represent a barrier for family firms, even more compared to non-family firms (Cesinger et al. 2013). The first opportunities abroad were found thanks to some personal contacts, that allowed the product to be introduced abroad. The importance of personal networks is stressed by the scholars as a tool for searching professionals working in potential foreign markets who could help the family firms to internationalize (Ciravegna et al., 2014). Today the distribution is outsourced to local importers and distributors. The interviewee told also that the international activities were undertaken even before the introduction of external members within the firm, but that then, when the activities started to be more complex, the external (non-family) figures become crucial for managing the business and face the international markets. In addition to the Consortium of Valdobbiadene Conegliano the firm is part of other export consortia, where there is no competition between the partner firms, thanks to the extended horizontal width and the low homogeneity (Depperu, 1996). Regarding the role of the Consortium, the interviewee stated that it runs the activities provided for in the Statute but that it is just an autoreferential entity that concretely does not help the firms: there is not a common strategy and the there is no collaboration between the firms. Moreover, the presence of three different consortia for the prosecco contributes to increase the confusion about the products and their origin; the consequence is a scarce identification of the product at the expense of the denomination. The situation could be improved if there was a unique Consortium, instead of three, with an inward subdivision and strategies shared by all the firms: this would help to reduce the dispersions and the consumers’ confusion about the product, presenting the product unambiguously and efficiently. Investments should be done for improving the product’s perception, by inviting opinion leaders and journalists, together with other activities including master classes during the events, fairs, informative stands and institutional promotion.

With regards to the role of the Made in Italy label, the interviewee said that there should be a real label for that, in order to guarantee the quality control and preserve the image of the Italian products. Generally, the interviewee thinks the presence of non-family managers has contributed to boost the firm’s efficiency and effectiveness, with a deeper specialisation and planning of the different activities, such as investments, budgeting and promotion for each market.
**Firm E.**

The firm E was founded in 1868 and it is currently managed by the fourth and the fifth generations of the founding family. The presence of subsequent generations can be a signal for a wider openness toward external opportunities and markets, considering that new generations usually provide new resources to the firm and they usually are less risk averse when it comes to seeking new opportunities to create economic value (Claver et al., 2008; Bobillo et al., 2013). The firm had a significant role in the development of the prosecco market in the previous centuries, introducing a scientific approach to its production and it was one of the firms that have promoted the foundation of the Consortium. This knowledge, a valuable, rare, inimitable and non-substitutable resource can help the firm to have competitive advantage in foreign markets (Deng et al. 2009). Nowadays the firm consists of 30 members and its sales per year reaches 6 million bottles, so it can be defined a very big firm. In contrast to the theories about the family presence within the ownership, in this case it totally belongs to the family even though only two family-members are working in the firm at the time of the interview, and both of them are in the board of directors, which is composed also of non-family figures. The non-family figures cover roles of responsibility inside the firms and they play an important role in the definition of the strategies of the firm, at national and international levels. As stated by Claver, Rienda and Quer (2009) non-family managers can ensure the continuity and support the business in the internationalization process, reducing also the level of risk aversion.

The firm has been carrying out international activities for more than seventy years in several countries like Switzerland, US, Canada, Japan and Australia. These opportunities have been found in different ways, including international fairs, word-of-mouth and personal contacts and they are managed both directly, both by agents, depending on the size and dynamics of the national markets. The firm has always exported, even before the introduction of external figures, even though they now represent an important presence within the firm. In the interviewer’s opinion, it is crucial to work synergistically with these figures in order to spread and run the idea of the family firm, with all the values and guarantees that are connected to it. As far as the role of the Consortium, the interviewee stated that it is important for its activities of promotion and protection of the products. Among the firms of the consortium there is collaboration for the activities of production
but then everyone adopts its own strategy. With regards to the role of the Made in Italy label, it is seen as a guarantee because the Italian goods are one of the most purchased and consumed abroad, and so are the wines.

**Firm F.**

The firm F is a medium firm, considering that the number of bottles sold is between 150,000 and 500,000 units per years. It was founded in the 1960 and since then it has been owned by the founding family, which currently is represented by the second and third generations. The family members are present also in the board of directors and they cover roles of responsibility in different areas. Within the firm there are not external figures or managers, neither in the ownership that totally belongs to the founding family. This case represents an exception, both among the cases studied both for the findings of the literature review: the process of internationalization of family firms is generally sustained by the presence of external managers or owners that can help the family firms to internationalize (Ciravegna et al., 2014). The SEW perspective adopted by the family members can be a deterrent and might preclude the chance to undertake new opportunities for safeguarding the family wealth (Scholes et al., 2016). It is also true, as sustained by several scholars (Zahra, 2003; Sciascia et al., 2012; Segaro, 2012) that family presence can give positive contributes, thanks to the stewardship effect or because they exploit their limited managerial capabilities more effectively in managing their resources compared to their non-family counterparts.

The firm has already undertaken international activities, mostly in UK and Germany, where the prosecco market is already developed and the cultural differences are fewer respect to the domestic market firms (Cesinger et al. 2013). The first opportunities where found thanks to the international fairs and the activities are carried out with the support of local importers. Also in this case the participation to international fairs and exhibitions represents a fundamental tool for creating new ties, which can lead to the development of new relationship network and to the acquisition of new consumers (Kontinen and Ojala, 2010). As far as the role of the Consortium, the interviewee stated that its role is not sufficient for sustaining the firms’ growth: the activities carried out are mostly focused on the protection of the product and its denomination, but even though this represents a fundamental aspect for the valorisation of prosecco, it is not enough for preparing the

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firms to the international trade. The structure of the consortium does not present a strong central body that could coordinate the firms’ activities and strategies, boosting the economic results of the group (Depperu, 1996). As far as the role of the Made in Italy label, it is considered crucial for the selling and marketing strategies abroad because of the guarantee and the quality perception that are related to it. The witness confirms again the importance of the COO for strengthening the brand perception abroad and consequently for increasing the sales volume in foreign markets (Agrawal and Kamakura, 1999).

**Firm G.**

The firm G has been founded 72 years ago by the family that is managing it at the time of the interview, with its second and third generations. The firm’s wine-growers have been making their own sparkling wines for decades, combining tradition and progressive techniques with careful quality selection. Since 2009 the winery has been undergoing a continual restoration and restructuring with the objective of improving the structural and organisational aspects of the winery. Furthermore, new energy producing technology has been introduced as the winery strives towards improved and environmental sustainability. The number of bottles sold is between 500,000 and 1 million per year, so the firm can be considered a big firm, in terms of sales, while the number of members within the firm is just of 10. Two of these 10 members belong to the founding family and cover administrative roles, together with other external (non-family) managers. According to the interviewee, the introduction of external managers has played a crucial role for the international development of the firm, but it has already started to trade abroad before the integration of these figures. The international strategy of the firm is given by several factors which include the presence of the family members, with the new generations, that contributes to carry on and preserve idiosyncratic internal resources created by family involvement, the so-called “familiness” (Habbershon & Williams 1999). On the other hand, great contribution is given by the presence of external managers, that bring new knowledge and skills and thanks to their experiences, they can search for new strategies within or outside the firm (Yeoh, 2014). The firm is carrying out international trades with different countries, mostly European such as Ireland and UK. The opportunities were found in different ways, including international fairs and personal contacts. In line with the previous cases, and with the theoretical findings, also in this case the importance of these tools is remarked for finding new opportunities abroad.
(Rutashobya and Jaensson, 2004). These activities are outsourced to local importers in the different markets.

With regards to the role of the Consortium, the interviewee stated that the role has changed through the decades: while at the beginning the Consortium was mainly focused on the promotion of the product and of partner firms, nowadays the role covered is less supportive and more institutional, aiming at protecting the prosecco rather than promoting it. Even the relationships between the participants is not optimal for maximising the Consortium’s activities, due the strong competition between the firms. As far as the role of the Made in Italy label, it is an important component of the communication strategy, but not fundamental.

**Firm H.**

The firm H was founded in 1975 by the family that is still present in the firm and that is currently owning its property. As far as the sales, the firm sales more than one million bottles per year, consequently it can be considered a very big one, basing on this criterium. Together with the prosecco, the firm produces also other precious beverages such as red and white wines. Even if the family is still working in the business, there are not family figures with administrative roles, meaning that they are present only in the ownership of the firm, while the management is entrusted to external (non-family) figures. These non-family managers are responsible for the positioning of the product and for the strategies adopted and they play a fundamental role for making the firm competitive and successful abroad, thanks to their skills and specific competences. The coexistence of these two dimensions allows the business to find an equilibrium between the maintenance of the family influence and tradition and a bigger openness and competitiveness guaranteed by the external managers. The generations that are present at the time of the interview are the second and the third. Probably the role of the subsequent generations was crucial for letting the firm be more open to outward opportunities: the new generations tend to focus more on financial results and to be less attached to the firm, so they are less risk averse when it comes to seeking new opportunities to create economic value (Claver et al., 2008; Bobillo et al., 2013). The firm is already present and active in the international markets, exporting in 98 countries throughout all the continents. The main entry mode adopted by
the firm is the direct exportation, as it is expected by family firms basing on the theoretical studies (Graves and Thomas, 2008).

As far as the role of the Consortium, it is considered by the interviewee a fundamental tool for protecting and promoting the product and the producers, by joining the international fairs, for example. It is also true that the cooperation and the synergies between the partner firms could be improved for strengthen the Consortium and be stronger in the international markets. The role of the Made in Italy label is seen by the interviewee as strategically crucial for being competitive abroad, for its uniqueness and reputation. In the last part of the interview is possible to notice:

- the importance of the network between firms belonging to the same district for increasing the market power abroad, even though the role of the consortium is just promotional and it does not strongly influence the participants’ activities;
- the role of the country of origin effect, that creates a “stereotypical bias”, enforced also by the fact that the prosecco is considered an “hedonic” product whose value cannot be assessed before the purchase (Steenkamp, 1990). This bias allows the firm to leverage on the COO effect and to have a greater market power.

**Firm I.**

Respect the other cases of the research, the firm I is younger, considering that it was born in 2010 and that is still managed by the first generation. The relative youth of the firm is reflected also in the number of bottles sold per year, that is lower than 150.000: this means that the firm is small, basing on the sales volume. The family members present within the firm have administrative roles and manage all the areas, including the production and the financial aspects. There are not external (non-family) members, and the ownership totally belongs to the founding family. Notwithstanding that the firm is only 9 years old, it has already undertaken international activities in several countries, both in the European area (including Norway, Finland, Nederland, Denmark, France, Sweden and UK), both in other areas such as US, Canada, Singapore, Japan and South Korea. The main entry mode adopted in these country is the indirect exportation.

What can be observed in this case is that even though the firm is managed and owned by the first generation of the founding family and there are no external figures who influence
the strategies, the firm has already undertaken international activities. What can justify or explain this result? There are different explanations, as reported by some scholars: one is that the family business is not affected by bifurcation bias and so it can be favoured in foreign markets respect to non-family firms thanks to the inner resources (Kano and Verebeke, 2017), another is that SEW preservation tendency encourages the firm to internationalize because members perceive that their family wealth is at risk, and they decide to get international to reach their aspiration levels (Pukall and Calabrò, 2014). In other words, the presence of the family does not represent per se a restrain to international expansions, but rather the ways of thinking and managing that are usually related to it.

The interviewee considers the role of the Consortium important only for the promotion of the DOCG denomination, but without a substantial support for the activities and the growth of the participants. The inner competition between the firms harms the Consortium and does not allow to exploit its real potential. On the contrary, the role of the Made in Italy label is fundamental and really helpful for competing abroad and lending credibility to the products coming from small realities. The interviewee stated also that it is necessary a full-scale cultural revolution within the Consortium, in order to overcome the individualist strategies adopted today and switch to an approach to business based on the synergies between the firms, exploiting the externalities offered by the Eno gastronomic tourism through a win-win relationship. The solution proposed by the interviewee would consist in a shift from a promotional consortium to a more active one, with stronger central powers and centralized decisions that could overcome the pervasive individualism and de-centralization that are limiting the growth of the consortium. What is also extremely important today is that also the local and small realities need to be involved in the global markets.

**Firm J.**

The firm J was founded in 1968 and it is still controlled by the founding family. At the moment the firm is managed by the third generation. The strategic move enables the company to leverage the entrepreneurial spirit and ideas of a new business generation: the founder is still present and takes part in the activities, but always discreetly and leaving all the decision-making power to his successors. When there was the generational
transition, the company changed its form from S.N.C (co-partnership) to S.A.S. (L.L.P.). The family members working in the firm cover administrative roles and the firm’s ownership belongs totally to them. There are also non-family managers that help to run the business and develop the right strategies for the national and international markets. Also in this case, the formula adopted by the company is to create a synergy between the familiar contribution and the knowledge of the external figures, mixing together the tacit knowledge, the long-term orientation and the attention to the socio-emotional wealth with the experience and the specific skills gained in other realities.

The number of bottles sold every year is between 150,001 and 500,000, meaning that, basing on sales volume, the firm can be considered medium. The firm is selling its products also in foreign countries, including UK, US, Australia, New Zealand, Czech Republic, Germany, Austria, France and Belgium. All these international activities are carried out directly by the firm, adopting the direct exportation to the different countries. These opportunities were initially found thanks to the participation to international fairs like Vinitaly, and thanks to the relationship networks of the founder and his sons. As far as entry mode, it is possible to state the firm I follows the path lines defined by the theories for the distribution choice, considering that the exportation allows to reduce the risks and it is usually preferred by the family businesses (Graves and Thomas, 2008), and for the ways through which the opportunities were found: international exhibitions and personal relationships network are the best way for creating new trust-based ties that are consistent with the ownership structure (Gallo et al., 2004) and that can help the firms to grow abroad (Ciravegna et al. 2014).

The interviewee’s opinion about the Consortium is that it can be helpful for the promotion of the international activities, in particular in the initial steps. The participation to international fairs is a stepping stone for undertaking international activities and create a relationship network, and the Consortium helps the firms to join them. What misses is the support after this first step: a bigger contribution by the entity could increase and improve the performances of the firms abroad. In addition to this, a greater cooperation between firms could boost and strengthen the position of the Consortium abroad, if the participants would capable to overcome the conflicts and the internal competition. The role of the Made in Italy label is a fundamental part of the firm’s strategy abroad and it confers a significant added value to the products. Like in the other cases, the interviewee
recognizes the important role of the consortium, that helps to overcome some barriers and limits typical of small businesses (Depperu, 1996) and the contribute of the Made in Italy label as a positive COO effect that increases the brand equity among the foreign consumers.

3.4 Discussion and main findings

The internationalization of businesses has involved not only the bigger firms, but also the small and medium enterprises and the family firms (Calabrò et al., 2016). Joining international trades has become fundamental for surviving and the firms are struggling to adapt to this new reality. The firms that have participated to the research have already undertaken international trades and all of them, to a greater or lesser extent, had to change their inner structure or their strategies in order to be competitive abroad, exploit the growth chances and the new markets available. The aim of the research was to understand how the family firms belonging to the Consortium of Conegliano Valdobbiadene behave in the international market, if they follow the general pathway defined by the theories developed about the internationalization of family firms or if some particular features, such as the presence of the Consortium or the specificity of the product, allow them to adopt different approaches and strategies.

What generally emerged from the interviews is that the firms belonging to the Consortium of Conegliano Valdobbiadene are likely to follow the theoretical path line defined for the internationalization of family firms. Like all the family businesses, these firms present some of the characteristics of the genre: the familiness, the importance of the identity and of the status, the identification and the emotional attachment of family members to the firm (Berrone et al., 2012 in Sciascia et al., 2014). The firms take advantage of some of the typical benefits, such as the longevity of the company, thanks to the long-run orientation, higher level of cohesion and lower need to control behaviours that means also lower costs for internationalizing. There are also some negative aspects: the excess of safeguard or internal orientation that can lead to stagnation (Miller et al., 2008), the capital and managerial constraints, which are sources of competitive disadvantage (Carney, 2005) or the uncertainty due to the generational changeover that can undermine the resources of the firm and affect its competitiveness (Claver et al., 2009). The balance between positive
and negative aspects changes from case to case and leads to different solutions and realities.

The results were mostly homogeneous, making possible to define a general pattern and different dynamics that were present in almost all the cases. As already presented earlier, the firms’ behaviour was studied taking into consideration different aspects, including the role of the Consortium, the country of origin effect, the presence of external figures or the presence of the family in the management or in the ownership of the firms. Considering four basic variables like individual, company, industry and country factors, it is possible to define what influences positively or negatively the internationalization path and to make a comparison with what is sustained in the literature.

Graph. 7 – Influence of variables on internationalization process

Comparing the results obtained from the research and the findings of the literature review, it is possible to state that generally there is coherence between the two parts. The research has confirmed most of the path lines that have been defined in the first part, particularly for what concerns the consortium’s general role, the dynamics of the district
and the approach adopted by the family businesses abroad (entry mode, opportunity recognition and countries where to export). What has shown some discrepancies is the effect of the family within the management and the ownership. No coincidence that this is the issue that has been discussed the most by the scholars because of the uncertainty of the results. In facts, if the general management structure of the firms studied is line with what is stated by the scholars, it is not possible to state the same thing for the ownership structure. How can it be possible to justify this mismatch? Maybe, as stated before, the case of the Consortium of Valdobbiadene Conegliano represents a specific case where the characteristics of the product or the influence of the entity allow the firms to adopt different strategies. For a deeper understanding, in the following part each of the aspects will be analysed in the lights of the results.

**The role of the family**

Most importantly, in all the cases analysed the family is still covering important roles within the business, carrying out different activities that concern the strategic choices, the management and the communication channels of the firm. In none of these cases the family is just a mere representative figure, on the contrary it contributes actively to the development and growth of the business. The family can still give a great contribute to the firm; basing on the stewardship theory, thanks to its altruistic approach (Zahra, 2003) it will act in accordance with the best of the enterprise, because of the personal ties that connect the family members to the firm and between each other; family’s concerns coincide with the ones of the firm and the overlap ensures higher level of cohesion and lower need to control behaviours and they can mitigate the negative effects due to the higher complexity and uncertainty that arise with internationalization (Tsao and Lien 2013).

Depending on the case, the family members are present both in the management and the ownership: what can be noted immediately is that in all the cases the ownership totally belongs to the founding family, without external partners. The only exception is represented by the firm D, the only one that has been acquired by a group, justifying the absence of the family in the ownership; nevertheless the absence of the family in the ownership, the case is interesting for understanding better what happens when the firm gets acquired by a group. Things get different with reference to the management, where
the family members are accompanied by external managers, most all the time. Even in this case there are some exceptions, like in the cases of firm F and firm I, but what can be noticed is that these two cases regard firms with medium and small sizes, basing on sales volume. The firms stated that at the beginning of the internationalization process the activities were wholly managed by the family members but that then, when the volumes started to grow and the activities got more complexed, they had to introduce external figures with particular experiences and skills. Basing on these statements, it is possible to formulate a proposition:

**Proposition #1: When the internationalization activities grow and the complexity raises, the family members’ management is not sufficient any longer and the introduction of external managers with specific skills and experiences is needed.**

This founding is line with what has been stated by Singla et al. (2013): according to them family controlled and family managed (FCFM) firms adopt a suboptimal governance structure and weaken the internationalization-governance relationships, generating a loss of wealth for nonfamily shareholders, with consequential type II agency costs arising. In contrast, family controlled and nonfamily managed (FCNFM) firms do not modify or weaken these internationalization-governance relationships, mitigating both primary and secondary agency issue. As shown in the cases, when it comes to internationalize, the contribution given by the non-family managers covers an important role for the success of family firms: the heterogeneity of the environment and the roles given to external board members are fundamental elements for succeeding in foreign markets (Arregle et al., 2012). The finding is partially in line with the other theories developed about the family influence on the ownership and the management of the firm. In fact, the presence of the family members in the firm’s management is optimized only at medium level, confirming the inverse U-shaped relationship found between these two elements (Mitter et al., 2014). This equilibrium aims at integrating the benefits given by the presence of the family, such as the reduction of agency costs and the long-term orientation, with the contribution given by the external managers.

On the contrary, the fact that in all the firms taken into consideration the ownership is totally belonging to the founding family is not in accordance with the theories, considering that also in this case the relationship should be inversely U-shaped (Sciascia et al., 2013).
According to the theories the strong presence of the family members in the ownership should negatively affect the internationalization path of the firm (Fernández and Nieto, 2005; Majocchi and Strange, 2012; Sanchez-Bueno and Usero, 2014; Herrera-Echeverri et al., 2016), but in these cases this presence does not seem to curtail the international opportunities of the enterprises. How can it be explained? As already said before, the family presence within the firm does not present per se a constrain to the international expansion of the business, it mostly depends on the approach adopted. Adopting the SEW perspective family members can also decide to get international to reach their aspiration levels if they perceive that their family wealth is at risk (Pukall and Calabrò, 2014). In the case of a distinctive familiness, it is a source of competence (Habbershon and Williams, 1999) because it can be related to greater level of trusts (Zaefarian et al., 2016), transfer of tacit knowledge and long-term orientation. These resources and skills that cannot be easily imitated by the other players help the firm to outperform competitors (Mitter et al., 2014) but they in themselves cannot guarantee the creation of value, instead they need to be properly managed. This means that family businesses can internationalize without the initial support of external figures because they have specific resources that contribute to create competitive advantage; what might happen is that they reach a suboptimal level of performance that can be enhance with the introduction of external resources. This interpretation is also sustained by the fact that all the firms of the sample have small sizes, basing on the number of workers, and limited size is often recognized as a constraint for international growth (Claver et al., 2007; Claver et al., 2008; Majocchi and Strange, 2012). Another plausible answer can be found in the role of the Consortium.

The role of the Consortium

The discrepancy between the study research and the theories can be explained by the presence of the Consortium, which could influence the internationalization propensity of family firms. In fact, all the interviewees recognized the importance of the Consortium’s role as stepping stone for starting the activities abroad: the entity gives psychological support to the firms and helps them to participate to international fairs and find new consumers and new opportunities. In this case the role of the Consortium is mainly coordinative: it does not substitute the firms in carrying out part of the activities and the central power is not strong enough for making decisions and avoiding competitive behaviours between the participating firms (Depperu, 1996). The consortium somehow
supports the firms so that they can adopt and develop a wider international entrepreneurial orientation, fostering those attitudes, behaviours and values that can make effective the entry to international markets. The Consortium makes the firms get used to approach new realities and opportunities, it helps the family to be more open and it mitigates the tendency of family-managed firms to put a greater focus on domestic markets advantages not considering or devaluing the opportunity to get international. The role played by the Consortium is a deterrent for the family’s negative influences and a facilitator for the international development. This is in line with what Wakoswska (2017) states about family presence, namely that it has no effect on export intensity and export scope, once the international activities have been started. Moreover, consortia represent the means through which the firms belonging to an industrial district formalise their cooperation and their relationship (Deperu, 1996) and it has been proved that small and medium enterprises located inside industrial districts present superior export performance and export intensity (Belso-Martínez, 2006).

In other words, the Consortium substitutes the role of non-family shareholders as external voice that can successfully accelerate the internationalization path. In addition to this, the Consortium can sustain the small firms’ growth by letting them access to new resources and overcome the restrictions due to the limited size: this factor, together with the resource constraints have been often recognized as the real causes of the lower international growth of family firms (Carney, 2005; Claver et al., 2007; Claver et al., 2008; Majocchi and Strange, 2012; Wach, 2014). Consequently, in the second proposition it is possible to state:

**Proposition #2: The presence of the Consortium allows to mitigate the closeness of family firms, reduces their constraints and supports them in the initial steps of the internationalization path.**

The consortium supports the firms’ growth and development also thanks to the “forced” close connection between the participants; this happens because “the large number of firms and their common attempts to distinguish themselves and grow, render them particularly open to large and small innovations in order to equip themselves with new products and markets” (Brusco, 1999; p. 19). The presence of a high number of enterprises in the same area that produce the same product enhances their efforts to be more effective and efficient in order to find their place in the market. In this case, the high
competition and *campanilism* between the firms end up being an obstacle for the
Consortium’s performances because everyone focuses only on its own profits and does
not consider the pros of the aggregation. A greater cooperation between the firms, with
the adoption of a unique strategy and a unique communication channel guaranteed by a
new stronger role assumed by the consortium, would boost their returns and their
economic development significantly.

**Entry mode**

As far as the way the strategies adopted for starting the international activities, the
participation to the Consortium represents itself a first step to the internationalization
process, because, as mentioned above, this entity can help the firms to be open to new
opportunities and external realities and to adopt cooperative strategies with the aim to
acquire complementary assets which would not available otherwise, due the limited
financial and managerial resources of family firms (Berra et al., 1995).

In all the cases studied two main strategies were principally adopted: the participation to
international fairs and the use of relationship networks. The adoption of these strategies
is in accordance with what has been stated for the internationalization of family firms,
namely that networks of the owner-managers can help entry in to foreign markets in the
first steps of internationalization (Rutashoby and Jaensson, 2004) and that informal ties
can bring several benefits including access to foreign market information, access to
information about foreign trade fairs, access to foreign market and access to supplied
credit and training opportunities. In particular, the participation to international
exhibitions let the firms get useful ties: those may appear weak and informal at the
beginning, but they are rapidly developed by family firms into strong ties, when the
members of the firm feel they can create trust-based relationships with the new partner
(Kontinen and Ojala, 2010). The relationship networks represent a fundamental tool for
small family firms to end their isolation and become more competitive in the globalized
world. These cooperative strategies are necessary for the family firms for acquiring
complementary assets, considering their limited financial and managerial resources
(Berra et al., 1995).

The opportunities found through these tools were situated, most of the time, in European
countries where the prosecco market was already developed, such as UK, Switzerland and
Germany. This trend is in line with the theory developed by the Uppsala school and adopted by several scholars (Claver et al., 2007; Zaniewska, 2012; Cesinger et al., 2013; Pukall and Calabrò, 2014), according to which, when it comes to internationalize, firms will first establish agency relations in neighbouring and similar countries and that the process of internationalization will be gradual and it will depend on the progressive accumulation of knowledge of foreign markets and it will be also influenced by the size of the foreign market (Johanson and Wiedersheim-Paul, 1975). Of course, there are also cases in which the family firms were “pioneers” and contributed to developed new markets in foreign countries, like firm D, but also in this case the firm decided to target “psychologically” closer markets (Gallo and Estapé, 1992). This tendency is just a witness of the family firms’ aversion to risk, that is softened by choosing countries that can reduce the cultural and social obstacles. As far as the distribution strategies, the firms adopted principally the exportation, both directly and indirectly, through importers and local distributors. The finding complies with what has been stated by Graves and Thomas (2008) and Daszkiewicz and Wach (2014) considering the willingness of the managers to take on calculated risk.

**Proposition #3: As far as the entry mode and the distribution strategies, the firms follow the Uppsala school’s theory and undertake export activities basing on their personal social networks, following the general path line defined by the theories.**

**Origin and Denomination**

When it has been asked to the interviewees to talk about the role of the Made in Italy label in the international markets, the general opinion was that it plays a fundamental role for the creation of added value and for guaranteeing the quality and the prestige of the product. As argued by the theories, the positive perception of the territory and the country confers positive attributes to the product, strengthening the brand equity. The “stereotypical bias” can create distorted perspectives of the goods and sometimes it can influence the firms’ pricing decisions, conferring them great market power thanks to positive reputation of the country. In this particular case, considering that the wine is identified as an “hedonic” product, the COO plays a fundamental role because the consumers can assess the quality only after the purchase, and they base on extrinsic cues, including COO, for judging the products (Steenkamp, 1990). The Made in Italy label can
leverage on different aspects of the COO effects identified by Verlegh and Steekamp (1999): the cognitive one, because of the role of Italy as one of the greatest exporting countries at global level and the quality recognized and guaranteed by the COO, and the affective one, considering that the prosecco is the symbol of simple, refined drinking, intrinsically tied to the unmistakable Made in Italy lifestyle.

*Proposition #4: the country of origin effect plays a fundamental role for ensuring the competitiveness of the product abroad.*

Sometimes this element was also accompanied by the role of the DOCG denomination, that can give similar benefits, in particular for strengthening the idea of the prosecco as a “hedonic” product and increasing its value, but in this case only for the consumers who have a deeper knowledge of the prosecco market and can distinguish and understand the different labels.

### 3.5 Answering the research’s questions

After exposing all the findings and the different aspects taken into consideration, it is possible now to answer (or at least to try) the initial questions on which the research is based.

- How do family firms of the Conegliano Valdobbiadene district behave in the international market?
- Do they follow the theoretical guidelines designed for the internationalization of family firms?

Basing on the results of the research, it is possible to say that the family firms of the Conegliano Valdobbiadene district behave like the family firms generally do, influenced by the resource constraint and the risk-aversion. It can be noticed by the entry mode adopted, by the countries chosen for starting the international trades and by the ways through which the firms find new opportunities. What differs is that the presence of the family members does not represent a big obstacle to internationalization as it appears to be in the theoretical findings. Of course, the only contribute given by the family is not sufficient for remaining competitive abroad and the integration of external managers is required in any case but the influence of the family does not curtail excessively the opportunities of the firm in foreign markets.
- Does the Consortium influence or not their activities?

By looking at the results and at the witnesses of the interviewees, it looks like the Consortium actually influences the family firms’ activities. It contributes to minimise the negative effects of the family presence, helping the members to be less risk-adverse and making the firms more open to external opportunities, substituting de facto the external ownerships in their role as mediators. This interpretation of the Consortium’s influence is line with what is generally recognized to be one of its roles, in particular in the Italian economy: the support for the development of SMEs (Depperu, 1996).

3.6 Limitations and Future Research Directions

This research makes different contributions to the academic debate on the internationalization process of family firms. The main contribution has been to apply the theories and the studies developed for the family firms’ behaviour abroad in the contest of the Consortium of Conegliano Valdobbiadene. The case studied allowed to verify if the presence of the consortium has concrete effects or consequences on the strategies and decisions made by the firms. The results showed that this presence concretely affects the strategies adopted by the firms, helping them to be more open to external realities and opportunities and supporting them in the first steps of the internationalization process. The research also allowed to know better the characteristics and the peculiarities of the Prosecco District, that represents a specific case in the wider wine markets, which has already been studied in other papers. Differently from the wine, that is generally widespread in all the Italian territory and abroad as well, the prosecco is peculiar of the North-east area, so it has deeper ties with the territory and the Italian origins. Notwithstanding this, the research is not without limitations. In facts, this study represents just a first attempt to study the families’ behaviour and the dynamics of internationalization in the Prosecco District. First of all, the sample used is relatively limited, considering the number of the enterprises belonging to the Consortium: further studies might involve a bigger number of firms in order to verify the reliability of the
findings abovementioned, adopting also different types of research. The qualitative approach has allowed to analyse different aspects, including the role of the family members and external managers, the influence of the consortium and the country of origin effects; other variables were not analysed exhaustively, even though they are worth to be studied in more depth, such as the role of the subsequent generations, by verifying if and how they are determinant for the success of the business in the foreign markets. The data collected in this research were not sufficient to properly observe the intra-generational dynamics, but it is supposed to be a fundamental aspect for understanding the strategies and the behaviour of the firms. Apart from that, also other variables such as the manager’s characteristics and the cultural influences were not included in this research but they might be taken into consideration for studying this realities by adopting different perspectives and valuating different variables. Moreover, it would be of interest to study the family firms’ realities and to collect data also with other tools, by observing them with fieldworks and direct observations for longer periods. Unfortunately, this type of analysis could not be done for logistics reasons. Further study concerning the internationalization of the family firms within the Consortium could offer new insights.
CONCLUSION

The aim of this thesis was to present the state of the studies on the internationalization process of the family firms and to understand how these behave in foreign markets. First, it has been done a deep review of the literature regarding this issue, resuming great part of the papers that have been published in the last 30 years. The literature review allowed to identify and define the main topics discussed and the relative theories developed. What has been found in the review is that still today it is not easy to find a theory that can generalize the approach of family businesses to international trades. This ambiguity is mostly due to the uncountable variables that contribute to determine the firm’s behaviour and choices for what concerns the internationalization process, such as the local culture, the business culture, the owner/manager’s characteristics, the presence of subsequent generations, the peculiarities of the product and the market and so on. Several aspects have been analysed, both internal and external. One of the topic most discussed and conflicting is related to the role and the influence of family members: this aspect has been studied deeply and it has led to different and opposite findings. As showed, some scholars found that the presence of family members can give positive contributes to the firm’s growth thanks to the know-how, the intrinsic value system or the long-term orientation (Zahra, 2003; Carr and Bateman, 2008). Other stated that the family represents a constraint to firm’s development abroad because of its tendency to ignore external opportunities and inputs and because of their high risk-avoidance (Gallo and Estapé, 1992; Carney, 2005; Donckels and Aerts 1998). The difficulties in finding a unique solution led the scholars to identify an inverse U-shaped relationship between the family presence and the firm’s performances abroad, meaning that the best way to make the firm efficient is to limit the presence of the family members, without totally dismissing them (Sciascia e al., 2013). Other important elements identified in the literature review regard the presence of subsequent generations, which can help to be less risk-adverse and to open the firm to new opportunities, the entry mode adopted by the family business and the cultural influence; the choices taken regarding these last two aspects reflect the family’s tendency to be more cautious, by opting for the owner’s relationships network as a means for discovering new opportunities (Kontinen and Ojala, 2010) and by choosing countries that are geographically and culturally closer to the domestic markets (Johanson and Wiedersheim-Paul, 1975). Nevertheless the absence of “absolute truths”, some
generic path lines have been identified for defining the family firms’ behaviour abroad. After presenting the results of the literature review, an empirical research has been carried out in order to demonstrate if the path lines are valid or not. The cases chosen, related to the family firms belonging to the Consortium of Conegliano Valdobbiadene producing prosecco, allowed to test the findings of the literature review in this specific reality and, moreover, they allowed to observe and study the role played by the Consortium. The results of the research showed that the firms interviewed generally behave following the path lines that were found previously. They found the internationalization opportunities thanks to ties coming from relationships network and international fairs (Kontinen and Ojala, 2010) and they adopted export as main tool for distributing (Graves and Thomas, 2008). The countries that were involved at the beginning of the trades were the ones closer, both geographically and culturally, where the prosecco market was already developed (Cesinger et al., 2013). What varies respect to what has been found in the literature reviews is that the presence of family members in the ownership is not as harmful as it resulted to be in the theories. A plausible explanation could be that the role of the Consortium helps to make the family members less risk-adverse and to make the firms more open to external opportunities, substituting de facto the external ownerships in their role as mediators (Calabrò et al., 2017). As far as the management, the results were in line with what has been already stated: the presence of external (non-family) managers becomes fundamental for optimizing the international activities because they introduce some specific knowledge and experiences that are necessary for being competing in the global market.

The Consortium is playing an important role for the internationalization of firms, allowing them to participate to international fairs and to find new consumers, but its supportive role can be even bigger. At the moment, the firms are helped only in the first steps of the internationalization path but then they have to go ahead on their own, finding and managing new contacts and opportunities. The activities of the Consortium are mainly focused on the protection of the product and its denomination; these activities are fundamental but a more proactive role of this entity could really make a difference for the district’s performances. According to the responses given by the interviewees, the whole prosecco district would need to be re-organized for enhancing the growth of the product; the current situation, with three different consortia, contributes to create confusion and
ambiguity in the consumers, especially for the foreigners. A solution might be the institution of a unique consortium, whose role should shift from the mere protection and promotion to a real support to export activities and distribution, with the definition of specific communication and distribution strategies adopted by all the participants. This approach would boost the activities and the economic results of the district, diminishing also the conflicts between the firms of the consortium. In addition to this, the creation of a real Made in Italy label that could guarantee the quality of the origin of the products would protect them from the international competition with the counterfeiting products, without disorienting the consumers and helping them in the purchasing choices.
## APPENDIX

### Appendix 1 - List of the papers consulted in the literature review

<table>
<thead>
<tr>
<th>Title</th>
<th>Authors</th>
<th>Results</th>
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<tbody>
<tr>
<td>The internationalization of family businesses: A review of extant research</td>
<td>T. Kontinen - A. Ojala</td>
<td>Limited integration of the various internationalization theories. Ambiguous formation of the theoretical frameworks, lack of clear account of theories that are considered as most important.</td>
</tr>
<tr>
<td>Internationalization of Australian family businesses: A managerial capabilities perspective</td>
<td>C. Graves - I. Thomas</td>
<td>Managerial capabilities of FBs are less efficient respect to non-FBs when they grow internationally. Despite having less managerial capabilities when compared to non-FBs, FBs were still able to achieve a high degree of internationalization.</td>
</tr>
<tr>
<td>Internationalization and organizational growth: The impact of Internet usage and technology involvement among entrepreneur-led family businesses</td>
<td>P. S. Davis - P. D. Harveston</td>
<td>The effect of aging by the entrepreneur on a family business limits sales growth. In contrast, a higher educational background by the entrepreneur had a positive effect on both internationalization and sales growth. are positively affected by increased use of the Investments in Internet and IT increase internationalization and growth</td>
</tr>
<tr>
<td>International expansion of US manufacturing family businesses: The effect of ownership and involvement</td>
<td>S. A. Zahra</td>
<td>Family firms are less efficient respect to other firms in international sales and the number of foreign countries entered. Family ownership, inside directors’ ownership, CEO duality and family generations in management are positively and significantly associated with international sales.</td>
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<tr>
<td>Determinants of the internationalization pathways of family firms: An examination of family influence</td>
<td>C. Graves - I. Thomas</td>
<td>The authors state that the most common foreign market entry mode for family firms is that of exporting their existing products/services to new countries.</td>
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<tr>
<td>The internationalization of small and medium-sized enterprises: the effect of family management, human capital and foreign ownership</td>
<td>D. Cerrato - M. Piva</td>
<td>The presence of managers from outside the family is positively associated with the firm’s will to enter international markets. Family involvement can limit the internationalization path.</td>
</tr>
<tr>
<td>The internationalization of family SME: An organizational learning and knowledge development perspective</td>
<td>S. Basly</td>
<td>Internationalization knowledge positively influences the degree of internationalization of the firm. The conservatism of family SME does not directly influence the level of internationalization knowledge. Social networking positively influences the amount of internationalization knowledge.</td>
</tr>
<tr>
<td>Family management and internationalization: The impact on firm performance and innovation</td>
<td>S. M. Tsao - W. H. Lien</td>
<td>Family management and ownership can mitigate the negative effect of the complexity and uncertainty deriving from internationalization on firm performance and innovation. At the same time, compared to nonfamily firms, family owners have more benefits with internationalization.</td>
</tr>
<tr>
<td>Internationalization pathways among family-owned SMEs</td>
<td>T. Kontinen - A. Ojala</td>
<td>All these six case firms had a period of domestic business operations prior to internationalization. Successively, they started with experimental exports. Authors discovered that the ownership structure of the case firms played a central role, determining their internationalization pathways.</td>
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<tr>
<td>Internationalization of family firms: the effect</td>
<td>C. Mitter - C. Duller - B. Feldbauer</td>
<td>The results of the analyses support the theory of an inverse U-shaped form about the relationship between family influence and internationalization. FFs with less family influence on boards and a lower (</td>
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<tr>
<td>The role of family influence in firms' strategic responses to threat of imitation</td>
<td>G. Sirmon - J. L. Arregle - M. A. Hitt</td>
<td>Authors find evidence for a model in which family influence affects the firm's strategic response to the threat of imitation. These strategic actions (responses) in turn affect performance. Authors did not find direct effects of family influence on performance. Results also suggest that reducing investments in R&amp;D and internationalization may undermine future performance.</td>
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<tr>
<td>The role of family ownership in international entrepreneurship: Exploring nonlinear effects</td>
<td>S. Sciascia - P. Mazzola - J. H. Astrachan - T. M. Pieper</td>
<td>In all models, size does not significantly influence international entrepreneurship, while past performance, family involvement and age do. Authors found a nonlinear relationship between family ownership and international entrepreneurship. While family ownership enhances international entrepreneurship at relatively low levels, it does not support it at higher levels</td>
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<tr>
<td>Family versus nonfamily business: A comparison of international strategies</td>
<td>M. Abdlellatif - B. Amann - J. Jaussad</td>
<td>Family businesses establish fewer joint ventures than do nonfamily businesses, in relative terms. This result is consistent with the claim that family businesses exhibit a stronger inclination to maintain their independence than do nonfamily businesses. Authors confirm that the differences in strategic behaviour that mark family businesses and nonfamily businesses do not appear in every aspect of their internationalization processes.</td>
</tr>
<tr>
<td>Family Involvement in Ownership and Management: Exploring Nonlinear Effects on Performance</td>
<td>S. Sciascia - P. Mazzola</td>
<td>Authors did not find any significant relation between FIO and performance in their non-listed companies. The benefits deriving from the long-term perspective and the survivability capital are all compensated for by excessive family member pay, related-party transactions, special dividends, nepotism, and conflicts among shareholders. A negative quadratic relationship between FIM and performance was found instead, and this represents the main result of the present research.</td>
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<tr>
<td>Cross-cultural differences and Italian firms' internationalization in Algeria: Exploring assertiveness and performance orientation</td>
<td>F. Calza - N. Aliane - C. Cannavale</td>
<td>The research has analysed the importance of two cultural dimensions: performance orientation and assertiveness. The empirical qualitative analysis has confirmed the hypotheses: cultural differences have a strong impact on Italian firms’ success in Algeria.</td>
</tr>
<tr>
<td>What does really matter in the internationalization of small and medium-sized family businesses?</td>
<td>A. Calabró - M. Brogli - M. Torchia</td>
<td>New generations’ involvement impacts the internationalization decisions in the analysed FBs. As concerns the internationalization process, in three of the four cases, a pattern emerges that represents a clear strategic decision: first, Firms first consolidate their position in the domestic market and subsequently internationalize according to different timing and means.</td>
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<tr>
<td>Family management and profitability in private family-owned firms: Introducing generational stage and the socioemotional wealth perspective</td>
<td>S. Sciascia - P. Mazzola - F. W. Kellermann</td>
<td>Authors show that exists a positive relationship between family management and profitability at later generational stages. The SEW perspective helps us to identify those situations in which family managers are more oriented to the increase of financial wealth or to the preservation of the socioemotional wealth.</td>
</tr>
<tr>
<td>Country of origin and network effects on internationalization: A comparative study of SMEs from an emerging and developed economy</td>
<td>L. Ciravegna - L. Lopez - S. Kundu</td>
<td>Despite the structural differences that distinguish their country-of-origin, the great part of both Italian and Costa Rican firms used networks to support their internationalization and adopted specific strategies to build such networks. This suggest that the size, wealth and institutional development of the economy where firms are based may influence their internationalization path less than other factors, such as whether they are SMEs or large firms, or the type of industry in which they operate.</td>
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<tr>
<td>Small Italian wine producers' internationalization: The role of network relationships in the emergence of late starters</td>
<td>B. Francioni - T. Vissak - F. Musso</td>
<td>The scholars found out that all the firms used their personal relationship networks for finding new opportunities abroad. All firms have been, to some extent, tourist-oriented and have benefited from tourists in their internationalization.</td>
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<tr>
<td>Family business going abroad: the effect of family ownership on foreign market entry mode decisions</td>
<td>C. Pongelli - M. G. Caroli - M. Cucculelli</td>
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<tr>
<td>This study shows that heterogeneity in the family ownership structure influences a firm’s strategic decisions about foreign market entry mode. Specifically, authors point out that founder ownership is associated with a preference for equity mode and reluctance for cooperation with external partners. Founders tend to opt for long-term investment and the maintenance of family control.</td>
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<td>Bank support and export: evidence from small Italian firms</td>
<td>F. Bartoli - G. Ferri - P. Murro - Z. Rotondi</td>
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<td>The authors suggest that due to fixed costs of entering foreign markets, credit constrained firms are less likely to export. As for firm characteristics, the results suggest that larger firms are more likely to export. Results confirm that the probability of exporting increases in the duration of the relationship with the main bank.</td>
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<td>Corporate governance in family firms, learning and reaction to recession: Evidence from Italy</td>
<td>M. Cucculelli - C. Bettinelli</td>
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<td>The models show that no relationship exists between CEO change and firm performance. A change in the top positions in the company has a positive effect on firm’s capacity to deal with a difficult economic situation. CEO turnover improved learning when the new CEO was from the owning family and after a certain amount of time.</td>
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<td>Internationalization of Family Business in High-Range Italian Wine. The Perspective of Some Italian Key Players.</td>
<td>G. Calabrese - P. Mastroberardino</td>
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<td>In the last fifteen years the process of internationalization of the wine business has been considerably accelerated. The internationalization strategies of Italian wine are still influenced by a positioning problem, expressed by the average export price.</td>
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<td>International opportunity recognition among small and medium-sized family firms</td>
<td>T. Kontinen - A. Ojala</td>
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<td>The findings indicate that formal ties are essential in the international opportunity recognition of family SMEs. Only one firm recognized the opportunity via informal ties. However, none of the firms could utilize family ties in the international opportunity recognition process. International opportunity recognition brings to the formation of new formal ties in trade exhibitions.</td>
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<td>Family Farms Venturing into International Markets: A Resource Dependence Perspective</td>
<td>L. Naldi - M. Nordqvist</td>
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<td>The results show that external ownership is positively and significantly related to the scale and scope of internationalization.</td>
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<td>Internationalization Strategy of Small and Medium-Sized Family Businesses: Some Influential Factors</td>
<td>Z. Fernández - M. J. Nieto</td>
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<td>Family businesses present a lower degree of international involvement than nonfamily businesses. However, it seems that some factors could encourage expansion to foreign markets, like younger generations. Empirical research confirms that family SMEs with another company as a shareholder are more involved in international markets.</td>
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<td>The Internationalization of Family Firms: A Critical Review and Integrative Model</td>
<td>T. J. Pulkall - A. Calabrò</td>
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<td>Authors have developed a theoretical model, combining the frameworks of SEW and the network view based revised Uppsala model. The framework shows how SEW affects the internationalization activities in family firms. Triggers from outside the family (external managers and board members), incoming generations as well as network-relationships can boost this process.</td>
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<td>Internationalization of Family Businesses: Evidence from Northwest Ohio, U.S.A.</td>
<td>S. C. Okoroafo</td>
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<td>Evidence show that firms use to internationalize between the first and the second generation. Most of the firms do not have ties with other firms abroad. The authors suggest more family commitment in the internationalization process both in term of awareness of the markets in which the firms operate.</td>
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<td>Important Factors in Family Business Internationalization</td>
<td>M. A. Gallo - C. G. Pont</td>
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<td>The results emphasize the importance of two main issues. Family businesses reduce international uncertainty through the use of foreign based family members. This uncertainty can be balanced by the decision of the managers to take on calculated risk entering into other markets through the establishment of strategic alliances.</td>
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<td>Internationalization of Family-Controlled Firms: A Study of the Effects of External Involvement in Governance</td>
<td>J.L. Arregle - L. Naldi - M. Nordqvist - M. A. Hitt</td>
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<td>The empirical results show that external parties facilitate the internationalisation process both in term of scale and scope. Vice-versa they found a negative relation between family ownership and scale of internationalisation due to different reasons like increasing difficulties in managing a heterogeneous environment with non-family members.</td>
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<td>Family ownership and internationalization processes: Internationalization</td>
<td>W. T. Lin</td>
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<td>Family ownership has a positive relationship with the pace of MNC internationalization, while family ownership has a negative effect on the scope and rhythm of MNC internationalization.</td>
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<td>The Internationalization of Chinese Family Enterprises and Dunning’s Eclectic MNE Paradigm</td>
<td>C. Erdener - D. M. Shapiro</td>
<td>The analysis suggests that the CFE’s competitive advantage is based on the ability to generate relational skills not only to link networks of family members, suppliers and distributors, and political institutions, but to do so in a way that enables the individual firm to mobilize flexible and effective responses to entrepreneurial opportunities very quickly.</td>
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<td>Entrepreneurship in Family vs. Non-Family Firms: A Resource-Based Analysis of the Effect of Organizational Culture</td>
<td>S. A. Zahra - J. C. Hayton - C.Salvato</td>
<td>Family firms’ individual-versus-group orientation has an inverted U-shaped relationship with entrepreneurship. A cultural orientation toward decentralization of control and coordination is positively related with entrepreneurship. The orientation of a family firm’s culture toward time shows a strong association with its entrepreneurial activities.</td>
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<td>Family Involvement in the Board of Directors: Effects on Sales Internationalization</td>
<td>S. Sciascia - P. Mazzola - J. H. Astrachan - T. M. Pieper</td>
<td>The analyses indicate the existence of a nonlinear relationship between family involvement in the board of directors and sales internationalization. When family involvement in the board of directors is 100 percent, some negative effects may reduce the capability of the firm to internationalize its sales. These negative effects can be mitigated by the stewardship behavior of the family directors.</td>
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<td>Internationalization pathways of family SMEs: psychic distance as a focal point</td>
<td>T. Kontinen - A. Ojala</td>
<td>Findings reveal that the 4 companies adopted, more or less, the same internationalization path that started exporting the products in nearby countries first, and in other European countries and worldwide later on.</td>
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<td>Familiness and Born Globals: Rapid Internationalisation among Polish Family Firms</td>
<td>K. Wach</td>
<td>Results prove that family business internationalize later than non-family business and that born global firms are much more represented by non-family business.</td>
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<tr>
<td>Family firms and internationalization: An exploratory study on high-tech entrepreneurial ventures</td>
<td>E. Piva - C. Rossi Lamastra - A. De Massis</td>
<td>Family entrepreneurial ventures in high-tech industries exhibit a higher probability to pursue internationalization than their nonfamily peers.</td>
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<td>Family character and international entrepreneurship: A historical comparison of Italian and Spanish ‘new multinationals’</td>
<td>A. Colli, E. García-Canal - M. F. Guillén</td>
<td>The 6 examples proved that the high autonomy helps FBs managers to develop their own business model and thanks to the long-time horizon they can replicate the same model in foreign market. The long-time orientation is an important key to create trust-based relationships that reduce the transaction costs linked to them.</td>
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<td>External managers, family ownership and the scope of SME internationalization.</td>
<td>D’Angelo, A - Majocchi, A. - Buck, T.</td>
<td>Family ownership and control or the employment of external managers, cannot explain individually the international scope of family firms. Internationalization can be maximized only if both management and ownership are open to external parties because in this way the firm can leverage the positive effect of agency, and SEW perspective.</td>
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<td>Internationalization patterns among speciality food companies: Some Italian case study evidence</td>
<td>S. Testa</td>
<td>Data seem to suggest that there might be bilateral relationships between the internationalization modes of speciality food SMEs and their technology dimension, and between the internationalization modes of speciality food SMEs and their market dimension. Moreover, data seem to suggest that there might be a relationship between the internationalization modes of speciality food SMEs and their space dimension.</td>
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<td>Internationalization of Italian Firms in Central and Eastern European Countries: Headquarters-Subsidiary Relationship</td>
<td>A. Pisoni - A. Onetti - L. Fratocchi</td>
<td>The subsidiaries of Italian SMEs in the CEECs adopt the typical Italian family-based governance system. The autonomy declared is concentrated in the hands of a trusted family member or one of the Italian firm’s co-founders. Most of these companies maintain an important or more-than-important autonomy degree also after the M&amp;A.</td>
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<td>The determinants affecting the internationalisation of the Italian SMEs producing sparkling wines: an empirical study on the RBV of the firms</td>
<td>A. Galati - M. Crescimanno</td>
<td>Export activity is recognized as a very useful way to improve the competitiveness of the company and its position into market. The correlation between export intensity and firm age and number of years of export is positive but not statistically significant. The export intensity and the managers’ experience in foreign countries and the proficiency of foreign language are positively related. There is a negative correlation with the age of managers and their experience in the wine sector.</td>
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<tr>
<td>The Internationalization Process in the Small and Medium Sized Firms: A Case Study on the Italian Clothing Industry</td>
<td>L. Berra - L. Piatti - G. Vitali</td>
<td>Analysis show that cooperative strategies has been the most used by SMEs. This could confirm the theoretical approach to cooperative strategy based on the necessity of acquiring complementary assets.</td>
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<td>International Diversification: The Impact of Ownership Structure, the Market for Corporate Control and Board Independence</td>
<td>A. Majocchi - R. Strange</td>
<td>International diversification strategies are influenced not only by firm-specific characteristics such as size and industry, but also by ownership structure and corporate governance mechanisms. Different stakeholders will have different objectives and different attitudes towards risk.</td>
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<td>The Internationalisation of Family Firms: the Role of the Ownership Structure and the Composition of Top Management Team</td>
<td>A. Wałsowska</td>
<td>To expand abroad, family firms should consider including external figures in their ownership structure and TMT external influences. While nonfamily ownership is particularly relevant in the initial phase of internationalisation, influencing export propensity; nonfamily managers enhance all dimensions of internationalisation.</td>
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<td>Strategic Decisions within Family Firms: Understanding the Controlling Family’s Receptivity to Internationalization</td>
<td>D. T. Holt</td>
<td>The author discusses the factors that may explain how external owners and board members might persuade the controlling family to pursue internationalization. The importance of aspirations (both financial and socioemotional), the firm’s social context, and relationships are emphasized, integrating social psychology theories that mix individual and environmental perspectives.</td>
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<td>Internationalization of family SMEs: the impact of ownership, governance, and top management team</td>
<td>E. Segaro</td>
<td>The distinctive familiness considered in this study pertains to survivability capital, patient capital, governance systems, social capital and human capital. The moderating role of stewardship orientation and TMT behavioural integration was also explored conceptually.</td>
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<td>Internationalizing the Family Firm: A Case Study of a Chinese Family Business</td>
<td>E. W. K. Tsang</td>
<td>The paper shows how the Chinese culture influences the relationships of the company with internal and external stakeholders, how the role and the figure of the founder is fundamental for the decision-making process and how the CFB are approaching internationalization dynamics. These aspects have influenced the decisions taken for getting international (through networking) and the relationship created with external managers.</td>
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<td>Internationalization of family businesses</td>
<td>M. A. Gallo - M. J. Estapé</td>
<td>Data provided by the sample sustain the statement that FBs are more local respect to NFBs. They tend to be less internationalized, to start the internationalization process later, to progress at a slower rate, and to target psychologically closer markets.</td>
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<td>Internationalization via strategic alliances in family businesses</td>
<td>M. A. Gallo - A. Ariño - L. Máñez - K. Cappyns</td>
<td>The results of the study indicate that, the firm’s product, financial resources and organizational capacity are fundamental for internationalizing. They also indicate that to succeed in forming and developing a strategic alliance for internationalization, family firms must improve their ability to build personal preferences for the use of alliances; and develop trust towards partners.</td>
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<td>Internationalization of Family Businesses: A Theoretical Model Based on International</td>
<td>J. C. Casillas - A. M. Moreno - F. J. Acedo</td>
<td>Three main elements are determinants for the internationalization process: international orientation, knowledge and family commitment. The international entrepreneurial varies from the first generation to the second.</td>
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<td>Entrepreneurship Perspective</td>
<td>E. Claver, L. Rienda - D. Quer</td>
<td>There is a negative relationship between size and risk perception about international activity. Second, experience did not prove to be significant in terms of impact on the risk perceived about international activity.</td>
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<td>Family firms’ risk perception: empirical evidence on the internationalization process</td>
<td>R. Erven - L. Van Weerden - E. Wierstra</td>
<td>No significant relationships are found with risk aversion, family generation, nonfamily managers, family funds, CEO’s international competences and the ability to develop organizational capabilities at export growth.</td>
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<td>Family-related Factors and Export Intensity</td>
<td>S. Basly</td>
<td>A strong manager’s international orientation has positive effects on the propensity to exports. Ownership involvement positively influences exports but holding together the roles of shareholder and manager can harm the development of export activities. No significant effects of age and sales impact export sales.</td>
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<td>Family Involvement in the Firm and Exports in the Family SME: Is the Manager’s International Orientation Influential?</td>
<td>M. Carney - P. Duran - M. Van Essen - D. Shapiro</td>
<td>Country-specific factors supportive of exports are strengthened when high levels of FFP are present. The results indicate that when an economy has a big enough population of FPs then the country competitiveness drivers with respect to export performance are strengthened.</td>
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<td>Export behavior and board independence in Colombian family firms: The reverse causality relationship</td>
<td>H. Herrera-Echeverri - J. Galli Geleilatte - S. Gaitan-Riaño - J. Haar - N. Soto-Echeverry</td>
<td>Results of the research study reveal that family ownership has on average lower levels of export behaviour.</td>
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<td>Internationalisation of family business groups in transition economies</td>
<td>V. Ratten - L. Dana - V. Ramadani</td>
<td>This paper suggests that relational norms and social networks are important to improve the success rates family businesses have in their international performance. This implies that family businesses investing more time and effort in improving international trust can help in their internationalisation rates</td>
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<td>Family Farms and Internationalization-Governance relationship: evidence of secondary agency issues</td>
<td>C. Singla - R. Veilvath - R. George</td>
<td>Internationalizing FCFM firms adopt suboptimal governance structures that better enable the family owners to appropriate the private benefits of control. FCNFM firms seem to mitigate both primary and secondary agency issues. Concentrated family ownership helps to monitor management and reduce their tendencies to engage in opportunistic behaviour.</td>
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<td>Internationalization of family firms in a knowledge-based view</td>
<td>S. Basly</td>
<td>Family SME needs to tolerate an attenuation of its independence on the financial and human plans. The policy of conservation of financial independence can be a significant barrier to future growth and internationalization because the internal financing can be insufficient. Family SMEs have to implement a strategy of knowledge preservation.</td>
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<tr>
<td>Internationalization of Small Family Firms: The Influence of Family from a Socioemotional Wealth Perspective</td>
<td>L. Scholes - M. Mustafa - S. Chen</td>
<td>The internationalization of the firms is characterized as slow and incremental. In trying to maintain family harmony, small family firms may adopt strategies that may be hurtful to their internationalization efforts. Findings also highlight the importance of both excessive trust between family members and lack of trust of outsiders.</td>
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<td>Family SMEs’ Internationalization: Disentangling the Influence of Familiness on Spanish Firms’ Export Activity</td>
<td>F. Merino - J. Monreal-Pérez - G. Sanchez-Marin</td>
<td>According to results, managers should favor an adequate succession because the experience dimension was shown to be determinant for the family firm’s export propensity. The overlap between the family values and those of the family firm appeared to be crucial to success during the export venture.</td>
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<td>Why Is Family Firms’ Internationalization</td>
<td>J. Arregle - P. Duran - M. A.</td>
<td>According to results, family firms, in general, do not internationalize more or less than their nonfamily counterparts. Country-level institutions have an important influence on the relationship between family firms and</td>
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<td>Unique? A Meta-Analysis</td>
<td>Hitt - M. Van Essen</td>
<td>Internationalization. The extent of a country’s generalized trust of people from other nations has some potential consequences for family firms’ internationalization.</td>
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<td>International Expansion of Family Firms: an integrative framework using Taiwanese manufacturers</td>
<td>F. J. Deng - L. Huang - S. Carragher - J. Duan</td>
<td>The findings of this paper support the resource-based perspective according to which family firms develop superior capabilities and are motivated to expand in a new market and achieve better performance.</td>
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<td>How may the nature of family firms explain the decisions concerning international diversification?</td>
<td>M. J. Sanchez-Bueno - B. Usero</td>
<td>Authors find that the degree of internationalization among family firms decreases with the increase in the level of family ownership. The presence of second largest shareholders will have effects on the internationalization of family firms. The negative effect of the level of family ownership has on internationalization is due to the importance of non-economic goals in family businesses such as the preservation of SEW</td>
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<tr>
<td>An Empirical Analysis of the Effect of Internationalization on the Performance of Unlisted Family and Nonfamily Firms in Australia</td>
<td>C. Graves - Y. G. Shan</td>
<td>Results of this study suggest that unlisted family firms achieve a significantly higher return on assets (ROA) compared with their unlisted nonfamily counterparts. Further analysis using the Du Pont model revealed this is because of family firms achieving a superior return on sales (ROS).</td>
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<tr>
<td>Network ties in the international opportunity recognition of family SMEs</td>
<td>T. Kontinen - A. Ojala</td>
<td>The possibility to develop a new weak tie into a trustworthy one is particularly important for family entrepreneurs in recognizing opportunities for foreign market entry. Furthermore, family SMEs quickly develop their new weak ties into strong ties, and that they make efforts to maintain the strength of such ties.</td>
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<td>An Assemblage-Theoretic Perspective on the Internationalization Processes of Family Firms</td>
<td>A. R. Reuber</td>
<td>This research contributes to the family business literature by diversifying its theoretical repertoire though the introduction of assemblage theory, based on the analysis of triggers, cultural differences, geographic distances and unfamiliarity to determine how these elements influence the strategy and the internationalization path of family firms.</td>
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<tr>
<td>Family Firms’ International Commitment: The Influence of Family-Related Factors</td>
<td>E. Claver, L. Rienda - D. Quer</td>
<td>The presence of later generations or nonfamily members can reduce the risk aversion of FBs. The presence of external managers within the family firm may lead to choose entry modes involving greater resource commitment. The resources that nonfamily managers can provide can represent an advantage for the family firm that, according to the eclectic paradigm, favor foreign direct investment.</td>
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<td>Internationalization and Performance of Chinese Family Firms: The Moderating Role of Corporate Governance</td>
<td>J. W. Lu - X. Liang - M. Shan - X. Liang</td>
<td>The identification of corporate governance as a moderator of the relationship between internationalization and firm performance helps resolve the ambiguity of the results. Study highlights the importance of good corporate governance, such as the introduction of nonfamily members in the TMT.</td>
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<tr>
<td>A silent revolution: The internationalisation of large Spanish family firms</td>
<td>N. Puig - P. Fernández Pérez</td>
<td>Authors have identified dominant strategies: The creation or expansion of an export allows the firm to get in touch with markets in terms of demand and marketing techniques, the establishment of joint ventures at home and abroad, DI by the establishment of productive subsidiaries, strategic alliances and participation in public bids to obtain concessions.</td>
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<td>Small Firm Internationalization and Business Strategy An Exploratory Study of ‘Knowledge-intensive’ and ‘Traditional’ Manufacturing Firms in the UK</td>
<td>J. Bell - D. Crick - S. Young</td>
<td>‘Traditional’ firms followed a cautious, incremental approach both domestically and internationally, influenced by the industry sectors in which they worked, as well as by managerial attitudes. ‘Knowledge-intensive’ firms, commonly supported by external figure, presented stronger strategic thinking and planning.</td>
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<td>The influence of ownership structure and board strategic involvement on international sales;</td>
<td>A. Calabrò - M. Torchia - T. Pukall - D. Mussolino</td>
<td>When the family is highly involved in business, there is a strong focus on the optimization of revenues abroad. The positive relationship between family involvement and the level of international sales suggest that internationalization is more common in multi-generation family businesses. The presence of foreign ownership has positive effect on international sales in both family and non-family businesses.</td>
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<td>The moderating effect of family involvement</td>
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<td>Governments with social conservative political orientation are particularly beneficial for family control because of their emphasis on the institution of family, which are at the core of family businesses. FCFs, under social conservative ideologies enjoy unique resources, and consequently, are likely to engage in riskier strategies such as internationalization.</td>
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<td>Political ideologies and the internationalization of family-controlled firms</td>
<td>P. Duran - T. Kostova - M. Van Essen</td>
<td>Authors confirm that the higher the CEO academic level of achievement, the higher level of success in international expansion. The level of conservatism and traditionalism in products, technology and markets, make the FBs more averse to export. Contrary to expectations, both the gender variable and the percentage of family members sit on board do not significantly influence the propensity to export.</td>
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<td>Influence of CEO characteristics in family firms’ internationalization</td>
<td>M. Camino Ramón-Llorens - E. García-Meca - A. Durández</td>
<td>The involvement of non-family members in the management, supervisory and/or advisory boards helps family firms to overcome strategic stagnation and start internationalization. It is not enough to increase the presence of non-family members in the governance structure of family firms, it is also important to foster the attitudes, behaviors and beliefs, at the firm level.</td>
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<td>Governance structure and internationalization of family-controlled firms: The mediating role of international entrepreneurial orientation</td>
<td>A. Calabrò - G. Campopiano - R. Basco - T. Pukall</td>
<td>Family firms with low SEW endowment achieve strong international growth when they make exclusive use of external (non-family) ownership as their main external resource. Family firms with high SEW endowment achieve high levels of internationalization when the presence of external (non-family) owners combines with the presence of a non-family CEO and the existence of international networks.</td>
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<td>Family firm internationalization: A configurational approach</td>
<td>S. Kraus - H. Mensching - A. Calabrò - C. Cheng - M. Filser</td>
<td>Limits to family firms’ internationalization are their aversion to risk, their nepotism and their interest in maintaining firm control. On the other hand, family firms can have advantages for internationalization, as ownership concentration and long-term horizon favour lower agency costs. Size positively influences internationalization. Second generations in family firm are a positive factor.</td>
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<tr>
<td>Growth and Internationalisation of family businesses</td>
<td>S. Menéndez-Requejo</td>
<td>Authors found that psychic distance has a negative effect on the speed of internationalization and is a distinct internationalization barrier for family firms compared to non-family firms. On top, authors discovered a significant curvilinear trend: the effect of relative perceived firm performance on internationalization speed has an inverted u-shaped form.</td>
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<td>Family Firms’ Internationalization Market Entry: Small and Speedy - or Chary?</td>
<td>B. Cesinger - R. B. Bouncken - V. Fredrich</td>
<td>Firms followed the model proposed by the Uppsala School. The process is gradual and the psychic distance is taken into account when taking decisions in this area. Furthermore, another set of conclusions show us that the age, size and generation of the firm play a role in the establishment of international strategic alliances.</td>
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<td>The internationalisation process in family firms: choice of market entry strategies</td>
<td>E. Claver - L. Rienda - D. Quer</td>
<td>Family firms are supposed to have more active approach towards internationalisation, while reactive motives are more typical for non-family firms. The most popular entry modes among either family firms and non-family firms is direct exporting together with subcontracting. There are no statistical differences between family and non-family firms as for exporting.</td>
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<td>Motives for Going International and Entry Modes of Family Firms in Poland</td>
<td>N. Daszkiewicz - K. Wach</td>
<td>Networks of the owner-managers initially facilitated entry into foreign markets. Regarding export market entry, Networks facilitated internationalization of small firms. Indirect and direct exporting was found to be the only market entry mode.</td>
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<td>Small firms’ internationalization for development in Tanzania: Exploring the network phenomenon</td>
<td>L. Rutashobya - J. Jaensson</td>
<td>High-technology firms, in particular, benefit from outside CEOs with prior international experience, as they have a stronger external focus when it comes to innovation. Respect to inside CEOs, outside CEOs may have a limited understanding of the firm’s internal resources and constraints.</td>
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<td>Internationalization and Performance Outcomes of Entrepreneurial Family SMEs: The Role of Outside CEOs, Technology Sourcing, and Innovation</td>
<td>Yeoh</td>
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<td>Social capital in the international operations of family SMEs</td>
<td>T. Kontinen - A. Ojala</td>
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<td>The case firms focused on finding suitable network ties and were likely to have a tendency to concentrate on a limited number of foreign partners, and to neglect the building of new relationships that could help them in future challenges.</td>
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<td>How do boards of directors contribute to family SME export intensity? The role of formal and informal governance mechanisms</td>
<td>A. Calabro' - D. Mussolino</td>
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<td>Relational norms are determinant for the family SME export intensity. The focus on preservation of personal and business relationships help reducing the complexity of the export. Trust has mixed effects on family SME export intensity. Last, the presence of outside directors has a positive effect on the export intensity of family SMEs,</td>
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<td>The Size and the Strategic International Orientation: The Use of EPRG Model among Polish Family and Non-Family Firms</td>
<td>K. Wach - L. Wojciechowaski</td>
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<td>The size of the firm influences the firm’s success abroad and determines the strategic thinking. Family firms use mostly polycentric and geocentric strategies while non-family firms adopt polycentric and ethnocentric strategies. There is also a correlation between the size of firm and the use of EPRG strategy.</td>
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<td>International Strategy Configurations of the World's Top Family Firms Another Factor Affecting Performance</td>
<td>C. Carr - S. Bateman</td>
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<td>Family firms are slightly more internationally orientated than non-family firms. Family firms' international configurations result to be different to those of non-family firms.</td>
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<td>Internationalization of the Family Firm: the Contribution of an Entrepreneur</td>
<td>C. Graves - J. Thomas</td>
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<td>Developing a participative culture, where managers are free to make suggestions without being limited by paternalistic member, is crucial for international growth. In each case study, the element of proactiveness was present.</td>
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<td>Growing the Entrepreneurial Firm: Networking for International Market Development</td>
<td>N. Coviello - H. J. Munro</td>
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<td>Network contacts, both formal and informal, help to create opportunities into foreign market and entry initiatives, that do not come solely from the strategic decisions of managers in the firm. In the development of international market family firms leverage on network relationships for marketing-related activities.</td>
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<td>Entrepreneurial opportunity identification and new firm development processes: A comparison of family and non-family new ventures</td>
<td>J. C. Hayton - G. N. Chandler - D. Detienne</td>
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<td>Authors observe that opportunities identified by family firms are less innovative than those identified by non-family firms. Family firms present lower level of formalisation of organisational structures, strategic planning and management of human resource.</td>
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<td>Internationalization in the Taiwanese Family Firms</td>
<td>C. Hsiang-Lan</td>
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<td>The findings suggest that, compared with non-family firms, family firms are more likely to internationalize. Additionally, compared with firms with lower family ownership, firms with higher family ownership are more likely to go international.</td>
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<td>Strategic Alliances in the Internationalization of Family Firms: An Empirical Study</td>
<td>G. F. Lombardo - R. F. Ortiz</td>
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<td>Firms with higher levels of family participation, the so-called pure family businesses, preferred not to establish strategic alliances for conserving autonomy and total control of decision taking. Firms with lower levels of family control opted to use strategic alliances for internationalization purposes.</td>
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<td>Determinants of family business internationalization. Review of existing research</td>
<td>K. Zaniewska</td>
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<td>The entrepreneurial culture of FBs that supports risk-taking can sustain the decision to internationalize. The lack of adequate resources together with high uncertainty usually limit the FBs chances to internationalize. The degree of the stewardship orientation influences the way in which family business undertake internationalization process.</td>
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<td>Family Firm Internationalization: Heritage Assets and The Impact of Bifurcation Bias</td>
<td>L. Kano - A. Verbeke</td>
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<td>Authors have argued that there is no generic difference between family and nonfamily MNE internationalization paths when there is no bifurcation bias. About bifurcation biased firms, inefficiencies in international governance caused by such bias, will in the long run lead to a switch to a comparatively more efficient governance form.</td>
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<td>Review of International Business and Strategy Innovativeness in family firms: an</td>
<td>V. Ratten - K. Takeddini</td>
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<td>The findings of this research suggest that innovativeness of family firms depends on responsiveness to customer needs in the international market while involving a degree of risk-taking. In addition, the results suggest family firms are not proactive in their pursuit of international market opportunities.</td>
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<td>Should family firms internationalize? Evidence from the Survey of Business Owners</td>
<td>M. D. Heileman - T. L. Pett</td>
<td>The results suggest that family firms that internationalize have better performance outcomes than other firms. The results also suggest those firms that internationalize have better performance outcomes than firms that do not internationalize, independently from the presence of the family.</td>
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<td>Shareholder activism and internationalization in the family firm</td>
<td>A. M. Bobillo - J. A. Rodriguez-Sanz - F. Tejerina-Gaite</td>
<td>The findings suggest that the internationalization of FBs will be determined not only by the ownership structure and size of the company, but also by the firm’s current point in the business life cycle, the generation that is in charge, and activism from other family members.</td>
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<td>How does family involvement affect a firm’s internationalization? An investigation of Indian family firms</td>
<td>S. Ray - A. Mondal - K. Ramachandran</td>
<td>Authors observe that family owners and managers are more averse to internationalization. Family firms’ aversion to internationalize is more pronounced when families are strongly present in the ownership or in the management. However, the presence of professional managers, help business families improve their openness to international markets and help to be less risk-averse.</td>
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<td>Internationalization and ownership Family versus non-family enterprises</td>
<td>R. Donckels - R. Aerts</td>
<td>The FBs are significantly more concerned with their reputation in import and export. FBs tend to have a more local culture which drives them to operate the business locally and employ managers without international experience. Nevertheless, they can leverage on knowledge and experience and dedication. Nevertheless, the family nature of FB is an obstacle to expansion rather than a stimulus for growing.</td>
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<td>International business &amp; family business: Potential dialogue between disciplines</td>
<td>J. Casillas - Ana M. Moreno-Menéndez</td>
<td>Cultural dimensions have been deeply studied in many researches that has been developed in the field of family businesses performance. The national culture influences the relative importance of values (family versus business values), and affects the predominance of business versus family goals.</td>
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<tr>
<td>Family Business Internationalization in the New Millennium: Achievements and Avenues for Future Research?</td>
<td>Y. V. Ivanova - N. A. Dentchev - K. A. Todorov</td>
<td>Non-family firms outperform family ones. Factors as family presence in ownership and management are rather restrictive and do not enable internationalization. Other elements such as external involvement in ownership and management are positively related to internationalization of family SMEs.</td>
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**Appendix 2 – Firms’ interviews**

**Firm A interview**

**Q:** Do you consider your firm as a family one?

**A:** Yes, there are both father and sons who are currently working in the firm.

**Q:** How old the firm is?

**A:** The firm was founded in 1981.

**Q:** What are the firm’s dimensions?

**A:** Basing on volumes, we sell more than 6 million bottles per year. It is important to specify that we produce wines both for third parts and for our own brand. For the third parts we transform and bottle the wine, working also on the packaging if needed. Regarding our own brand, we sell around 250,000 bottles per year.

**Q:** How many workers are there?

**A:** In total there are 7-8 workers here.

**Q:** What generation is currently working in the firm?

At the moment there are both the first and the second generations. Soon the second generation will manage the firm.

**Q:** Are there any family members who cover administrative roles?

**A:** Yes, the firm’s founder is the current president of the board of directors, together with his sons.

**Q:** Are there any family members who are owners of the firm?

**A:** Of course, the ownership is totally familiar.
Q: Are there any external (non-family) managers?

A: Yes, there is a sales manager but he is an independent contractor.

Q: Did the firm undertake international trades?

A: Yes, the international activities are the 60% of the whole. Our brand covers only the 4% of the sales abroad, while for the others we produce both DOC and DOCG prosecco.

Q: Which countries are involved in these activities?

A: Mostly Switzerland, Germany, Belgium, Austria and US.

Q: How did the firm find out these opportunities?

A: Great part of the opportunities was found thanks to personal contacts who made us know new clients. The others were found thanks to the international fairs.

Q: What entry mode did you adopt?

A: Direct exports, mostly business-to-business.

Q: Did the presence of external figures influence the international activities? How?

A: The presence of the external manager is important for the international activities, but the contribution is just partial considering that the great part of the activities is managed by family members.

Q: What is the role of the Consortium in the international activities?

A: First of all, there is the protection of the product and its denomination. The consortium is a stepping stone for the first activities in the international markets. The consortium’s activities regard the communication and the promotion of the territory, together with the participation to international exhibitions.

Q: How do you consider the role of the Consortium in the international activities?

A: It is important, but it could do more. In a range from 1 to 5 I would say 3.
Q: Is there collaboration between the Consortium's firms?

A: When it is time to sell and to find new clients, there is a lot of campanilism and individualism, but there is collaboration for producing the prosecco.

Q: How do you consider the role of Made in Italy label in the international activities?

A: I would say that we leverage on the DOGC denomination rather than on the Made in Italy label.

Q: Final comments or considerations?

A: When we talk about internationalization, I think it is important first to focus and grow in the domestic market, in order to gain a solid base and good market power and then move to international markets.
**Firm B interview**

**Q:** Do you consider your firm as a family one?

**A:** Yes, the family was founded by 7 brothers and each of them owns a share of the firm.

**Q:** How old the firm is?

**A:** The firm was founded in 1985 as an LLC, in this way we solved the problems related to the legacy when it is time to pass from a generation to another one.

**Q:** What are the firm’s dimensions?

**A:** If we consider the sales volume, the firm is very big because we sell more than 1 million bottles per year.

**Q:** How many workers are there?

**A:** In total there are 18 workers.

**Q:** What generation is currently working in the firm?

**A:** The second one.

**Q:** Are there any family members who cover administrative roles?

**A:** Yes, Claudio is responsible for the production, while I am the business manager.

**Q:** Are there any family members who are owners of the firm?

**A:** Yes, the ownership totally belongs to the family and it is shared between the seven brothers.

**Q:** Are there any external (non-family) managers?

**A:** Yes. At the moment we are working on a re-organization on three different areas: administration, production and the commercial part. There are already several external figures and we are forming them for their roles.
Q: Did the firm undertake international trades?

A: Of course, the sales abroad are the 68% of the total sales.

Q: Which countries are involved in these activities?

A: The firm sells its products both in European and extra-European countries. The first countries where we exported were Germany, UK and Netherlands. When we started the British consumers were more interested in the red wine but then we managed to sell the prosecco as well.

Q: How did the firm find out these opportunities?

A: We have participating to international fairs since 1985. When we started there was no market in Italy for our product (biologic wines) and it was necessary to move to foreign markets, like the English or the German ones. There was only one fair focused on the biologic products, Biofach in Nurimberg: it represented the first means for finding new contacts and opportunities.

Q: What entry mode did you adopt?

A: The main entry mode is exportation through local importers.

Q: Did the presence of external figures influence the international activities? How?

A: The external collaborators are fundamental for their competences, like the linguistic skills. It is important for the firm to be open to new figures and realities.

Q: What is the role of the Consortium in the international activities?

A: Mostly related to promotion and protection.

Q: How do you consider the role of the Consortium in the international activities?

A: In the first steps it helps the firms to get used to participate to the international fairs. It represents a sort of psychological support and it facilitates the process for being more open. It is a facilitator, it does not help to achieve results but it important for the firm to
be open. We all sell the same product, what changes is the story of the families. The platforms are important because they bring new contacts.

Q: Is there collaboration between the Consortium’s firms?

A: I think that the cooperation between the firms could be stronger, together we can achieve greater results, but nowadays there is too much competition.

Q: How do you consider the role of Made in Italy label in the international activities?

A: It is crucial because it helps differentiating the prosecco from the other sparkling wines.

Q: Final comments or considerations?

A: The family firms tend to be convinced to make the product in the right way, but it also crucial to change and reinvent it according to the foreign taste and preferences. In doing this, the introduction of external figures results necessary, for ensuring a clear and correct communication with the clients and for facing the cultural change in the best way possible.
Firm C interview

Q: Do you consider your firm as a family one?
A: Yes.

Q: How old the firm is?
A: It was founded in 1892.

Q: What are the firm’s dimensions?
A: Basing on sales volume we sell between 150.000 and 500.000 bottles per year.

Q: How many workers are there?
A: There are 16 workers.

Q: What generation is currently working in the firm?
A: The grand-grandfather was the founder, so now we are at the fourth generation.

Q: Are there any family members who cover administrative roles?
A: There is only Francesco, who is the owner.

Q: Are there any family members who are owners of the firm?
A: Yes, the family is the only owner and the shares are divided between the owner (2/3) and his sister (1/3).

Q: Are there any external (non-family) managers?
A: Yes, there are the area managers.

Q: Did the firm undertake international trades?
A: Yes, it did.
Q: Which countries are involved in these activities?

A: In Europe we export in Germany, Switzerland and Austria, which were also the first countries where we started to export. In addition, there are Russia, Ukraine, Japan, China, US, Canada, Australia and Mozambique.

Q: How did the firm find out these opportunities?

A: For the opportunities in Austria and Germany, thanks to an export/import agency and it was 40 years ago. For the others, we found the opportunities thanks to the international fairs like Vinitaly.

Q: What entry mode did you adopt?

A: Well it depends on the market size. For the big ones, we have different distributors, if the market is smaller we have only one distributor. Generally we adopt the indirect export, entrusting local distributors.

Q: Did the presence of external figures influence the international activities? How?

A: The presence of these figures is crucial for the specific knowledge and the skills that they have brought within the firm. The firm has undertaken the international activities also before the introduction of these figures.

Q: What is the role of the Consortium in the international activities?

A: The Consortium has different initiatives; what misses is related to what happens next: the firms are left on their own.

Q: How do you consider the role of the Consortium in the international activities?

A: It is fundamental, but it can be improved.

Q: Is there collaboration between the Consortium’s firms?

A: There are both collaboration and campanilism.

Q: How do you consider the role of Made in Italy label in the international activities?
A: It is fundamental, the Made in Italy label always works abroad and it helps for promoting the products.

Q: Final comments or considerations?

A: The role and the presence of the external figures are crucial in the internationalization path because, if before the internal skills and knowledge were sufficient to compete abroad, today the activities are more and more intensified and the integration of new skills and figures play a key-role for competing in the international markets.
Firm D interview

Q: Do you consider your firm as a family one?

A: The firm is part of a bigger group, led by a manager. The family still has an important role because it is a witness of the historic activities. The president of the firm is a family member for underlying the quality of the product. In this way we have removed the problems related to the family firms, like the incompetence, and we have obtained an efficient perform of the activities because we have entrusted the activities to external figures. The family does what it is more appropriate for it: it gives value to the product with the storytelling, but it does not deal with managerial issues any longer.

Q: How old the firm is?

A: The firm is pretty old, it was founded in 1542.

Q: What are the firm’s dimensions?

A: We sell more than 4 million bottles per year.

Q: How many workers are there?

A: Around 15 workers.

Q: What generation is currently working in the firm?

A: Currently the 21st generation is working in the firm.

Q: Are there any family members who cover administrative roles?

A: In the board of directors there are 5 members: 2 of them belong to the founding family, the others belong to the family who acquired the firm.

Q: Are there any family members who are owners of the firm?

A: No, the firm’s ownership totally belongs to the group that has acquired the firm.

Q: Are there any external (non-family) managers?
**Q:** Did the firm undertake international trades?

**A:** Yes of course.

**Q:** Did the firm undertake international trades?

**A:** Yes, the 74% of the production is sold abroad.

**Q:** Which countries are involved in these activities?

**A:** UK, US, Switzerland, Russia and others.

**Q:** How did the firm find out these opportunities?

**A:** 32 years ago, we were selling only in Italy. We tried to start exporting the prosecco abroad against all the trends. Thanks to personal contacts, a University mate, we managed to export the prosecco in Europe, and in particular in UK, and we were the first to do it.

**Q:** What entry mode did you adopt?

**A:** We have importers in the different countries.

**Q:** Did the presence of external figures influence the international activities? How?

**A:** When the international activities started to grow, we acquired new sales managers. The participation to an export consortium was fundamental because there was no competition among the participants. Since the acquisition from the group, there is more attention to the perform of the activities: everything is done taking into consideration the plan of investments, the budget and the promotion while before the acquisition there was more superficiality.

**Q:** What is the role of the Consortium in the international activities?

**A:** It carries out the role that is defined in the Statute. The presence of three different consortia contributes to create confusion: there is low identification of the product because it is not unique and it is hard to be identified and this ends up harming also the denomination. The solution might be the identification of three different ranges of products with the respective different prices.
Q: How do you consider the role of the Consortium in the international activities?

A: It does not create any strategy, it is just an autoreferential entity that does not help to grow.

Q: Is there collaboration between the Consortium’s firms?

A: The problem is that when the product has success, everyone thinks to do the things in the right way and focuses only on his/her own results. There is too much individualism.

Q: How do you consider the role of Made in Italy label in the international activities?

A: if there was a real brand for Made in Italy it would protects the Italian products. Higher attention should be given to the quality and to the criteria for defining it.

Q: Final comments or consideration?

A: Yes, I think that there should just a unique consortium with an internal subdivision and the adoption of a unique communication strategy; this would help to increase the sales. There should be more investments on the product perception, inviting journalists and opinion leaders to make them talk about the products. The local fairs should be avoided because they are not useful. There should be also informative desks in the international fairs for giving information on the producers’ collocation and on the territory. During the fairs there should be also some master classes and more journalists for making institutional promotion in order to clarify the market’s dynamics.
**Firm E interview**

Q: Do you consider your firm as a family one?

A: Yes

Q: How old the firm is?

A: It was founded in 1868.

Q: What are the firm’s dimensions?

A: Very big, we sell more than 6 million bottles per year.

Q: How many workers are there?

A: 30 workers are currently working in the firm.

Q: What generation is currently working in the firm?

A: At the moment there are both the fourth and the fifth generations.

Q: Are there any family members who cover administrative roles?

A: Yes, the board of directors in made of some family members, covering the roles of president and councilman.

Q: Are there any family members who are owners of the firm?

A: The family is the only owner of the firm.

Q: Are there any external (non-family) managers?

A: Yes, there are two family members. The others are external figures, including the general manager of the firm.

Q: Did the firm undertake international trades?

A: Yes, the firm has been exporting for 70 years.
Q: Which countries are involved in these activities?

A: Switzerland, US, Canada, Japan, Australia and others.

Q: How did the firm find out these opportunities?

A: We got them through different tools, including personal contacts, word-of-mouth and thanks to the international fairs.

Q: What entry mode did you adopt?

A: We export, both directly and indirectly. It depends on the market’s sizes.

Q: Did the presence of external figures influence the international activities? How?

A: Of course. Considering that they represent the great part of the firm, we leverage on their capabilities and skills for being competitive abroad.

Q: What is the role of the Consortium in the international activities?

A: It just deals with activities related to the promotion and protection of the prosecco DOCG.

Q: How do you consider the role of the Consortium in the international activities?

A: It does not give a significative contribute to the firms’ development abroad.

Q: Is there collaboration between the Consortium’s firms?

A: Yes, there is collaboration for the promotion of the territory but then everyone has his/her own strategy.

Q: How do you consider the role of Made in Italy label in the international activities?

A: The idea of the Italian wines is very widespread abroad. The association with the Italian culture is important for promoting our products and generally the Italian wines are purchased a lot in foreign markets.
Q: Final comments or considerations?

A: The family has external figures that are strategically useful but they have been integrated in a synergic view. The firm has always partnered with external managers to spread the idea of the family business abroad.
Firm F interview

Q: Do you consider your firm as a family one?

A: Yes we do.

Q: How old the firm is?

A: The firm is 59 years old, it was founded in 1960.

Q: What are the firm’s dimensions?

A: The firm has medium size, because we sell between 150.000 and 500.000 bottles per year.

Q: How many workers are there?

A: In the firm there 10 workers at the moment.

Q: What generation is currently working in the firm?

A: Both the second and the third generations are working within the firm.

Q: Are there any family members who cover administrative roles?

A: Yes, the family members cover all the administrative roles, regarding production and strategies.

Q: Are there any family members who are owners of the firm?

A: Yes of course, the family totally owns the firm.

Q: Are there any external (non-family) managers?

A: No. As said before, all the managerial roles are covered by family members.

Q: Did the firm undertake international trades?

A: Yes, we have already undertaken international activities.
Q: Which countries are involved in these activities?

A: Mostly UK and Germany.

Q: How did the firm find out these opportunities?

A: We found these opportunities thanks to the participation to the international fairs and, in some cases, thanks to personal contacts.

Q: What entry mode did you adopt?

A: The main entry mode we adopt is the indirect export, we work with local importers.

Q: Did the presence of external figures influence the international activities? How?

A: We do not have external figures.

Q: What is the role of the Consortium in the international activities?

A: Its activities are principally focused on the promotion and protection of the products, but it is not enough for the international activities. The firms have to do everything alone and without any support.

Q: How do you consider the role of the Consortium in the international activities?

A: It is not sufficient for concretely support the firms’ expansions.

Q: Is there collaboration between the Consortium’s firms?

A: There is a weak collaboration between firms but the individualism and the self-interest are stronger.

Q: How do you consider the role of Made in Italy label in the international activities?

A: It is crucial for the selling and marketing strategies abroad because of the guarantee and the quality perception that are related to it.
Firm G interview

Q: Do you consider your firm as a family one?

A: Yes, the firm is still a family one.

Q: How old the firm is?

A: It is 72 years old, it was born in 1947.

Q: What are the firm’s dimensions?

A: We sell 850,000 bottles per year.

Q: How many workers are there?

A: At the moment there are only 10 workers.

Q: What generation is currently working in the firm?

A: There are the members of the second and the third generations.

Q: Are there any family members who cover administrative roles?

A: Yes, there the owner and another member of the family with an administrative role.

Q: Are there any family members who are owners of the firm?

A: Of course, the firm is totally owned by the family. There are not external owners.

Q: Are there any external (non-family) managers?

A: Yes, there are.

Q: Did the firm undertake international trades?

A: Yes.

Q: Which countries are involved in these activities?
A: Principally we are exporting in US, UK and Ireland.

Q: How did the firm find out these opportunities?

A: We found these opportunities in different ways. Word-of-mouth, personal contacts and so on.

Q: What entry mode did you adopt?

A: We export indirectly, working with local importers.

Q: Did the presence of external figures influence the international activities? How?

A: The external figures were and are still fundamental for the development of the international activities because of their specific know-how. It is also true that the firm had already started the internationalization process even before the introduction of these figures.

Q: What is the role of the Consortium in the international activities?

A: It is focused on the promotion and the protection of the activities. Things changed in the last years: now there is less support respect to the previous years and the role is more institutional and it is no longer a promotional means.

Q: How do you consider the role of the Consortium in the international activities?

A: Surely it could be better, but it is just doing what it is expected to do.

Q: Is there collaboration between the Consortium's firms?

A: What I can say about is that there is strong competition among the firms and not collaboration.

Q: How do you consider the role of Made in Italy label in the international activities?

A: It is an important component of the communication strategy, but not fundamental.
**Firm H interview**

Q: Do you consider your firm as a family one?

A: Yes we are still a family firm.

Q: How old the firm is?

A: The firm was founded in 1975.

Q: What are the firm’s dimensions?

A: We sell more than one million bottles considering national and international markets.

Q: How many workers are there?

A: I think there are around 12 workers.

Q: What generation is currently working in the firm?

A: Now there are the second and the third generations.

Q: Are there any family members who cover administrative roles?

A: No, all the administrative roles are covered by external managers.

Q: Are there any family members who are owners of the firm?

A: The firm is totally owned by the family, so yes.

Q: Are there any external (non-family) managers?

A: Of course, we have entrusted all the managerial responsibilities to them and they are giving a great contribution to the firm’s performances.

Q: Did the firm undertake international trades?

A: Yes, we have started several years ago.

Q: Which countries are involved in these activities?
A: I can't tell you exactly all the countries but we export to 98 countries, in all the continents.

Q: How did the firm find out these opportunities?

A: It depends, there are different way through which we find the opportunities. Mostly we exploit personal contacts or the ties we create in the international fairs.

Q: What entry mode did you adopt?

A: We directly export our products abroad.

Q: Did the presence of external figures influence the international activities? How?

A: Yes of course. They are covering all the roles of responsibility and they are managing the strategies and the communication of the firm. Their presence is fundamental for being successful in the foreign markets because they have more experience than we have.

Q: What is the role of the Consortium in the international activities?

A: The consortium is a fundamental tool for protecting and promoting the product and the producers, by joining the international fairs, for example.

Q: How do you consider the role of the Consortium in the international activities?

A: I can say that its role is discreet. It is fundamental for the first steps and for participating to the fairs, but potentially it could be even more helpful.

Q: Is there collaboration between the Consortium's firms?

A: The collaboration between the firms is not strong. The situation within the consortium forces the firms to work and think individualistically, there are no rooms for cooperating.

Q: How do you consider the role of Made in Italy label in the international activities?

A: The Made in Italy is extremely important for us. It gives us great credibility abroad and it a very useful tool for getting known and attracting new consumers.
Firm I interview

Q: Do you consider your firm as a family one?

A: Yes, of course. The firm is totally managed by us.

Q: How old the firm is?

A: It is relatively young, it has been founded in 2010.

Q: What are the firm’s dimensions?

A: It is still small: we sell less than 150.000 bottles per year.

Q: How many workers are there?

A: At the moment we are 7.

Q: What generation is currently working in the firm?

A: Obviously the first one.

Q: Are there any family members who cover administrative roles?

A: Yes we are managing the firm *inter nos*. We are responsible for the strategies, the production and the distribution.

Q: Are there any family members who are owners of the firm?

A: Yes, the family is the only owner.

Q: Are there any external (non-family) managers?

A: Not yet. The firm is small and we are managing on our own. We do not exclude that in the future we could add some new figures.

Q: Did the firm undertake international trades?

A: Yes, even if the firm is small we have already undertaken international trades.
Q: Which countries are involved in these activities?

A: US, Canada, UK, Norway, Singapore, Japan, south Korea, Finland, Netherlands, Denmark, France, Sweden.

Q: How did the firm find out these opportunities?

A: We found them thanks to the international fairs and some personal contacts.

Q: What entry mode did you adopt?

A: We export indirectly, with local distributors for each area.

Q: Did the presence of external figures influence the international activities? How?

A: We do not have external figures.

Q: What is the role of the Consortium in the international activities?

A: Mostly it is focus on the promotion of the prosecco DOGC.

Q: How do you consider the role of the Consortium in the international activities?

A: Considering the hard competition abroad, the role of the Consortium is not sufficient. Firms need more support for being competitive and the Consortium could help them with the strategies and the resources.

Q: Is there collaboration between the Consortium’s firms?

A: Not at all, there is a lot of campanilism. The competition between the firms harms the Consortium and does not allow to exploit its real potential.

Q: How do you consider the role of Made in Italy label in the international activities?

A: It is fundamental and really helpful for competing abroad and lending credibility to the products coming from small realities like us.
Q: Final comments or consideration?

A: Yes. It’s necessary a full-scale cultural revolution within the Consortium, in order to overcome the individualist strategies adopted today and switch to an approach to business based on the synergies between the firms, exploiting the externalities offered by the Eno gastronomic tourism through a win-win relationship. What is also extremely important today is that also the local and small realities need to be involved in the global markets.
**Firm J interview**

Q: Do you consider your firm as a family one?

A: Yes.

Q: How old the firm is?

A: The firm was founded in 1968.

Q: What are the firm’s dimensions?

A: We sell between 150.000 and 500.000 bottles per year, so I guess it can be defined medium.

Q: How many workers are there?

A: We are 10 now.

Q: What generation is currently working in the firm?

A: The third generation is present within the firm.

Q: Are there any family members who cover administrative roles?

A: Yes, the family members are currently managing the firm with the support of other figures.

Q: Are there any family members who are owners of the firm?

A: Yes, the firm still totally belongs to the founding family.

Q: Are there any external (non-family) managers?

A: Yes there are. The external managers are helping the family for creating new strategies and managing the new activities in the best way possible.
Q: Did the firm undertake international trades?
A: Yes we did.

Q: Which countries are involved in these activities?
A: We export in UK, US, Australia, New Zealand, Czech Republic, Germany, Austria, France and Belgium.

Q: How did the firm find out these opportunities?
A: We found them mostly using our personal contacts or contacts that we found thanks to the international fairs like Vinitaly.

Q: What entry mode did you adopt?
A: We export directly.

Q: Did the presence of external figures influence the international activities? How?
A: These managers help us to run the business and develop the right strategies for the national and international markets.

Q: What is the role of the Consortium in the international activities?
A: Its main goal is to promote the prosecco DOGC at national and international level.

Q: How do you consider the role of the Consortium in the international activities?
A: The Consortium can be helpful for the promotion of the international activities, in particular in the initial steps. The participation to international fairs is a stepping stone for undertaking international activities and create a relationship network, and the Consortium helps us to join them.

Q: Is there collaboration between the Consortium's firms?
A: There is collaboration yes. But when it is time to sell the products, we all think to our profits. I think we should focus more on the results as a unique entity.
Q: How do you consider the role of Made in Italy label in the international activities?

A: It is a fundamental part of the firm’s strategy abroad and it gives a significant added value to the products.
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