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The experience of Sadia S.A in the Internacional Market: an analysis in the light of the main Business Internationalization theories

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Abstract

The internationalization may represent a possibility of insertion in the global context, a survival strategy and a learning process. The meat sector companies are internationalizing and seeking to overcome the phytosanitary and commercials barriers to, thus, pass to enjoy the facilities and market potentialities. Thereby, the present research aimed to analyze the internationalization process of Brazilian meat sector companies, specifically the experience of Sadia S.A., comparing with the economic theory of the Eclectic Paradigm (Dunning, 1988) and the theory behavioral of the Uppsala School (Johanson and Vahlne, 1977). Has been realized a literature search, of qualitative and exploratory nature. Specifically aimed to: (i) identify the input modes of Sadia S.A. abroad; (ii) verify the main reasons for internationalization in certain countries; and, (iii) verify the adherence of the company's internationalization process to the theories of internationalization. Analyzing the acting of Sadia S.A. on the world market, it is noted that it's based on a gradual process that envisions the reach and exploration of market shares that contribute to its growth, that under the influence and with similarities to the model of the Uppsala School and the precepts of the economic theory of Eclectic Paradigm.

Keywords: Internacionalization; Strategy; Meat Sector Companies.

Introduction

The process of trade and financial globalization has transformed the structures of world economy, transforming business into an even more competitive arena. This increase in global competitiveness encouraged the assessment of current strategies and provided conditions for the improvement and adaptation of internationalization processes. Furthermore, it spurred the creation and implementation of alternative strategies, the incorporation of new production processes and technological standards, the development of new forms of management and action on the international scene, for example, strategic alliances, entry into new markets and foreign direct investment, thus contributing to the survival and expansion of the business (LAPLANE, COUTINHO e HIRATUKA et al., 2003).

Internationalization can be considered a way to reduce risk in face of economic and/or financial fluctuations, respond to pressure, either by maintaining or increasing the company's competitiveness in the market. In this sense, there is a clear need for action at the international level clear due to the opening of the economy so business are able to expand in the competitive global context (ATSUMI, 2006).

The internationalization process of an organization can occur for many reasons, among them: need for growth, exploration of scale economy, in search for efficiency, use of existing technology and of different features, for example, labor and access to lower-cost capital, in search of expertise and risk reduction due to being less dependent on the internal market (PORTER, 1986; YIP, 1989; DUNNING, 1988). This process is then a long-term strategy, requiring a large and significant commitment from the organization.

Brazilian companies in the meat industry, the research object of this study, not unlike companies in other sectors, have been facing this reality and undergoing significant changes. The stabilization and the opening of new overseas markets increased domestic demand and allowed domestic companies, mainly leading meat companies, to promote an improvement of technological and administrative processes leveraging Brazil to a global level.

This study is based on the fact that these companies aimed at the foreign market after noticing its competitive advantage in detriment of the domestic market. Thus, the central purpose of this paper is to analyze the internationalization process of Brazilian companies in the meat industry, specifically, the case study of the internationalization of Sadia S.A. by comparing the economic theory Eclectic Paradigm

(Dunning, 1988) and the behavioral theory of the School of Uppsala (JOHANSON and VAHLNE, 1977) with the experience of Sadia SA in the international market. Steps were established in order to clarify the procedures used in this study. The first step identifies the ways in which Sadia S.A. entered the foreign market. The second step verifies the main reasons for the internationalization of Sadia SA in certain countries and the third step focuses on the compliance of the company's internationalization process when contrasted with internationalization theories.

THE INTERNATIONALIZATION PROCESS IN COMPANIES

The internationalization process can be understood and explained from different approaches under different points of view (FLORIANI, 2010). There has been growing interest in understanding this process, both for companies that analyze it based on their experiences and practices, and researchers who, through inference and analysis of process movements, seek to collaborate with its understanding (ORSI, 2010).

Internationalization enables both the country and companies to obtain new forms of revenue and to increase their participation in international trade (ORSI, 2010). The internationalization of a company is related to the degree of international involvement and can happen in different ways depending on the market it aims to explore, and/or how the company intends to achieve profitability. This process is comprised by the dynamism that characterizes the foreign investment phenomena, technological increments of market structure and also the organization of production, which may result the development of organizations, environments, economies and countries (KEUPP and GASSMANN, 2009).

Various theoretical perspectives and models explain internationalization from different perspectives, either diverging or corroborating with each other in certain respects. Traditional theories are those that focus on the economic approach and the behavioral approach. The first seeks to explain why and where companies are internationalized with a focus on organizational forms of activity in the international market, by using the efficiency criteria (JONES and COVIELLO, 2005; NEUMANN and HEMAIS, 2005); the second emphasizes the behavioral and cultural aspects involved in the internationalization process and the importance of gradualism and incremental learning (ARANTES, MOTTIN and GOMES, 2010; CAMPOS et al.; 2011). This study will address--specifically, the economic theory Eclectic Paradigm of Dunning (1988) and the behavioral theory of the School of Uppsala, Johanson and Vahlne (1977).

Overall, Dunning's Eclectic Paradigm (1988), based on the economic theory, is a conceptual internationalization model which attempts to explain the amplitude, shape and pattern of international production, and the factors that motivate companies to invest abroad (FLORIANI, 2010; ARANTES, MOTTIN and GOMES, 2010).

For Dunning (1988), the international success of a company is based on three types of competitive advantages: advantage of ownership, location and internalization. The ownership advantage refers to the company's specific privileges, by virtue of their nature and/or nationality. It relates generally to intangible assets such as structural advantages; management capabilities, recovery from market failures and how the company manages strategic alliances and business networks; as well as the use of its resources as a competitive advantage in foreign markets. Thus, these advantages "can come from the workforce, technological properties, scale economy or others" (FLORIANI, 2010, p. 33). The advantage of location refers to factors inherent to the locations where the business operates abroad, which cannot be transferred to other locations, such as tax incentives, foreign exchange risk, logistical capacity and local costs (ORSI, 2010). The internalization advantage expresses the ability of a company to transfer its expertise and its ownership differential for units abroad, that is, companies exploit their assets directly rather than selling them to foreign companies in order to internalize benefits as part of their activities.

The School of Uppsala is considered the birthplace of the behaviorist model with regard to studies of the internationalization process. Based on the work that investigated the internationalization of Swedish companies (JOHANSON and VAHLNE, 1977), the school emphasizes the acquisition, integration and gradual use of knowledge in international markets as key elements in order to have a growing commitment in international operations and to establish coherent strategies in the internationalization process. For Johanson and Vahlne (1977) the internationalization process must be designed gradually, starting with countries that that close both geographically and culturally, so that the knowledge of the international market to be acquired in an incremental manner.

Thus, the economic logic is replaced by a behavioral logic, ie, the process of internationalization is no longer considered only as an economic phenomenon, a result of resource allocation optimizer strategy in different countries, and starts to be analyzed from the perspective of organizational behavior that analyzes the resources available by the company and considers knowledge as the main driver of internationalization (JOHANSON and VAHLNE 1977 1990;. FILHO et al, 2011). According to Rocha and Almeida (2006), knowledge of resources as well as the market, provides the company a basis to identify and explore opportunities and can reduce the uncertainty that causes businesses safeguard against the involvement and entrance into markets from different of origins then the company, which can be explained by the concept of psychic distance.

The psychic distance comprises factors that may interfere with the flow of information from a market, such as language, education, business practices, culture and industrial development (JOHANSON and VAHLNE, 1977). These factors determine the choice of market that a company intends to operate internationally and as determinants of ability to meet the needs of this market (HEMAIS and HILAL, 2004; CAMPOS et al, 2011).

In this sense, considering the specifics of each country and consequently, cultural, economic, social, political and market differences, it is necessary that organizations establish structures or forms of action that support its internationalization process. This support should be based on, among other things, adapting the organization's position and strategies to the needs of the international market needs as well as the organization itself as a business.

Therefore, one of the organization's structuring possibilities to define the stages of its internationalization process is the gradualism model of the School of Uppsala, which establishes five stages to this process: to establish export channels; to establish sales subsidiaries; to form strategic alliances or joint ventures; to establish production subsidiaries (factories/plants) in foreign markets; to acquire or mergers with foreign companies with significant participation in capital by the national company (JOHANSON and VAHLNE, 1977; 2009). As such, companies will gradually increase their international commitment and also their knowledge about international markets (CYRINO and OLIVEIRA JUNIOR, 2002). By the time this occurs, the risks of internationalization will have been reduced, since the largest investments would occur once there is greater knowledge of the market and its peculiarities (PICCININI, LAHORGUE and RÜBENICH, 2005; ARANTES, MOTTIN and GOMES, 2010).

A company's decision to internationalize and thus transpose the domestic boundaries of operation is usually triggered by economic motivation derived from consumer pressure for higher quality products at lower prices and from market dynamics (KOTLER, 2000). Table 1 lists some reasons that may drive the decision to internationalize a company according to Hymer (1976), Minervini (1997), and Silva, Ruediger and Riccio (2007).

Table 1 – Reasons for Internationalization

Reasons for Inter-nacionalization	Sales difficulties in the internal market;
	Competitive advantage over local businesses through economic benefits such as tax cuts;
	Access to resources at costs lower than at the domestic market;
	Market diversification and anticipation of competition;
	Risk diversification;
	Use of seasonality;
	Knowledge not used in the local market;
	Causal orders from importers;
	Need to operate in a volume market which ensures the industrial dimension of the company (advantage of scale and scope);
	Better production planning;
	To extend the life cycle of a product;
	To improve the image with suppliers, banks and customers;
	To Increasing responsiveness to the demands of international customers;
	Learning.

Source: Hymer (1976), Minervini (1997) e Silva, Ruediger e Riccio (2007).

The reasons that lead companies to internationalize are permeated by economic and organizational perspectives. The reasons from an economic approach arise from rational decisions made based on available information these being considered sufficient, for example, the opportunity of access to resources at lower costs; the reasons focused on the organization are linked to the importance of learning and cultural proximity to markets (HEMAIS and HILAL, 2004).

From the reasoning presented so far, the study highlights the opportunity that the process of internationalization can represent for performance and competitiveness in the global market and/or in specific niches, such as in the meat industry. Thus, Brazilian companies inserted in this context, require knowledge of the characteristics present.

Internationalization of Brazilian companies in the Meat Sector

The internationalization process of Brazilian companies ebegan in the 70s with the fledgling investment of some companies and banks abroad through strategies aimed at ensuring exports (PICCININI, LAHORGUE and RÜBENICH, 2005).

With the 70s oil crisis and the foreign debt in the 80s the government had to make some adjustments, mainly in the external sector of the economy and it is from then on that a more effective participation of Brazil in international trade can be observed (CERCEAU and LARA, 1999). In the 80s, the internationalization process occurred mainly with companies from the engineering, construction and industrial sector, driven by the need to strengthen and expand exports. The 90s were marked by deep structural reforms and transformations that have led Brazil to a new insertion in the international market linked to the dynamics of the regionalization processes (MERCOSUL) in order to take advantage of the opportunities that surfaced with the changes in the economy and in world trade (LAPLANE , COUTINHO and HIRATUKA, 2003).

The oscillations of the Brazilian economy, such as privatization, economic stagnation and macroeconomic instability arising from high inflation, also contributed to the need of adapting domestic enterprises to the competitive and constantly changing environment. After the fall of the barriers imposed on imports of goods and services, promoted by trade liberalization in the 90s, Brazilian companies began to seek new markets, joining a highly competitive global market (PICCININI, LAHORGUE and RÜBENICH, 2005).

And then, in the 90s, the need to promote a more effective performance of Brazilian companies abroad began to encourage international business (ALEM and CAVALCANTI, 2005). Thus, organizations worldwide had to adapt to globalization, which imposed new guidelines and skills to capacitate businesses to cross borders, in the case of Brazil, businesses were still shy and usually preferred to focus their efforts on the domestic market (TOMÉ et al., 2010).

The significant performance growth in international trade of Brazilian companies also ended up boosting the agribusiness sector, which now operates viewing both the internal and external markets (PEDROZO, BEGNIS and ESTIVALETE, 2005).

In Brazil agricultural incentives for international expansion from the government, in addition to an abundance of raw material, have stimulated investments in global strategy operations in the meat industry. The meat industry comprises several chains, bovine, swine, poultry, among others (WILKINSON, 1993), which make Brazil one of the most competitive players in the global meat market. Producing approximately 14 million tons/year of meat (beef, chicken and pork) Brazil exports more than $ 2.4 billion/year in products and meat products (AGROCARNE, 2011).

The internationalization movement of not only Brazilian companies, but also of the American companies, is considered a new trend in the industry and yet, according to Felix and Johnson (2008) *apud* Pigatto and Santini (2009), some of the meat industry companies are ranked as the most internationalized companies in the country, such as JBS Friboi, Marfrig, Perdigão and Sadia which have much of their revenues stemmed from international trade and have part of their assets abroad.

According to data from ABEF (2008), in 2006 Sadia was considered the largest exporter of chicken with 25.87% share in the market, followed by Perdigão (18.28%) and Seara/Cargill (12.06%).

In 2009, Sadia and Perdigão, merged, creating BRF. - Brazil Foods SA. Both companies stood out, fact confirmed by Secex (Foreign Trade Secretariat), which listed it among the 250 major exporting companies from various sectors, in 9th and 10th place respectively, also emphasizing that by adding sales revenue of both companies they would come in the 3rd place, only losing to Petrobras and Vale (BRAZIL FOODS, 2011).

Companies in the meat industry internationalize usually with the initial idea of overcoming phytosanitary barriers and the secondary objective of overcoming trade barriers imposed by the developed countries, to do so, they acquire meat packing plants abroad with provides them with advantages that go beyond access to consumers, as use the facilities and capabilities of the target market (STAL, SEREIA and SILVA., 2010).

In recent years it has been observed that Brazilian meat industry companies have made significant direct investments primarily through the acquisition of industries in producing countries that do not face resistance towards export, such as Uruguay, Argentina and Australia, and also in large consumer markets, such as the US and Europe, thus speeding up the process of getting closer to the consumer (STAL, SEREIA and SILVA, 2010).

Thus, in this scenario one is faced with both the challenges and the benefits of internationalization, which provides businesses from all over the world a broader outlook and projection on the market, since it represents a competitive factor facing market globalization.

Method

In order to investigate the internationalization process of Brazilian companies, specifically Sadia S.A, a company in the meat industry, a survey characterized as descriptive qualitative approach, was developed.

The descriptive research aims to measure or collect information, independently or jointly, on the concepts and variables to which they refer (SAMPIERI et al., 2006). The qualitative approach, analyzes the environment and people as a whole, since this approach is concerned with the process and not only the results or the final product (GODOY, 1995).

Data was collected by bibliographic research method aimed at providing understanding of a subject based on theoretical information published in documents. The literature provides and helps with the existing theory on that subject, based on materials published in books, websites, articles and scientific publications, ie materials accessible to the general public. For this purpose, secondary data was used, which means data that includes information that have been collected for another problem (MALHOTRA, 2001).

Thus, data were collected to provide a theoretical contribution on the company's internationalization process in Brazil and the companies in meat sector. Finally, we sought out literature on Sadia SA, published on its website, in books and previous studies having the same as the unit of analysis, which reported a history of the company in both the local and global market emphasizing the actions in the internationalization process.

Once collected, the data were analyzed based on existing theories about the internationalization of companies, and for this study, based on the economic theory of the Eclectic Paradigm of Dunning (1988) and the behavioral theory of the School Uppsala, Johanson and Vahlne (1977), through which, comparisons were made with the experience of Sadia SA in the local and global market aiming to verify their applicability analysis unit.

Presentation and Analysis of Results

The presentation and analysis of the results was organized in two parts: the experience of Sadia SA in the international market; and analysis of the internationalization process Sadia AS. The contribution of the results and consequently the knowledge of the internationalization process of Sadia S.A. reside in the possibility to verify the applicability of the main theories that study internationalization and their adherence to a real practical situation.

The Experience of Sadia SA in the International Market

Founded in 1944, Sadia SA began operations producing flour and bran that brought in enough revenue to finish building a slaughterhouse that, by 1946, was already slaughtering over 100 pigs a day.

By opening of a distributor in São Paulo, in 1947, Sadia became a trademark which represented the first step to conquer the market in the 50s. During this period - the 50's - Brazil underwent an accelerated industrialization phase, where for a while, the industry surpassed agriculture in the gross domestic product (GDP). In 1953, only 9 years after it was founded, ewSadia opened its first unit outside the town of Concordia, the *Moinho da Lapa SA*, São Paulo city, a strategy that projected the visibility and credibility of the business. In 1957 the Concordia slaughterhouse was already slaughtering approximately 400 pigs per day. (TEIXEIRA *apud* COSTA e SILVA, 2007).

In the 60s, against all odds, Sadia invested in technology, sales restructuring and expansion of activities, inaugurating both plants and distributors. It 1967, the company signed its first export contracts, selling raw beef and pork to the European t and Swiss markets, which made the 60's the decade of the company's entry into the world market (POZZOBON, 2008).

With the so-called "economic miracle" in the 70's and a more favorable economic outlook than the previous decade, Sadia set out to open borders and create new productive enterprises, including the international market. In 1975 it started exporting frozen chicken to the Middle East and in 1978 became the leading national poultry exporter to Middle East countries like Kuwait, Bahrain, Qatar, the United Arab Emirates and Saudi Arabia (COSTA and SILVA, 2007).

In the 80s, despite the unfavorable environment due to high inflation and the failure of three successive economic plans, Sadia managed to grow by increasing productivity and efficiency. It was in the 80'a that, to supply the external market, Sadia constituted the Trading Co. in Sao Paulo, Paranaguá, Milan, Tokyo and Buenos Aires, all of which were responsible for the distribution and sales abroad (ESPINDOLA, 1999). Pozzobon (2008, p. 12), points out that in the early 80s some of Sadia products, such as meatballs, chicken and turkey cuts, were available on the shelves of supermarkets in Tokyo, Hong Kong and Singapore, enabling the Sadia group to became the largest chicken exporter to Japan in 1985. The Brazilian chicken entered the Soviet market in 1989.

Around the same time, exports exceeded US$ 100 million, the business took over Asia, Japan, Hong Kong and even the Arab market started consuming products from Sadia. By the end of the decade, the company was exporting to 40 countries and was among the largest Brazilian exporters. In the '90s, with a change in currency and a new economic plan called *Plano Real*, the country finally began its stabilization process, the closed markets give way to markets open to international competition. Thus, begins the era of globalization and organizations rethink their focus. Early in the decade, between 1991 and 1992, as part of its internationalization, Sadia opens commercial offices in Tokyo, Milan and Buenos Aires. In 2003 Argentina became Sadia's primary distribution venue in the Mercosul causing exports to the country to reach numbers as high as US$ 20 million.

Sadia, representing 1.2% of the world's poultry production reached the figure of 1.71% of the international market in 1993, competing with major US companies (ESPINDOLA, 1999). In 1994, as an observation strategy in the Chinese market, Sadia opened in Beijing a restaurant called *Churrascaria Beijing Brazil*, a joint venture with the Chinese company Sky Dragon and celebrates its 50th anniversary with a US$ 2.9 billion revenue and exports of over half a billion dollars. It went from e approximately 60 employees in 1944, to about 32,000 employees in 1994. In 1996, focusing on the Mercosul, Sadia opened a central storage and distribution plant in Buenos Aires. In 1999, Sadia implemented commercial representations in Eastern Europe, Uruguay, Chile and Dubai in the United Arab Emirates. The company ended the 1990's leading poultry exports, with approximately a 30% share (COSTA and SILVA, 2007).

Sadia ended the 20th and began the 21st century sending their products to over 60 countries, maintaining overseas subsidiaries and sales offices in Latin America, Europe, Asia and the Middle East. In the 2000s, globalization was a fact and new trends surfaced: mergers, joint ventures, partnerships, strategic alliances, e-commerce, integrated logistics, corporate governance, social responsibility and other important issues. The presence of Sadia during the first decade of the 21st century was increasingly competitive in the domestic market and strategic in foreign markets, with subsidiaries in Argentina, Uruguay and Chile, offices in Italy, England and the United Arab Emirates, and representations in Paraguay, Bolivia and Japan.

Another action of the company in its international expansion was in the year 2000, through a partnership with the British Sun Valley, a subsidiary of Cargill, which led to the consolidation of the business with industrialized chicken and chicken parts in the UK, resulting in the joint venture "Concord Foods Limited" based in England (COSTA and SILVA, 2007).

Finally, Sadia held expansions that contributed to the increase in business productivity and these were supported by its strong policy of quality and innovation infused into the brand, products, processes and people in the company (FLECK and LUDKEVITCH, 2007, 2007). In Brazil, in 2004, the company was the leader in all of its segments with market shares of 45.5% in frozen meat, 30.4% in colds cuts, 30.7% in margarines, 12.9% in chicken, 72.5% in turkeys and 10.4% in pork. (FLECK and LUDKEVITCH, 2007).

In 2007, Sadia joint ventured with the Miratog Company of Russia, and in 2008, marked by an even more aggressive investment program, Sadia built his first unit of Sadia in northeastern Brazil. With production capacity of 150 tons of sausages, the plant received investments in the order of R$ 300 million. The intention of the company for 2008, was to include other two new units abroad, one of them in the United Arab Emirates and producing locally in these countries would enable the company to sell refrigerated products outside of Brazil, which cannot be done through exports.

In 2009, Sadia exported 816,370 tons of chicken meat, supplying 22.46% of market share and then occupying second place among companies that exported in the year (ABEF, 2010).

The Sadia and Perdigão merger in 2009 gave birth to BRF, which finished 2010 as the third largest exporter in the country, with net sales of R$ 23 billion, the company is one of the largest exporters of poultry and largest global protein company by market value (BRAZIL FOODS, 2011).

Currently, the company has 60 plants in 11 states in Brazil, three plants abroad (Argentina, England and The Netherlands), commercial offices in England, The Netherlands, Hungary, Spain, Austria, Italy, France, Russia, United Arab Emirates (Dubai), Turkey, Singapore, Japan, China, Argentina, Chile, Uruguay, Venezuela and Madeira (Portugal), as well as a distribution center in the Netherlands (BRAZIL FOODS, 2011).

Milestones in the history of Sadia SA, described in Table 2, summarize the main points of the growth and development process of the international market.

Table 2 - Milestones of Sadia SA Internationalization Process

Year	Milestones
1953	1st unit outside the town of Concordia - Mill Lapa S.A. in São Paulo - SP.
1967	First contacts with exports - raw beef and pork sales to the European and Swiss market.
1975	Frozen chicken exports to the Middle East.
1978	Leading national chicken exports to Middle Eastern countries, UAE and Saudi Arabia.
1980	Constitution of Trading Co in Sao Paulo, Paranaguá, Milan, Tokyo and Buenos Aires, which were responsible for product distribution and sales.
1985	Largest chicken exporter to Japan. The business won over the Far East, Japan, Hong Kong and even the Arab market which started consuming consuming Sadia kebab.
1989	Entry of Brazilian chicken into the Soviet market;
1991 1992	Commercial branches in Tokyo, Milan and Buenos Aires;
1994	Joint venture with Chinese Sky Dragon, inaugurating the steakhouse Beijing Brazil.
1996	Focus on Mercosul - opening of a central storage and distribution in Buenos Aires.
1999	Commercial representations in Eastern Europe, Uruguay, Chile and Dubai. In the late twentieth and early twenty-first century with the company exporting to over 60 countries with subsidiaries and offices in Latin America, Europe, Asia and the Middle East.
2000	Branches: Argentina, Uruguay, Chile;
2007	Offices: Italy, England, United Arab Emirates;
2008	Representations: Paraguay, Bolivia, Japan.
2009	Joint venture with the English Sun Valley, consolidating the industrialization in the UK.

Source: Prepared by the Authors.

The entire trajectory of Sadia SA clearly shows its dealings with the global market, which by expansion and diversification of its international operations increased its share within the international market scenario.

Analysis of Sadia SA Internationalization Process

Sadia SA began its internationalization process in 1967 by exporting and already in the 80's exports exceeded U $$ 100 million reaching 40 countries, which placed it among the largest Brazilian exporters. A Sadia S.A. iniciou seu processo de internacionalização, em 1967, por meio da exportação e já nos anos 80 as exportações ultrapassavam U$$ 100 milhões alcançando 40 países, o que a colocou entre os maiores exportadores brasileiros.

The company used export as **input mode** and first contact with the global market, which was widely exploited. Sadia SA exported to Europe, Switzerland, the Middle East, Japan, Hong Kong, the Arab market and the Soviet Union. Following its investments in the international market, commercial representation were established in Latin American countries (such as Paraguay, Bolivia, Chile and Argentina), Asia (such as Dubai and Japan) and also in Eastern Europe; also invested in branches in Latin America (Argentina, Uruguay and Chile) and joint ventures with Chinese, English and Russian companies, and the investment in the merger with Perdigão SA

As **reasons for the internationalization** Sadia SA considers the expansion and globalization of activities, the strengthening of sales and hence the gain in profitability, service to the market and external demand, the opening of borders and the market share gain with input markets not yet explored by Brazilian industry in the meat sector as when he could enter the chicken in the Soviet market.

By analyzing the process of internationalization of the company taking into account the theories already established Dunning (1988) and Johanson and Vahlne (1977), it is noteworthy that the assumptions of these theories has been under review the question of combining the competitive advantages (advantage of ownership advantage of internalization and location advantage) as a means of support for the successful internationalization presented by Dunning (1988) and the issue of the importance of gradual and evolutionary investment in the internationalization process providing the company with a growing knowledge of the market. Table 3 shows the analysis of the internationalization process of Sadia SA:

Table 3 - Analysis of Sadia SA Internationalization Process

Year	Analysis
1953	Even with the performance in the local market, the exploitation of location advantage can be noticed, considering that with a production unit in São Paulo, the company could invest in logistical issues to carry out their investments. Pointing out that the advantages of location corresponding to the operation of the target market advantages, Sadia SA were explored in that São Paulo has 38% of the 100 largest private companies of national capital, 63% of the international groups installed in Brazil and is considered the most influential Brazilian city on the global stage, standing out as a center of financial investments (SÃO PAULO, 2010).
1967	Begins the gradual process of investment and involvement in the international market as well, the process of learning through experience acquired with the initial transactions of the internationalization process.
1975 e 1978	From its advantages of ownership and internalization, as well as the experience, the company is consolidated in the initial process of internationalization.
1980	Advance in terms of global market knowledge, the company starts acting with greater commitment in certain markets and exploiting its advantage of internalization, given that the company exploits its assets instead of selling them to foreign companies in order to internalize the advantages as part of its activities.
1985	Exploration of ownership advantages and internalization as the company begins to stand out in the global market by exploiting its assets and internalizing their advantages as part of its activities. Investing in the export of chicken meat, the company invests in the potential of the market as the production and consumption of this kind, of the 80 to the 2000s, expanded notably (ALLIANCE, 2010). In Japan, it is among the most consumed, and in 2010, Japan recorded the highest consumption of chicken for the three years (almost 15.5 kg per capita) (AVISITE, 2010).
1989	The company constantly explores the opportunities of the global market.
1991 a 2007	The company advances in terms of international and gradual engagement with the opening of branches and commercial offices, establishment of joint ventures and increasing experience in the process, provided by ongoing business. This gradual and evolutionary growth, Sadia SA, provides a greater and better use of the knowledge acquired during the process; as long as it enters a new market with previous experience there is the possibility to get the most potential out of it.
2008	The company seeks to explore the advantages of location, seeing markets that could be met through some marketing practices, such as the export of chilled/frozen products.
2009	The company continues to invest in its consolidation in the local market and thus is able to explore the global market more intensely.

Source: Prepared by the Authors.

From the knowledge of the input modalities and reasons why a company internationalizes along with theories, it appears that the internationalization of Sadia SA consists of a gradual process that sees the scope and operation of market share to contribute to its growth. The influence and the similarities with the School of Uppsala model of Johanson and Vahlne (1977), is noticeable, which suggests that following gradual stages of internationalization and the precepts of the economic theory of eclectic paradigm of Dunning (1988) when aiming to harness the advantages it already has and exploring new possibilities.

Final considerations

With the commercial, financial and competitive economic environment and globalization regarded as the globalization of markets, the implementation of strategies as a way to compete becomes increasingly essential. The internationalization of a company can be a way to reduce long-term risks and market pressures and thus remain competitive in the face of general market fluctuations.

The process of internationalization of the country's meat industry, which is still in its infancy, usually occurs in order to overcome barriers, be it either health or trade barries and in order to gain access to new markets,

In the case of Sadia SA, one sees this diversification in the international market, both in terms of geographic reach, once it exports and operates in countries from different continents, but also regarding the strategic choices and input modalities adopted.

Considering the objective of analyzing the ways a company's enters the foreign market it has been observed that the company made its entry gradually, starting with export and establishing representations, branches and joint venture over time is among the main reasons for the internationalization, expansion and globalization of activities, considering the profitability and market opportunities.

In this context, it is noteworthy that the results showed that there is a convergence between the theories of internationalization and the practice carried out by the company and that the internationalization process is gradual and continuous, seeking to conquer different markets simultaneously.

The limitations of the research, emphasizes the fact that it was only carried out through a literature search, which limits the analysis to data that has been published. Therefore, it is suggested as possible future studies, conducting a case study in the analyzed company, collecting data through other sources of evidence such as interviews with managers involved in the internationalization process.

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